ITALIAN FOUNDERS FUND

MANAGED BY KOINOS CAPITAL SGR

Term Sheet – [Pre-]Seed Financing

Italian Founders Fund <> [Company]

WE ARE FOUNDERS.

Backing entrepreneurs with Italian roots and global ambitions.

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[Company Logo]

Dear Founders,

The term sheet we send usually opens with a personal letter to you. We write it fresh each time, and we mean every word.

It's where we tell you why your team caught our attention, what convinced us through our conversations, and what we make of the traction you've built so far. It's also where we say plainly why we believe IFF is the right partner at this stage: our international network, our experience backing founders at pre-seed and seed, and our 160+ LPs who can actively contribute to your growth.

Above all, it's where we tell you that we chose you, because we think you're outliers and the kind of people we want to build the next decade with.

And it's where we tell you that we'll be there from day one, through the challenging crossroads to the wins worth celebrating.

The road to unicorn is long and rarely a straight line, and we intend to walk every step of it by your side.

So when this page holds your letter, know that it means we're all in.
We're looking forward to writing yours.

Lorenzo, Irene, and the entire IFF team

[Date]

Section	Details
1. Founders	[Founders' Names]
2. Company	[Company Name]
3. Round	Pre-Seed/Seed
4. Investment	Equity round for the issuance of preferred shares. **Total: [...]** **Italian Founders Fund investment: [...]** Other investors: additional amount to fill the round
5. Valuation	**[...]** post/pre-money fully diluted (including any preceding financing or shareholder loans).
6. Use of Funds	Team expansion and growth.
7. Option Pool (ESOP)	5-10% ESOP Creation pre-round.
8. Voting Rights	The favorable vote of the majority of Investor Shares required for matters listed in Annex 1.
9. Board of Directors	IFF reserves the right to appoint a Board Member. IFF's Director's favorable vote required for matters listed in Annex 2.
10. Pro-rata Rights	Customary pro-rata rights on future issuances of shares or convertible securities.
11. Antidilution	Weighted average broad-based antidilution protection in case of down rounds.
12. Liquidation Preference	1x non-participating, pari passu.
13. Lock-up	3 years post-Closing for Founders' shares. 2% carve-out for founders on their percentage of shares, exempt from the lock-up period.
14. Reverse Vesting	Quarterly vesting, fully vested at the 4th anniversary of Closing. Subject to good/bad leaver provisions.
15. Management Agreement	Founders to enter into agreements including exclusivity, non-compete provisions, and full assignment of all intellectual property (IP) created by them to the Company.
16. Other Rights	Standard information rights, tag-along, drag-along, right of first refusal.
17. Long-Form Docs	Definitive agreements to include customary fundamental representations and warranties by the Founders. To ensure compliance with laws, IP protection, and exit rights.

18. Due Diligence	At IFF's discretion until the end of the exclusivity term.
19. Confidentiality	Terms of the Term Sheet are confidential and cannot be disclosed to third parties, except advisors and stakeholders as necessary for the transaction.
20. Exclusivity	Valid for 30 days from receipt of the signed term sheet (see Acceptance and Expiration below).
21. Expenses	Legal fees reimbursed up to [...].
22. Non-binding Nature	Non-binding terms, except for Due Diligence, Exclusivity, Expenses, Confidentiality.
23. Acceptance and Expiration	The Term Sheet must be signed and returned by the Company's legal representative within 5 business days of receipt. Upon signing, the 30-day exclusivity period under row 20 begins.

Annexes

Annex 1 – Shareholders' Reserved Matters

1. Any amendment to the articles of association of the Company that may prejudice the rights of the investors.
2. Extraordinary transactions (as better defined in the long-form documents);
3. Increases/decreases to the share capital, issuance of shares, convertible instruments, bonds, or other instruments only in case of downrounds;
4. Distributions to the shareholders;
5. Buyback of shares;
6. Liability actions against the corporate bodies and any related resolutions;
7. Voluntary liquidation of the Company, or filing for bankruptcy or similar procedures, and any related resolutions;
8. Resolutions listed in Annex 2, if brought before the shareholders' meeting.

Annex 2 – Board Reserved Matters

1. Approval and amendment to the Company's budget and business plan
2. Approval of investments, expenditures, debts, or grants exceeding:
    a. Threshold per single transaction (to be agreed upon in good faith)
    b. Threshold per year (to be agreed upon in good faith)
3. Granting of guarantees, payment undertakings, borrowings, or similar undertakings exceeding a certain threshold (to be agreed upon in good faith)
4. Providing an indemnity or guarantee in favor of any third party
5. Purchase, sale, transfer, or disposal of any substantial part or asset (including intellectual property) or granting any licenses thereon
6. Disposal, acquisition, or subscription of securities or stakes in the corporate capital of another company or entity, or the establishment of any subsidiary
7. Conduct of any active litigation on behalf of the Company
8. Changing the accounting policies of the Company
9. Approval of the allocation of stock options to the founders under any stock-option plan
10. Execution, termination, or amendment of agreements with directors, shareholders, or related parties
11. Increases/decreases to the share capital, issuance of shares, convertible instruments, bonds, or other instruments in cases other than downrounds.

Milan – [Date]

Italian Founders Fund	**[Company]**
Name:	Name:
Title:	Title: Legal representative
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