

Simple Agreement for Future Equity (SAFE)

This SAFE (the "Agreement") is made and entered into on this ____ day of _____, 20____, by and between:

Company: _____

Address: _____

Investor: _____

Address: _____

1. Amount and Type of SAFE

The Investor agrees to provide the Company the amount of \$_____ (the "Purchase Amount"). In exchange, the Investor will receive the right to certain shares of the Company's Capital Stock, subject to the terms below.

2. Events

a. Equity Financing: If the Company raises equity financing, the Purchase Amount will convert into shares of the Company's preferred stock upon such financing, at a price determined by either a valuation cap or a discount (as set forth below).

b. Liquidity Event: If there is a merger, acquisition, or sale (a "Liquidity Event") before conversion, the Investor may elect to receive either the Purchase Amount or a conversion to common stock at the then-effective valuation cap or discount.

c. Dissolution: Upon dissolution of the Company prior to conversion, the Investor is entitled to the return of the Purchase Amount, subject to availability of funds.

3. Valuation Cap & Discount

Valuation Cap: \$_____

Discount Rate: _____ %

The conversion of the SAFE may be subject to a valuation cap, a discount, or both, as specified here.

4. Miscellaneous

This Agreement is not a debt instrument and does not accrue interest. It is non-transferable without the written consent of the Company.

This SAFE is governed by the laws of the State of _____, without regard to conflict of law principles.

Company:

By: _____

Name: _____

Title: _____

Date: _____

Investor:

By: _____

Name: _____

Title: _____

Date: _____

Important Notes about SAFE Agreements

- SAFE holders are not equity owners until conversion and have no voting rights.
- No set maturity date or interest rate; not considered debt.
- Conversion terms (cap or discount) can affect future ownership percentage.
- SAFE agreements are typically used in early-stage startup fundraising.
- Always consult with a legal professional before executing investment documents.