***[Disclaimer: This document is intended to serve as a starting point only. It should be carefully considered and tailored to meet your specific commercial requirements and circumstances. This document, and any guidance note within this document, must not be relied on as legal advice and we recommend that you seek professional legal advice to ensure that this document is suitable for your specific situation.]***

**Simple Agreement for Future Equity[[1]](#footnote-2)[[2]](#footnote-3)[[3]](#footnote-4)**

|  |  |  |
| --- | --- | --- |
| Key Terms | | |
| **Date** | [insert] | |
| **Company** | Name: [insert] ACN [insert]  Attention: [insert]  Address: [insert]  Email: [insert] | |
| **Investor** | Name: [insert] ACN [insert] [as trustee for [insert]]  Attention: [insert]  Address: [insert]  Email: [insert] | |
| **Purchase Amount** | $[insert][[4]](#footnote-5) | |
| **Discount** | [insert]%[[5]](#footnote-6) | |
| **Valuation Cap** | $[insert][[6]](#footnote-7) | |
| **Completion Date** | [insert][[7]](#footnote-8) | |
| The Company and the Investor agree to the terms set out in the Schedule. | | |
| |  |  | | --- | --- | | Executed by the Company in accordance with section 127(1) of the *Corporations Act 2001* (Cth): | )  )  )  ) | | **……………………………**  Signature of director | **……………………………**  Signature of director or company secretary\*  \*delete whichever does not apply | | **……………………………**  Name (please print) | **……………………………**  Name (please print) | | | |  |  | | --- | --- | | Executed by the Investor in accordance with section 127(1) of the *Corporations Act 2001* (Cth): | )  )  )  ) | | **……………………………**  Signature of director | **……………………………**  Signature of director or company secretary\*  \*delete whichever does not apply | | **……………………………**  Name (please print) | **…………………………**  Name (please print) | |

Schedule

# Definitions and interpretation

## Definitions

In this agreement, unless context indicates a contrary intention:

**Business Day** means a day that is not a Saturday, Sunday, public holiday or bank holiday in [Adelaide/Brisbane/Hobart/Melbourne/Perth/Sydney], Australia;

**Cap Price** means:

### if a Valuation Cap is specified in the Key Terms, the price per share equal to the Valuation Cap divided by the Company Capitalisation; or

### otherwise, the QF Price or the Exit Event Price (as applicable);

**Company** has the meaning given in the Key Terms;

**Company Capitalisation**[[8]](#footnote-9)means the total aggregate number of Shares in the capital of the Company (on an as-converted-to Ordinary Shares basis) on issue immediately prior to the Qualifying Financing or Exit Event (as applicable) assuming the exercise or conversion of all equity securities including (without double counting):

### all Shares in the capital of the Company;

### all convertible securities (including this agreement, any other SAFE and any convertible notes);**[[9]](#footnote-10)**

### all vested options and warrants (including any options or warrants whose vesting will be accelerated in connection with the Qualifying Financing or Exit Event);

### where the Company Capitalisation is to be determined in connection with a Qualifying Financing:**[[10]](#footnote-11)**

#### all unvested options or warrants; and

#### any Ordinary Shares reserved and available for future grant under any employee share option plan (or similar plan) of the Company (but excluding, for the avoidance of doubt, any such plan to be created or increased in connection with the Qualifying Financing (if applicable) save to the extent that the Company has promised to grant options in excess of the number available for future grant under its existing employee share option plan (or similar plan));

**Completion Date** means the date specified in the Key Terms, or such other date as agreed in writing between the parties;

**Controller** means, in relation to a person:

### a controller (as defined in the Corporations Act), receiver, receiver and manager, administrator, liquidator (whether provisional or otherwise) of that person or that person's property or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity; or

### anyone else who (whether or not as agent for the person) is in possession, or has control, of that person's property to enforce a security interest;

**Corporations Act** means *Corporations Act 2001* (Cth);

**Discount** means:

### if a Discount is specified in the Key Terms, the percentage specified in the Key Terms expressed as a decimal;

### otherwise, 0;

**Discount Price** means the QF Price multiplied by the Discount Rate;

**Discount Rate** means 1 minus the Discount;

**Dissolution Event** means a liquidation, dissolution or winding up of the Company;

**Exit Event** means:

### the sale of the whole, or substantially the whole, of the assets of the Company to a third party in a bona fide single transaction or series of related transactions;

### the sale of all, or substantially all, the issued share capital of the Company to a third party in a bona fide single transaction or series of related transactions;

### an IPO; or

### any other event or series of events that together have the effect of allowing a realisation of substantially all the Shares in, or substantially all of the assets of, the Company,

### provided that no sale or transfer undertaken to effect a corporate reorganisation of the Company will constitute an Exit Event;

**Exit Event Price** means the price per share equal to the fair market value of the Senior Shares at the time of the Exit Event, as determined by reference to the purchase price payable in connection with such Exit Event, multiplied by the Discount Rate;

**Exit Notice** has the meaning given in clause 4(a).

**Insolvency Event** means the occurrence of any one or more of the following events in relation to the Company:

### an application is made to a court for an order that it be wound up or that a provisional liquidator or receiver or receiver and manager be appointed, and the application is not withdrawn, struck out or dismissed within 21 days of being made;

### a liquidator, provisional liquidator or administrator is appointed;

### a Controller is appointed to any of its assets;

### it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors;

### it proposes a winding-up or dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;

### it ceases to carry on business;

### it suspends payment of the whole or substantially the whole of its debts as and when they become due;

### it is insolvent as disclosed in its accounts, or otherwise states that it is insolvent, or it is presumed to be insolvent under an applicable law;

### it is taken to have failed to comply with a statutory demand as a result of section 459F(1) of the Corporations Act;

### a notice is issued under sections 601AA or 601AB of the Corporations Act;

### a writ of execution is levied against it or a material part of its property; or

### anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the above clauses of this definition,

unless such event or circumstance occurs as part of a solvent reconstruction, amalgamation, compromise, arrangement, merger or consolidation approved by the Investor (which approval is not to be unreasonably withheld or delayed);

**Investor** has the meaning given in the Key Terms;

**IPO** means an initial public offering of Shares (or shares in the Company’s holding company) in conjunction with a listing or quotation of Shares (or shares in the Company’s holding company) on a recognised stock exchange;

**Key Terms** means the key terms set out on the first page of this agreement;

**Notice** has the meaning given in clause 11.1.

**Ordinary Share** means an ordinary sharein the capital of the Company;

**Purchase Amount** means:

### in respect of this agreement, the purchase amount specified in the Key Terms; and

### in respect of any other SAFE, the purchase amount paid by the investor under that other SAFE;

**QF Price** means the lowest price per share of the QF Shares issued in the Qualifying Financing (excluding any QF Shares issued on conversion of any SAFE or other convertible security);

**QF Share** means a Share in the class of Shares issued in connection with the Qualifying Financing having the most favourable terms provided that, in the event of a dispute or controversy regarding the class of Shares which constitutes QF Shares, the QF Shares will be Shares in such class of Shares nominated by the Investor;

**Qualifying Financing** means a bona fide equity fundraising event or series of related events by the Company for the principal purposes of raising capital through the issue of Shares[:

### that raises not less than $[ ] (excluding consideration received from the conversion of any SAFEs or similar convertible securities)); or

### that the Company and the Investor agree should be a Qualifying Financing];[[11]](#footnote-12)

**SAFE** means an instrument containing a future right to Shares, similar in form and content to this agreement, purchased by investors for the purpose of funding the Company’s business operations;

**Senior Share** means a Share in the class of Shares on issue at the time of the Exit Event having the most favourable terms provided that, in the event of a dispute or controversy regarding the class of Shares which constitutes Senior Shares, the Senior Shares will be Shares in such class of Shares nominated by the Investor;

**Shareholders Agreement** means any agreement between the Company and all of its shareholders relating to the affairs and management of the Company as amended from time to time;

**Shares** means shares in the capital of the Company and includes Ordinary Shares and QF Shares;

**Termination Date** means the date on which this agreement terminates in accordance with clause 6; and

**Valuation Cap** has the meaning given in the Key Terms (if any).

## General interpretation

In this agreement, unless context indicates a contrary intention:

### (**documents**) a reference to this agreement or another document includes any document which varies, supplements, replaces, assigns or novates this agreement or that other document;

### (**headings**) clause headings are inserted for convenience only and do not affect interpretation of this agreement;

* + 1. (**party**) a reference to a party to a document includes that party’s personal representatives, executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
    2. (**including**) including and includes (and any other similar expressions) are not words of limitation, and a list of examples is not limited to those items or to items of a similar kind;
    3. (**corresponding meanings**) a word that is derived from a defined word has a corresponding meaning;
    4. (**rules of construction**) neither this agreement nor any part of it is to be construed against a party on the basis that the party or its lawyers were responsible for its drafting;
    5. (**legislation**) a reference to any legislation or provision of legislation includes all amendments, consolidations or replacements and all regulations or instruments issued under it;
    6. (**time and date**) a reference to a time or date in connection with the performance of an obligation by a party is a reference to the time and date in [Adelaide/Brisbane/Hobart/Melbourne/Perth/Sydney], Australia, even if the obligation is to be performed elsewhere;
    7. (**writing**) a reference to a notice, consent, request, approval or other communication under this agreement or an agreement between the parties means a written notice, request, consent, approval or agreement; and
    8. (**Australian currency**) a reference to dollars or $ is to Australian currency.

# Right to be issued Shares

### The Investor must pay the Purchase Amount to the Company in immediately available funds on or prior to the Completion Date.

### Subject to the payment of the Purchase Amount, the Investor has the right to be issued Shares on and subject to the terms of this agreement.

# Qualifying Financing

### The Company must give the Investor written notice of any anticipated Qualifying Financing no less than 5 Business Days prior to the Company's entry into definitive documents relating to the Qualifying Financing.

### Subject to clauses 3(d) and 9, if there is a Qualifying Financing before the Termination Date, the Company will automatically issue to the Investor that number of QF Shares equal to the higher of:[[12]](#footnote-13)

#### the Purchase Amount divided by the Discount Price; or

#### the Purchase Amount divided by the Cap Price,

#### in each case rounded to the nearest whole number of QF Shares.

### The Company must, not later than 3 Business Days after the issue of the QF Shares in accordance with clause 3(b), send to the Investor a certificate for the number of QF Shares issued to the Investor.

### If a Shareholders Agreement is in existence or is being entered into at the time of the Qualifying Financing and the Investor is not already a party to such Shareholders Agreement, the Investor must prior to being issued with any QF Shares under clause 3(b), at the request of the Company either:

#### enter into the Shareholders Agreement; or

#### provide the Company with a duly executed deed of accession to the Shareholders Agreement (in the form required thereunder or such other form as the Company agrees),

### provided that the Shareholders Agreement does not impose more onerous obligations on the Investor as compared to other purchasers of equity securities in the Qualifying Financing.

# Exit Event

### If the Company determines that an Exit Event is likely at any time prior to the Termination Date, then as soon as reasonably practicable thereafter the Company must give a notice to the Investor specifying:

#### the nature of the Exit Event;

#### the proposed purchase price and other material terms of the proposed Exit Event; and

#### the proposed settlement or completion date for the Exit Event,

### (**Exit Notice**).

### Subject to clauses 4(f) and 9, if there is an Exit Event before the Termination Date, the Investor will, at its election within 2 Business Days of receipt of the Exit Notice, either:

#### receive a cash payment equal to the Purchase Amount; or

#### automatically receive from the Company (with effect immediately prior to the Exit Event) that number of Senior Shares equal to the higher of:

##### the Purchase Amount divided by the Exit Event Price; or

##### the Purchase Amount divided by the Cap Price,

##### rounded to the nearest whole number of Senior Shares.

### If the Investor makes no election within 2 Business Days of receipt of the Exit Notice, it will be deemed to have elected to receive Senior Shares in accordance with clause 4(b)(ii).

### If the Investor elects to receive cash under clause 4(b)(i), an amount equal to the Purchase Amount will be due and payable by the Company to the Investor concurrently with the completion of the Exit Event.

### The Company must, not later than 3 Business Days after the issue of the Senior Shares in accordance with clause 4(b)(ii), send to the Investor a certificate for the number of Senior Shares issued to the Investor (unless such Senior Shares are sold by the Investor pursuant to the Exit Event).

### If a Shareholders Agreement is in existence at the time of the Exit Event and the Investor is not already a party to such Shareholders Agreement, the Investor must prior to being issued with any Senior Shares under clause 4(b)(ii) provide the Company with a duly executed deed of accession to the Shareholders Agreement (in the form required thereunder or such other form as the Company agrees) provided that the Shareholders Agreement does not impose more onerous obligations on the Investor as compared to other holders of Senior Shares.

# Insolvency Events and Dissolution Events

### The Company will give written notice to the Investor promptly after the Company becomes aware that an Insolvency Event has occurred, giving reasonable details of that event.

### If there is a Dissolution Event before the Termination Date, the Investor will automatically be entitled (subject to the liquidation priority set out in clause 5(c) below) to receive a portion of any amounts available for the distribution to shareholders of the Company equal to the Purchase Amount, which amount will be due and payable to the Investor immediately prior to the consummation of the Dissolution Event.[[13]](#footnote-14)

### In a Dissolution Event, this SAFE is intended to operate like standard non-participating preferred shares. The Investor's right to receive payment under clause 5(b) is:

#### junior to payment of outstanding indebtedness and creditor claims, including contractual claims for payment and convertible notes (to the extent such convertible notes are not actually or notionally converted into Shares);

#### on par with payments for other SAFEs, and if the amounts available for distribution are insufficient to permit full payments to the Investor and the holders of other SAFES, the amounts available for distribution will be distributed pro rata to the Investor and the holders of other SAFEs in proportion to the full payments that would otherwise be due; and

#### senior to payments to the holders of Shares.

# Termination

### This agreement will automatically terminate on the first to occur of:

#### the issue of Shares to the Investor in accordance with clause 3(b) or clause 4(b)(ii);

#### the payment in full of any amount due to the Investor in accordance with clause 4(b)(i), clause 4(d), clause 5(b) or clause 9(b).

### Termination of this agreement will not affect:

#### any other rights the parties have against one another at law or in equity; or

#### a right or claim which arises before termination.

# Waiver of pre-emptive rights[[14]](#footnote-15)

The Company must procure that any entities or persons that become new shareholders in the Company after the date of this agreement and before the Termination Date must immediately waive any rights in their favour that they may have in respect of any Shares issued by the Company in accordance with this agreement (including, without limitation, any pre-emptive rights or any contractual rights) whether arising under, or in connection with, the Shareholders Agreement, the Company's constitution or otherwise.

# Voting and other rights

Until Shares are issued in accordance with this agreement, the Investor (in its capacity as the Investor under this agreement) has no rights as a shareholder of the Company, including any voting, dividend or any related rights or the right to participate in any issue of Shares by the Company.

# Compliance with law

### Notwithstanding any other provision of this agreement, the Company may not issue Shares in accordance with this agreement if:

#### the Company would be required to issue a disclosure document under Chapter 6D of the Corporations Act in connection with the issue of such Shares; or

#### the Company would become subject to the takeover provisions set out in Chapter 6 of the Corporations Act following the issue of such Shares.

### If, in accordance with clause 9(a), the Company does not issue any Shares that it would otherwise be required to issue under this agreement, the Company must pay to the Investor a cash amount equal to the Purchase Amount within 5 Business Days.

# Representations

## The Company's representations[[15]](#footnote-16)

The Company represents to the Investor that as at the date of this agreement:

### (**corporate status**): it is a body corporate duly incorporated and validly existing under the law of the country or jurisdiction of its incorporation or registration;

### (**power and capacity**): it has the power and capacity to enter into and to perform its obligations under this agreement;

### (**authority**): it has taken all necessary action to authorise the execution and performance of this agreement in compliance with its terms, including obtaining any consents, approvals or waivers required under its constituent documents;

### (**validity**) this agreement constitutes valid and binding obligations on the Company, enforceable in accordance with its terms; and

### (**Insolvency Event**): no Insolvency Event has occurred and remains current in respect of the Company, and there are no circumstances which could reasonably be expected to give rise to an Insolvency Event in respect of the Company.

## Investor's representations

The Investor represents to the Company that as at the date of this agreement:

### (**corporate status**): where the Investor is a company, it is a body corporate duly incorporated and validly existing under the law of the country or jurisdiction of its incorporation or registration;

### (**power and capacity**): it has the power and capacity to enter into and to perform its obligations under this agreement;

### (**authority**): it has taken all necessary action to authorise the execution and performance of this agreement in compliance with its terms, including, where the Investors is a company, obtaining any consents, approvals or waivers required under its constituent documents;

### (**validity**) this agreement constitutes valid and binding obligations on the Investor, enforceable in accordance with its terms;

### (**Insolvency Event**): no Insolvency Event has occurred and remains current in respect of the Investor, and there are no circumstances which could reasonably be expected to give rise to an Insolvency Event in respect of the Investor;

### (**Sophisticated Investor or Professional Investor**): it is a 'Sophisticated Investor' or 'Professional Investor' (as those terms are defined in the Corporations Act); and

### (**advice**): it has obtained independent advice on its investment in the Company pursuant to this agreement, or it has waived its right to independent advice, and, save as expressly set out in this agreement, has not relied on any representations or warranties made by the Company, its directors, officers, agents, employees and advisers.

# General

## Notices

Any notice given under or in connection with this agreement (**Notice**):

### must be in legible writing, in English and signed by a person duly authorised by the sender;

### must be addressed and delivered to the intended recipient by hand, by prepaid post or by email at the address or email address last notified by the intended recipient to the sender;

### is taken to be given and made:

#### in the case of hand delivery, when delivered;

#### in the case of delivery by post, three Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and

#### in the case of an email, 2 hours after the time the email is sent, unless the sender receives, within that time period, an automatic notification (other than an out of office message) indicating that the email has not been delivered,

#### provided that where a Notice is delivered (or deemed delivered) after 5.00pm or on a day that is not a Business Day, the Notice will be deemed to have been delivered at 9.00am on the next Business Day.

This clause does not limit the way in which a Notice can be deemed to be served under any law.

## Costs and expenses

Except as agreed between the parties, each party must bear its own legal and other costs and expenses of and incidental to the preparation and execution of this agreement.

## Stamp duty

All stamp duty which may be payable on or in connection with this agreement is payable by the Investor.

## Cumulative Rights

The rights and remedies in this agreement are in addition to other rights and remedies given by law independently of this agreement.

## No waiver

### A failure, delay, relaxation or indulgence by a party in exercising any power or right conferred on the party by this agreement does not operate as a waiver of the power or right.

### A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this agreement.

### A waiver of a breach does not operate as a waiver of any other breach.

## Severability

Any term of this agreement which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this agreement is not affected.

## Variation

This agreement can only be varied by a later written document executed by or on behalf of the Company and the Investor.

## Assignment

### A party may not assign, transfer or in any other manner deal with its rights under this agreement without the prior written agreement of each other party.

### Any purported assignment, transfer or dealing in contravention of clause 11.8(a) is ineffective.

## Survival and merger

No term of this agreement merges on completion of any transaction contemplated by this agreement.

## Entire agreement

This agreement is the entire agreement between the parties about its subject matter and replaces all previous agreements, understandings, representations and warranties about that subject matter.

## Further assurances

Except as expressly provided in this agreement, each party must, at its own expense, do all things reasonably necessary (including executing documents) to give full effect to this agreement and the matters contemplated by it.

## Counterparts and electronic execution

### This agreement may be executed in counterparts, which taken together constitute one and the same agreement, and any party (including any authorised representative of a party) may enter into this agreement by executing a counterpart. This agreement takes effect when the separately executed documents are exchanged between the parties.

### To the extent permitted by law, a counterpart may be executed electronically, including by using software or a platform for the electronic execution of contracts.

### A print out of the executed agreement once all parties signing electronically have done so, will be an executed original counterpart of this agreement, irrespective of which party prints it.

### Each party that signs this agreement electronically represents and warrants that it or anyone signing on its behalf:

#### has been duly authorised to enter into and execute this agreement electronically and to create obligations that are valid and binding obligations on the party;

#### has affixed their own electronic signature; and

#### holds the position or title indicated under their electronic signature.

## Governing law and jurisdiction

### This agreement is governed by and must be construed in accordance with the laws of [insert state]. To the extent permitted by law, such governing law governs all matters arising out of or relating to this agreement or its performance or subject matter, including its execution and formation.

### The parties submit to the exclusive jurisdiction of the courts of [insert same state as previous clause] and the Commonwealth of Australia in respect of all matters arising out of or relating to this agreement, its performance or subject matter.

1. At its simplest, a SAFE enables the Investor to make a cash investment in the Company in exchange for shares in the Company on a future event occurring (ie a capital raising) on the terms of the SAFE. [↑](#footnote-ref-2)
2. This SAFE does not contain a maturity date (which is customary). A key difference between a SAFE and a convertible note is that a convertible note will often include a maturity date (being the date upon which the note must either convert or be redeemed). [↑](#footnote-ref-3)
3. An Investor may want to enter into a separate side letter with the Company to secure most favoured nation rights, pre-emptive rights and/or information rights during the period of the SAFE, given that the Investor may not be a shareholder during that time. See the AIC"s template side letter which includes these provisions. Investors may have their own specific information rights requirements. [↑](#footnote-ref-4)
4. This is the amount paid by the Investor for the SAFE. [↑](#footnote-ref-5)
5. If there will be no Discount, either delete this line or specify a 0% Discount. [↑](#footnote-ref-6)
6. If there will be no Valuation Cap, either delete this line or specify "none" or "n/a". [↑](#footnote-ref-7)
7. This is the date by which the Investor must pay the Purchase Amount to the Company. [↑](#footnote-ref-8)
8. The definition of Company Capitalisation is relevant only to the calculation of the Cap Price when the Valuation Cap applies. The Company Capitalisation includes all Shares in the Company, the SAFE itself, all other SAFEs and any other convertible securities as well as options and warrants. See note 9 below in relation to the treatment of options. [↑](#footnote-ref-9)
9. This template SAFE is a "post-money SAFE" meaning that Shares to be issued on conversion of the SAFE (and any related SAFEs) are included in the Company Capitalisation and so are taken into account in determining the Cap Price. While post-money SAFEs are the more common approach in the market, it used to be common in Australia for SAFEs to be "pre-money SAFEs" meaning that when determining the company capitalization, the Shares issued upon conversion of SAFEs were not included. If the parties choose a pre-money SAFE the definition of 'Company Capitalisation' should be amended by replacing limb (b) of the definition with the following:

   (b) all convertible securities (other than this agreement and any other SAFE); [↑](#footnote-ref-10)
10. The definition of Company Capitalisation includes all vested options but only includes unvested options when used in connection with a Qualifying Financing (as unvested options will typically lapse on an Exit Event if they are not accelerated such that they become vested options). On a Qualifying Financing, the definition of Company Capitalisation also includes any existing unallocated option pool - but will only include any increase in the size of that unallocated pool if the Company has promised to grant options in excess of its existing unallocated option pool. [↑](#footnote-ref-11)
11. Investors typically prefer to specify a minimum round size for the Qualifying Financing that will trigger automatic conversion, rather than any financing automatically triggering conversion. [↑](#footnote-ref-12)
12. This agreement calculates the number of shares that the Investor would receive on a future capital raising (called a Qualifying Financing) on the higher of a formula that uses a pre-agreed valuation cap and a formula that applies a discount rate to the price per share issued in that priced round. It is not uncommon for the calculation to be done by reference only to a discount rate or only by reference to a valuation cap. This can be achieved by not including details of any discount or valuation cap in the key terms. [↑](#footnote-ref-13)
13. The language in clauses 5(b) and 5(c) is intended to ensure that this SAFE is, in effect, treated as equity in an insolvency scenario. This reflects the approach to SAFEs in the US. In Australia SAFEs have more commonly been treated as debt in an insolvency scenario. If the parties' preference is for this SAFE to be treated as debt, clauses 5(b) and 5(c) should be deleted and replaced with the following:

    (b) If there is a Dissolution Event before the Termination Date, the Company must pay to the Investor a cash amount equal to the Purchase Amount, which amount will be due and payable to the Investor immediately prior to the consummation of the Dissolution Event in priority to any distribution of any of the assets of the Company to shareholders of the Company (in their capacity as shareholders). [↑](#footnote-ref-14)
14. Note that existing shareholders will need to waive any pre-emptive rights that they may have in relation to both the issue of the SAFE itself and in relation to the issue of the shares contemplated by the SAFE. [↑](#footnote-ref-15)
15. Some investors may require more substantive warranties from the Company, such as warranties in relation the status of the Company's intellectual property rights, the accuracy of its financial accounts and so on. [↑](#footnote-ref-16)