Term Sheet and Shareholders' Agreement Template on Impact, Sustainability and Climate

We, the management of the company, are committed to our company's core purpose to contribute to sustainable development and to the net positive impact of our product/service and to securing our company's long-term success by balancing economic, environmental, social, and good governance aspects. In this context, we are committed to constantly evaluating our business practices and taking timely and responsible action regarding their environmental, social, and corporate governance (ESG) implications.

A. Impact Clause

The company shall

(a) define the company's core impact KPIs and annual targets of which are to be agreed in good faith between the management of the company, [the Board] and AENU, and established in writing at the time of AENU's investment in the Company.

(b) commit to go beyond tracking KPIs. The company shall continuously assess and adapt its product / service if necessary to achieve the intended impact and minimize potential externalities.

The founder(s) shall

(a) consider committing a percentage of their personal proceeds at the point of liquidity to the non-profit of their choice such as Founders Pledge.

B. ESG Clause

The company shall, within six months after signing, develop and thereafter maintain in effect a Sustainability (ESG) Strategy. The Shareholders will support the management to approach and establish this Strategy, which shall include:

(a) Identification of material ESG issues including risks and opportunities.

(b) Development of specific ESG targets and a corresponding action plan.

Additionally, the company shall commit to diversity, equity, and inclusion (DEI) and recognize the opportunity to advance equity efforts through inclusive leadership and its governance bodies such as the board of directors. This shall include crafting a DEI strategy and taking necessary actions in areas such as, but not limited to, diverse recruitment, equitable benefits, and customer inclusion.

C. Climate Clause

The management of the company acknowledges that the climate crisis is one of the biggest challenges of our time. The management commits to, at the very least, achieving net zero by 2050. To achieve this, the management commits, within six months after signing to:

(a) Measure the company's carbon footprint by using a sufficiently sophisticated assessment framework, from Scope 1 to Scope 3 emissions[1].

(b) Evaluate and implement measures to reduce the company's carbon footprint as much as possible, expressed in annual targets.

(c) If the calculated emissions cannot be avoided or reduced, commit to compensating them by purchasing Gold Standard and/or VCS certificates on an annual basis[2].

D. Governance & Reporting

1. The management commits to appointing - within six months from AENU's investment - one (1) team member as "Impact & ESG & Climate Officer" to co-create and oversee the Impact, Sustainability, and Climate strategy, objectives, KPIs, and measures as stated above.

2. The management will ensure that such officer reports in writing annually on status and progress of Impact, Sustainability, and Climate matters – including KPIs, policies enacted, and actions taken – to the company's management and its board (optional: and also to its investors, employees, and general public). Such reports shall be shared with AENU.

3. The management commits to reporting on mandatory Principal Adverse Impacts[3] as laid out in the EU SFDR Regulatory Technical Standards (RTS) published in 2021.

[1] If unable to assess Scope 3 emissions, the management commits to measuring Scope 1 and 2 emissions, including business travel / employee commute and server energy usage.

[2] We recommend committing to, at least, 50 euros per ton of carbon emitted for removal – not offsetting – projects regardless of the actual market price of the chosen credits.

[3] Principal Adverse Impacts (PAIs) are negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices or advice performed by a legal entity. PAIs can be considered ESG metrics. Depending on the stage, companies will submit a list of 30 PAIs or less on an annual basis, which can be shared with other investors. Examples include GHG emissions and carbon footprint. AENU will support this process.

AENU

APPENDIX – Action Checklist

This checklist serves as a quick reference to what the management of the company is committing to (in the current version of the Impact & ESG clause). We strive to adapt the clause to the stage of the company.

At time of investment

- Impact KPIs and annual targets defined with [the Board] and AENU
- Commit to achieving net zero by 2050

In the 6 months following investment

- Appoint one team member as "Impact & ESG & Climate Officer
- Develop and maintain in effect a Sustainability (ESG) Strategy, which includes:
  - Identification of material ESG issues including risks and opportunities
  - development of specific ESG targets and a corresponding action plan
- crafting a DEI strategy and action plan
- Carbon footprint
  - Measure the company's carbon footprint by using a sufficiently sophisticated assessment framework, from Scope 1 to Scope 3 emissions.
  - Evaluate and implement measures to reduce the company's carbon footprint as much as possible, expressed in annual targets.
  - If the calculated emissions cannot be avoided or reduced, commit to compensating them by purchasing Gold Standard and/or VCS certificates on an annual basis.

Continuously

- Commit to iterating product / service to increase impact (impact management)
- report in writing annually on status and progress of Impact, Sustainability, and Climate matters, including Principal Adverse Impacts

At Exit

- Commit to Founders Pledge