



nSight Surgical Inc
751 Clayton San Francisco, CA 94117

SAMPLE ONLY

nSight Surgical Inc.

TERM SHEET FOR SIMPLE AGREEMENT FOR FUTURE EQUITY (SAFE)

This is a summary of the principal terms of (i) a Simple Agreement for Future Equity (the “SAFE”) financing of the Company. This term sheet is an expression of intent only and, except as set forth under “Confidentiality,” is not meant to be binding on the parties.

Financing Terms

Securities to Be Issued

The Company will issue rights to certain units of the Company in exchange for amounts paid by the investors to the Company which will be represented by SAFEs subject to the terms described below.

Investment Amount

Total investment round \$1,500,000.00
Ownership of the Company 10%
Post Money Valuation Cap \$15,000,000.00

Closing

The Company may close the sale of the SAFEs in multiple closings, provided that an aggregate of at least \$1,500,000.00 shall be raised at the initial closing. The initial closing shall occur on or before December 1, 2021, and the final closing shall take place not later than six (6) months after the initial closing.

Financing Conversion

Each SAFE shall automatically be converted into units of the Company issued in the first equity financing closing after the initial closing date resulting in aggregate gross proceeds to the Company of at least \$6 million, excluding conversion of any of the SAFEs (the “Next Equity Financing;” such conversion, a “Financing Conversion”). Upon a Financing Conversion, the Investors will be entitled to the same rights, preferences and privileges as the other investors purchasing equity securities in the Next Equity Financing, including any rights granted to holders of a minimum number of units of in the Company (i.e., “major investors”), regardless of the number of units held by the Lead Investor.

Conversion Price

The conversion price of the SAFEs with respect to a Financing Conversion shall be the lesser of (i) a 10% discount to the lowest cash price per unit paid by investors in the Next Equity Financing or (ii) the price obtained by dividing a **\$15 million post-money valuation** (the “Valuation Cap”) by the Company’s fully diluted pre-money capitalization (assuming exercise or conversion of all outstanding SAFEs and any other convertible securities) immediately prior to the Next Equity Financing (“Company Capitalization prior to Next Equity Round”). As result, the total Investment Amount will convert into units representing **10% of the Company Capitalization** prior to the Next Equity Round.

Acquisition Event

If the Company is merged with or otherwise acquired by another entity (an “Acquisition Event”) prior to the Next Equity Financing, then at the option of the holders of a majority in interest of the aggregate purchase amounts of the then outstanding SAFEs, either (i) the Company shall pay each SAFE holder the Investment Amount of its SAFE, or (ii) the SAFEs may be converted into Common Units of the Company at a conversion price equal to the Valuation Cap divided by the Company’s fully diluted pre-money capitalization immediately before the Acquisition Event.

Tax Reporting

Following conversion of the SAFEs, the Company will provide the Investors with a Schedule K-1 report within 180 days after the completion of each calendar year.

Amendment and Waiver

The SAFEs may be amended, or any terms thereof waived, upon written consent of the Company and the holders of a majority in interest of the aggregate purchase amounts of the then outstanding SAFEs.

Confidentiality

nSight Surgical and the Investors will not, without the prior written consent of the other party, disclose this term sheet or their discussions regarding the SAFEs to any third party, except to the extent required by law. This term sheet is non-binding and is intended solely as a summary of the terms that are currently proposed by the parties. Except as set forth above under the caption “Confidentiality,” which is a legally binding paragraph, the parties acknowledge that they neither intend to enter, nor have they entered, into any agreement to negotiate a definitive agreement pursuant to this term sheet, and either party may, at any time prior to execution of such definitive agreement, propose different terms from those summarized herein or unilaterally terminate all negotiations pursuant to this term sheet without any liability whatsoever to the other party.

(Signature page follows)

IN WITNESS WHEREOF, the Parties hereto have executed this term sheet.

nSight Surgical, Inc.

By: _____

Name: Nathaniel Smith

Title: Chief Executive Officer

Date:

INVESTOR

By: _____

Name:

Title: Investor

Date: