**Term Sheet**

**I. Overview**

The following term sheet outlines the principal terms and conditions proposed for the investment by **[Investor's Name]** into **[Your Company Name]**. This document serves as a basis for the drafting of the investment agreement and is intended to be non-binding except where expressly stated.

This term sheet provides a summary of the key financial, structural, and legal commitments involved in the transaction. Modifications to terms herein should be agreed upon by both parties during due diligence and final documentation.

**II. Parties**

The term sheet is entered into between **[Your Company Name]**, a corporation incorporated and existing under the laws of **[Jurisdiction]**, and the investor, **[Investor's Name]**, herein referred to as the “Investor”, collectively referred to as the “Parties”.

The parties affirm their interest in finalizing the deal subject to due diligence, legal review, and documentation that reflects the terms laid out in this term sheet.

**III. Investment Details**

* Amount: $**[Amount]**
* Type of Security: **[Type of Security - e.g., Convertible Notes, Equity]**
* Valuation Cap: $**[Valuation Cap]**
* Discount Rate: **[Discount Rate]**%
* Interest Rate (if applicable): **[Interest Rate]**%

**IV. Use of Proceeds**

The proceeds from this investment shall be used by **[Your Company Name]** in the following manner:

* **$[Amount for Product Development]** for product development.
* **$[Amount for Marketing]** for marketing initiatives.
* **$[Amount for Operational Overhead]** for operational overhead.
* Remaining funds will be reserved for unforeseen costs and further innovation.

**V. Milestones and Reporting**

In order to effectively monitor progress and align goals, **[Your Company Name]** will adhere to the following milestones and reporting standards:

* Quarterly financial reports will be submitted to the Investor within 15 days of each quarter’s close.
* Yearly audited financial statements will be available within 30 days of the fiscal year-end.
* Milestone achievement reports will be provided when crucial product development stages are completed.

**VI. Governance**

**[Your Company Name]** agrees to the following governance conditions proposed by the Investor:

* The Investor will have the right to appoint one board member to the **[Your Company Name]**'s Board of Directors.
* Regular board meetings will be held at least quarterly, and special meetings can be called as necessary.

**VII. Legal Terms and Conditions**

The investment will be subject to the following legal terms and approvals:

* Compliance with applicable securities laws and regulations.
* Execution of definitive agreements that include conditions precedent, representations, warranties, and covenants typical for a transaction of this nature.

**VIII. Confidentiality**

Both parties agree to keep the terms within this term sheet and all related negotiations confidential. Disclosure of terms to third parties will require prior written consent from the other party.

**IX. Exclusivity**

Upon signing this term sheet, **[Your Company Name]** agrees not to engage in any discussions or negotiations with any other party concerning an investment of similar nature for a period of **[Negotiation Period]** days.

**X. Binding Provisions**

While this term sheet is mostly non-binding, sections related to confidentiality, exclusivity, and governance will be legally binding. Final investment terms will become binding only upon execution of definitive legal documents that encapsulate the agreed-upon terms herein, subject to legal reviews and approvals as needed.