

[COMPANY NAME]

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the “*Agreement*”) is made as of the ___ day of _____, 2015, (the “*Effective Date*”) by and between [COMPANY NAME] (the “*Company*”), and SOSV a company REPRESENTED BY <<>> (“*Purchaser*”).

WHEREAS, the Company desires to issue and sell shares of its common stock (“*Common Stock*”), and Purchaser desires to purchase the number of shares of Common Stock set forth in Section 1, on the terms and conditions hereinafter set forth; and

WHEREAS, the issuance of common stock hereby is intended to comply with the provisions of Rule 506 promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “*Securities Act*”).

NOW, THEREFORE, IT IS AGREED between the parties as follows:

1. Purchase and Sale of Stock. Purchaser hereby agrees to purchase from the Company, and the Company hereby agrees to sell to Purchaser, Common Stock representing <<>> percent (<<>>%) of the capital stock (calculated on a fully-diluted basis including all options, warrants, convertible securities and other rights to acquire capital stock) of the Company (_____ shares (the “*Shares*”)), for an original purchase price of USD\$<<>> (the “**Original Purchase Price**”). As consideration for the Shares, Purchaser will deliver the Original Purchase Price by (i) check or wire transfer to the Company in the amount of USD\$<<>> as its <<>> Program Award (as defined below), and; (ii) by providing office space, mentors and services to the Company as part of Company’s participation in the <<>> Program amounting to an agreed upon value at USD\$<<>>. The Original Purchase Price will be used in accordance with Section 9 of this Agreement upon any liquidation of the Company.

For purposes of this Agreement, the term “<<>> **Program Award**” shall mean payment to the participants in the amount of USD\$<<>> upon execution of this Agreement. An additional USD\$<<>> will be provided to the [Company name] participants upon arrival in <<>> on or about <<>>, 2015.

2. Anti-Dilution Protection. The Company hereby agrees to issue additional shares of Common Stock without payment of additional consideration therefor to maintain Purchaser’s ownership interest of <<>>% of the Company’s total capital stock (calculated on a fully-diluted basis including all options, warrants, convertible securities and other rights to acquire capital stock) until immediately prior to the sale and issuance of the Company’s capital stock in a future bona fide equity financing that results in an aggregate purchase price paid to the Company by third party investors (i.e. that are not related to, or otherwise affiliated with, the Company’s founders) of not less than USD\$<<>> (a “**Qualified Financing**”). For purposes of this Agreement, a Qualified Financing may be comprised of separate closings, provided that the terms upon which the Company sells its capital stock in each such closing are identical. For the avoidance of doubt, Purchaser shall be entitled to the anti-dilution protection set forth in this Section 2 in connection with, without duplication, (a) the issuance of additional shares of capital stock, (b) the issuance of options, warrants, convertible securities and other rights to acquire capital stock and (c) the reservation for issuance of any shares of capital stock under the Company’s equity incentive plans, including any shares reserved on a “pre-money” basis in connection with a Qualified Financing but Purchaser shall not be entitled to such anti-dilution protection in connection with the issuance of the Company’s capital stock in a Qualified Financing. Upon request the Company shall promptly issue an additional stock certificate or certificates representing such additional shares.

3. Limitations on Transfer. Purchaser shall not assign, hypothecate, donate, encumber or otherwise dispose of any interest in the Shares except: (i) to Affiliates (as defined below) of the Purchaser, provided that such Affiliate agrees to be subject to the restrictions of this Section 3 prior to the transfer and agrees to be bound by this

Agreement, or (ii) in compliance with the provisions herein and applicable securities laws. Furthermore, the Shares shall be subject to any right of first refusal in favor of the Company or its assignees that may be contained in the Company's Bylaws. Purchaser hereby further acknowledges that Purchaser may be required to hold the Shares purchased hereunder indefinitely. During the period of time during which Purchaser holds the Shares, the value of the Shares may increase or decrease, and any risk associated with such Shares and such fluctuation in value shall be borne by Purchaser. For purposes of this Agreement, "Affiliate" means any individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, or joint stock company that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, or joint stock company.

4. Restrictive Legends. All certificates representing the Shares shall have endorsed thereon legends in substantially the following forms (in addition to any other legend which may be required by other agreements between the parties hereto):

(a) "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED."

(b) Any legend required by appropriate blue sky laws.

5. Company Representations. Except as set forth on a Schedule of Exceptions delivered by the Company to Purchaser at the closing of the issuance and sale of the Shares (the "**Closing**"), the Company hereby represents and warrants to Purchaser, the truth and accuracy of each which shall constitute a condition precedent to the obligations of the Company pursuant to the provisions of this Agreement, that as of the date of the Effective Date:

(a) **Organization, Good Standing and Qualification.** The Company is duly organized, validly existing and in good standing under the laws of []. The Company has all requisite corporate powers and authority to own and operate its properties and assets, to execute and deliver this Agreement, to issue and sell the Shares and to carry out the provisions of this Agreement and the Certificate of Incorporation of the Company (the "**Charter**") and to carry on its business as presently conducted. The Company is duly qualified to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business. If the Company is not yet incorporated, the Company represents and warrants that it will incorporate within thirty (30) days of the Effective Date and will reserve and issue Purchaser the Shares in accordance with this Agreement upon incorporation.

(b) **Capitalization; Voting Rights.**

(i) The authorized capital stock of the Company, immediately prior to the Closing, consists of _____ shares of Common Stock, par value USD\$[<<>>] per share, [X] shares of which are issued and outstanding

(ii) Under the Company's Employee Share Option Plan (the "**Plan**"), [X] shares of Common Stock remain available for future issuance to officers, directors, employees and consultants of the Company. The Company has not made any representations regarding equity incentives to any officer, employee, director or consultant that are inconsistent with the share amounts set forth at Exhibit A.

(iii) Other than as set forth on Exhibit A [and (b) warrants to purchase [X] shares of [Common] Stock], and except as may be granted pursuant to this Agreement, there are no outstanding options,

warrants, rights (including conversion or preemptive rights and rights of first refusal), proxy or stockholder agreements, or agreements of any kind for the purchase or acquisition from the Company of any of its securities.

(iv) All issued and outstanding shares of the Company's Common Stock (a) have been duly authorized and validly issued to the persons listed on Exhibit A hereto and are fully paid and non-assessable and (b) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

(v) The rights, preferences, privileges and restrictions of the Shares are as stated in the Charter. When issued in compliance with the provisions of this Agreement and the Charter, the Shares will be validly issued, fully paid and non-assessable, and will be free of any liens or encumbrances other than (i) liens and encumbrances created by or imposed upon Purchaser; provided, however, that the Shares may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed. The sale of the Shares is not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

(c) **Multiple Investment Acknowledgement.** The Company acknowledges that Purchaser and several of its affiliates, mentors and employees either are or are employed by professional investment funds (collectively, the "*SOSV Affiliate Funds*"), and as such invest in numerous portfolio companies, some of which may be competitive with the Company's business. No SOSV Affiliate Fund shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by a SOSV Affiliate Fund in any entity competitive to the Company, or (ii) actions taken by any partner, officer or other representative of any SOSV Affiliate Fund to assist any such competitive company, whether or not such action was taken as a board member of such competitive company, or otherwise, and whether or not such action has a detrimental effect on the Company.

(d) **Authorization; Binding Obligations.** All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization of this Agreement, the performance of all obligations of the Company hereunder and thereunder at the Closing and the authorization, sale, issuance and delivery of the Shares pursuant hereto has been taken. This Agreement, when executed and delivered, will be a valid and binding obligation of the Company enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (ii) as limited by general principles of equity that restrict the availability of equitable remedies.

(e) **Litigation.** Company represents and warrants that as of the date of this agreement it is not aware of any existing litigation against Company. Furthermore Company does not have reasonable notice of any previous circumstances, occurrences or events that are reasonably likely to give rise to litigation actions being filed against Company in the future.

6. Purchaser's Pro Rata Right. Purchaser shall be entitled to purchase its pro rata portion (<<>>% equity interest, calculated on a fully diluted basis) of any future issuance of new equity securities set aside by Company for purchase by investors in any Qualified Financing.

7. Purchaser's First Financing Right. In the event of a third party debt offering or equity financing occurring after the Effective Date, the Purchaser shall be entitled to invest up to USD\$<<>> or up to <<>>% of the total value of such third party debt offering or equity financing.

8. Purchaser Representations. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) **Requisite Power and Authority.** Purchaser has all necessary power and authority to execute and deliver this Agreement and to carry out its provisions. All action on Purchaser's part required for the lawful execution and delivery of this Agreement has been taken. Upon its execution and delivery, this Agreement will be a valid and binding obligation on Purchaser, enforceable in accordance with its terms, except (i) as limited by

applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (ii) as limited by general principles of equity that restrict the availability of equitable remedies. Purchaser is purchasing the Shares for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act.

(b) Investment Representations. Purchaser understands that the Shares have not been registered under the Securities Acts by reason of a specific exemption therefrom, which exemption depends upon, amongst other things, the bona fide nature of Purchaser's investment intent as expressed herein. Purchaser also understands that the Shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Purchaser's representations contained in this Agreement. Purchaser hereby represents and warrants as follows:

(i) Purchaser Bears Economic Risk. Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so that it is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests. Purchaser must bear the economic risk of this investment indefinitely unless the Shares are registered pursuant to the Securities Act, or an exemption from registration is available. Purchaser understands that the Company has no present intention of registering the Shares or any shares of its Common Stock. Purchaser also understands that there is no assurance that any exemption from registration under the Securities Act will be available and that, even if available, such exemption may not allow Purchaser to transfer all or any portion of the Shares under the circumstances, in the amounts or at the times Purchaser might propose.

(ii) Acquisition for Own Account. Purchaser is acquiring the Shares for Purchaser's own account for investment only, and not with a view towards their distribution.

(iii) Purchaser Can Protect Its Interest. Purchaser represents that by reason of its, or of its management's, business or financial experience, Purchaser has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement. Further, Purchaser is aware of no publication of any advertisement in connection with the transactions contemplated in this Agreement.

(iv) Accredited Investor. Purchaser represents that it is an accredited investor within the meaning of Regulation D under the Securities Act.

(v) Rule 144. Purchaser acknowledges and agrees that the Shares are "restricted securities" as defined in Rule 144 promulgated under the Securities Act as in effect from time to time and must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 and the number of shares being sold during any three-month period not exceeding specified limitations.

9. Liquidation Preference. In the event of any liquidation or winding up of the Company, the Purchaser shall be entitled to receive in preference to the other holders of common shares a per share amount, the total sum of which shall be equal to the Original Purchase Price, plus any declared but unpaid dividends (the "**Liquidation Preference**")

10. Rights. The Company shall deliver customary audited (as may be required) annual financial statements, budgets and a brief monthly update to the Purchaser on request. The Company hereby undertakes to grant to the Purchaser information rights as granted to any other investor granted such rights under any "Major Investor" clause in any subsequent financing round following the completion of the <<>> Program.

11. Market Stand-Off Agreement. Purchaser shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a

sale, any Common Stock or other securities of the Company held by Purchaser, including the Shares (the “**Restricted Securities**”), during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act (the “**Lock Up Period**”) (or such longer period, not to exceed 18 days after the expiration of the 180-day period, as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711). Purchaser agrees to execute and deliver such other agreements as may be reasonably requested by the Company and/or the managing underwriters which are consistent with the foregoing or which are necessary to give further effect thereto. In order to enforce the foregoing covenant the Company may impose stop-transfer instructions with respect to Purchaser’s Restricted Securities until the end of such period. The underwriters of the Company’s stock are intended third party beneficiaries of this Section 9 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

12. Miscellaneous.

(a) **Notices.** All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, and if not during normal business hours of the recipient, then on the next business day, (iii) five (5) calendar days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the other party hereto at such party’s address hereinafter set forth on the signature page hereof, or at such other address as such party may designate by ten (10) days advance written notice to the other party hereto.

(b) **Participation in <<>> Program.** This Agreement shall not be deemed to create any obligation on the part of Purchaser to continue the Company’s participation in the <<>> Program. Purchaser may, at its sole discretion, terminate the participation of the Company in the <<>> Program at any time prior to the end of the <<>> Program if Participants behavior and or commitment is deemed by Purchaser to be unsatisfactory. Should the Company’s participation in the <<>> Program be so terminated, the Original Purchase Price shall be returned to the Purchaser. If the full Original Purchase Price is not so returned then Purchaser shall retain the Shares on a pro rata basis to the amount of the Original Purchase Price not returned to Purchaser.

Purchaser shall present for cancellation the certificates representing the appropriate Shares and any other equity interest in the Company held by Purchaser, and Purchaser shall otherwise take any action reasonably necessary to terminate and relinquish any and all rights and benefits with respect to those Shares and any other equity interest held by Purchaser in the Company.

(c) **Successors and Assigns.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer herein set forth, be binding upon Purchaser and Purchaser’s successors and assigns.

(d) **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, USA. The parties agree that any action brought by either party to interpret or enforce any provision of this Agreement shall be brought in, and each party agrees to, and does hereby, submit to the jurisdiction and venue of, the appropriate state or federal court for the district encompassing the Company’s principal place of business.

(e) **Attorneys’ Fees.** In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

(f) **Further Execution.** The parties agree to take all such further action(s) as may reasonably be necessary to carry out and consummate this Agreement as soon as practicable, and to take whatever steps may be

necessary to obtain any governmental approval in connection with or otherwise qualify the issuance of the securities that are the subject of this Agreement.

(g) **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and merges all prior agreements or understandings, whether written or oral. This Agreement may not be amended, modified or revoked, in whole or in part, except by an agreement in writing signed by each of the parties hereto.

(h) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.

(i) **Waiver.** The Company hereby waives any and all rights of action against Purchaser, so far as is permissible by law resulting from any negligent act, error or omission by Purchaser and including without limitation any guidance or advice related or offered to the Company by Purchaser or its affiliates, partners, directors, agents, employees, controlling persons or mentors.

(j) **Conflict.** In the event of any conflict or inconsistency between the provisions of this Agreement and the Charter and bylaws, the provisions of this Agreement shall prevail and govern, and the Company's shareholders shall vote to amend the Charter and bylaws to conform with such requirements.

(k) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

Signature page to follow

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COMPANY NAME

SOSV

REPRESENTED BY <<>>

By: _____
[insert name]

By: _____

Its:

Its:

Address: _____

Address: _____

[insert founder's name] **only with respect to the
Liquidation Preference in Section 9 and Section 12(j)**

[insert founder's name] **only with respect to the
Liquidation Preference in Section 9 and Section 12(j)**

EXHIBIT A

Capitalization Table

Name	All Issued Shares Prior to this Agreement	All Issued Shares as of this Agreement
XX	□ [x%]	□ [x%]
XX	□ [x%]	□ [x%]
EMPLOYEE SHARE OPTION PLAN	0 (0%)	□ (x%)
SOSV	0 (0%)	□ (x%)
Total	□ (100%)	□ (100%)