[AMENDED AND RESTATED] RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT

THIS [AMENDED AND RESTATED] RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT (this “**Agreement**”), is made as of [\_\_\_\_\_\_\_\_], 20[\_\_], by and among [\_\_\_\_\_\_\_\_\_\_\_\_], a Delaware corporation (the “**Company**”), the Investors (as defined below) and the Key Holders[[1]](#footnote-2) (as defined below).

**RECITALS**

**WHEREAS,** each Key Holder is the beneficial owner of shares of Capital Stock, or of options to purchase Capital Stock; [and]

[**WHEREAS,** the Company, [certain of] the Key Holders and [certain of] the Investors (the “**Existing Investors**”) previously entered into [a][an] [Amended and Restated] Right of First Refusal and Co-Sale Agreement, dated [\_\_\_\_\_ \_\_, 20\_\_\_] (the “**Prior Agreement**”), in connection with the purchase of shares of Series [\_\_] Preferred Stock of the Company, par value $\_\_ per share (“**Series [\_\_] Preferred Stock**”); and]

**WHEREAS,** the Key Holders[, the Existing Investors] and the Company desire to induce [certain of] the Investors to purchase shares of Series [\_\_] Preferred Stock of the Company, par value $\_\_\_ per share (“**Series [\_\_\_] Preferred Stock**”), pursuant to that certain Series [\_\_] Preferred Stock Purchase Agreement dated as of the date hereof by and among the Company and such Investors (the “**Purchase Agreement**”) by [amending and restating the Prior Agreement in its entirety and] entering into this Agreement to provide the Investors with the rights and privileges as set forth herein.]

**NOW, THEREFORE,** the parties agree as follows:

# Definitions.

## “**Affiliate**” means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or other investment fund now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

## “**Board of Directors**” means the board of directors of the Company.

## “**Capital Stock**” means (a) shares of Common Stock and Preferred Stock (whether now outstanding or hereafter issued in any context including shares of Common Stock issued or issuable upon conversion of Preferred Stock [but excluding any shares of Common Stock issued upon Conversion of Preferred Stock pursuant to a Special Mandatory Conversion (as defined in the Restated Certificate)][[2]](#footnote-3)), and (b) shares of Common Stock issued or issuable upon exercise or conversion, as applicable, of stock options, warrants or other convertible securities of the Company, in each case now owned or subsequently acquired by any Key Holder, any Investor, or their respective successors or permitted transferees or assigns. For purposes of the number of shares of Capital Stock held by an Investor or Key Holder (or any other calculation based thereon), all shares of Preferred Stock shall be deemed to have been converted into Common Stock at the then‑applicable conversion ratio.

## “**Change of Control**” means a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of the Company shares representing more than 50% of the outstanding voting power of the Company.

## “**Common Stock**” means shares of Common Stock of the Company, [\_\_] par value per share.

## “**Company Notice**” means written notice from the Company notifying the selling Key Holders and each Investor that the Company intends to exercise its Right of First Refusal as to some or all of the Transfer Stock with respect to any Proposed Key Holder Transfer.

## “**Competitor**” means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in [*description of business*], but shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than 20% of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the board of directors of any Competitor. [Additionally, in no event shall [\_\_\_\_] or its Affiliates be a Competitor hereunder.] [[3]](#footnote-4)

## “**Deemed Liquidation Event**” has the meaning ascribed to it in the Restated Certificate.

## [“**DPA**” means Section 721 of the Defense Production Act, as amended, including all implementing regulations thereof.

## “**DPA Triggering Rights**” means (i) “control” (as defined in the DPA); (ii) access to any “material non-public technical information” (as defined in the DPA) in the possession of the Company; (iii) membership or observer rights on the Board of Directors or equivalent governing body of the Company or the right to nominate an individual to a position on the Board of Directors or equivalent governing body of the Company; (iv) any involvement, other than through the voting of shares, in substantive decision-making of the Company regarding (x) the use, development, acquisition or release of any Company “critical technology” (as defined in the DPA); (y) the use, development, acquisition, safekeeping, or release of “sensitive personal data” (as defined in the DPA) of U.S. citizens maintained or collected by the Company; or (z) the management, operation, manufacture, or supply of “covered investment critical infrastructure” (as defined in the DPA).

## “**Entity Transfer**” means any sale, assignment, derivative transaction, issuance, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by request, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly of any ownership or economic interest in such entity.

## [“**Foreign Person**” means either (i) a Person or government that is a “foreign person” within the meaning of the DPA or (ii) a Person through whose investment a “foreign person” within the meaning of the DPA would obtain any DPA Triggering Rights.][[4]](#footnote-5)

## “**Investor Notice**” means written notice from any Investor notifying the Company and the selling Key Holder(s) that such Investor intends to exercise its Secondary Refusal Right as to a portion of the Transfer Stock with respect to any Proposed Key Holder Transfer.

## “**Investors**” means the persons named on Schedule A hereto, each person to whom the rights of an Investor are assigned pursuant to Section 6.9, and each person who hereafter becomes a party to this Agreement pursuant to Section 6.11[; provided, however, that any such person shall cease to be considered an Investor for purposes of this Agreement at any time such person and his, her or its Affiliates collectively hold fewer than [\_\_\_\_\_\_\_\_\_\_\_\_] shares of Capital Stock (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction)][[5]](#footnote-6).

## “**Key Holders**” means the persons named on Schedule B hereto, each person to whom the rights of a Key Holder are assigned pursuant to Section 3.1, each person who hereafter becomes a party to this Agreement pursuant to Section 6.9 or 6.17 and any one of them, as the context may require.

## “**Person**” means any individual, corporation, partnership, trust, limited liability company, association, or other entity.

## “**Preferred Stock**” means, collectively, all shares of Series A Preferred Stock [and Series [\_] Preferred Stock].[[6]](#footnote-7)

## “**Proposed Key Holder Transfer**” means any assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering of any Transfer Stock (or any interest therein) proposed by any of the Key Holders.

## “**Proposed Transfer Notice**” means written notice from a Key Holder setting forth the terms and conditions of a Proposed Key Holder Transfer.

## “**Prospective Transferee**” means any Person to whom a Key Holder proposes to make a Proposed Key Holder Transfer.

## [“**Qualified Direct Listing**” has the meaning ascribed to it in the Restated Certificate.]

## “**Qualified Key Holder**” means a Key Holder and (i) if an individual, is providing services to the Company or its subsidiaries as a [full-time] employee [or consultant (excluding service solely as member of the Board)] and (ii) if an entity, is owned or controlled by an individual providing services to the Company or its subsidiaries as a [full-time] employee [or consultant (excluding service solely as member of the Board)].

## “**Restated Certificate**” means the Company’s Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

## “**Right of Co-Sale**” means the right, but not an obligation, of an Investor to participate in a Proposed Key Holder Transfer on the terms and conditions specified in the Proposed Transfer Notice.

## “**Right of First Refusal**” means the right, but not an obligation, of the Company, or its permitted transferees or assigns, to purchase some or all of the Transfer Stock with respect to a Proposed Key Holder Transfer, on the terms and conditions specified in the Proposed Transfer Notice.

## “**Sanctioned Party**” means any Person: (i) organized under the laws of, ordinarily resident in, or located in a country or territory that is the subject of comprehensive Sanctions (“**Restricted Countries**”[[7]](#footnote-8)); (ii) 50% or more owned or controlled by the government of a Restricted Country; or (iii) (A) designated on a sanctioned parties list administered by the United States[, European Union, or United Kingdom], including, without limitation, the U.S. Department of the Treasury’s Office of Foreign Assets Control’s Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, [and ]Sectoral Sanctions Identification List[, the Consolidated List of Persons, Groups, and Entities Subject to EU Financial Sanctions, and the UK’s Consolidated Sanctions List] (collectively, “**Designated Parties**”); or (B) 50% or more owned or, where relevant under applicable Sanctions, controlled, individually or in the aggregate, by one or more Designated Party, in each case only to the extent that dealings with such Person is are prohibited pursuant to applicable Sanctions[[8]](#footnote-9).

## “**Sanctions**” means applicable laws and regulations pertaining to trade and economic sanctions administered by the United States[, European Union, or United Kingdom][[9]](#footnote-10).[[10]](#footnote-11)

## “**Secondary Notice**” means written notice from the Company notifying the Investors and the selling Key Holder that the Company does not intend to exercise its Right of First Refusal as to all shares of any Transfer Stock with respect to a Proposed Key Holder Transfer, on the terms and conditions specified in the Proposed Transfer Notice.

## “**Secondary Refusal Right**” means the right, but not an obligation, of each Investor to purchase up to its pro rata portion (based upon the total number of shares of Capital Stock then held by all Investors) of any Transfer Stock not purchased pursuant to the Right of First Refusal, on the terms and conditions specified in the Proposed Transfer Notice.

## “**Side Letters**” has the meaning ascribed to it in the Purchase Agreement.

## “**Transfer Stock**” means shares of Capital Stock owned by a Key Holder, or issued to a Key Holder after the date hereof (including, without limitation, in connection with any stock split, stock dividend, recapitalization, reorganization, or the like), but does not include any shares of Preferred Stock or of Common Stock that are issued or issuable upon conversion of Preferred Stock.[[11]](#footnote-12)

## “**Undersubscription Notice**” means written notice from an Investor notifying the Company and the selling Key Holder that such Investor intends to exercise its option to purchase all or any portion of the Transfer Stock not purchased pursuant to the Right of First Refusal or the Secondary Refusal Right.

# Agreement Among the Company, the Investors and the Key Holders.

## Right of First Refusal.[[12]](#footnote-13)

### Grant. Subject to the terms of Section 2.5 below, each Key Holder[[13]](#footnote-14) hereby unconditionally and irrevocably grants to the Company a Right of First Refusal to purchase all or any portion of Transfer Stock that such Key Holder may propose to include in a Proposed Key Holder Transfer, at the same price and on the same terms and conditions as those offered to the Prospective Transferee.

### Notice. Each Key Holder proposing to make a Proposed Key Holder Transfer must deliver a Proposed Transfer Notice to the Company and each Investor not later than [45] days prior to the consummation of such Proposed Key Holder Transfer. Such Proposed Transfer Notice shall contain the material terms and conditions (including price and form of consideration) of the Proposed Key Holder Transfer, the identity of the Prospective Transferee and the intended date of the Proposed Key Holder Transfer. To exercise its Right of First Refusal under this Section 2, the Company must deliver a Company Notice to the selling Key Holder and the Investors within 15 days after delivery of the Proposed Transfer Notice specifying the number of shares of Transfer Stock to be purchased by the Company. [In the event of a conflict between this Agreement and any other agreement that may have been entered into by a Key Holder with the Company that contains a preexisting right of first refusal, the Company and the Key Holder acknowledge and agree that the terms of this Agreement shall control and the preexisting right of first refusal shall be deemed satisfied by compliance with Section 2.1(a) and this Section 2.1(b).] [In the event of a conflict between this Agreement and the Company’s Bylaws containing a preexisting right of first refusal, the terms of the Bylaws will control and compliance with the Bylaws shall be deemed compliance with this Section 2.1(a) and (b) in full.][[14]](#footnote-15)

### Grant of Secondary Refusal Right to the Investors. Subject to the terms of Section 2.5 below, each Key Holder hereby unconditionally and irrevocably grants to the Investors a Secondary Refusal Right to purchase all or any portion of the Transfer Stock not purchased by the Company pursuant to the Right of First Refusal, as provided in this Section 2.1(c). If the Company does not provide the Company Notice exercising its Right of First Refusal with respect to all Transfer Stock subject to a Proposed Key Holder Transfer, the Company must deliver a Secondary Notice to the selling Key Holder and to each Investor to that effect no later than 15 days after the selling Key Holder delivers the Proposed Transfer Notice to the Company. To exercise its Secondary Refusal Right, an Investor must deliver an Investor Notice to the selling Key Holder and the Company within ten days after the Company’s deadline for its delivery of the Secondary Notice as provided in the preceding sentence.

### Undersubscription of Transfer Stock. If options to purchase have been exercised by the Company and the Investors pursuant to Sections 2.1(b) and (c) with respect to some but not all of the Transfer Stock by the end of the ten day period specified in the last sentence of Section 2.1(c) (the “**Investor Notice Period**”), then the Company shall, within five days after the expiration of the Investor Notice Period, send written notice (the “**Company Undersubscription Notice**”) to those Investors who fully exercised their Secondary Refusal Right within the Investor Notice Period (the “**Exercising Investors**”). Each Exercising Investor shall, subject to the provisions of this Section 2.1(d), have an additional option to purchase all or any part of the balance of any such remaining unsubscribed shares of Transfer Stock on the terms and conditions set forth in the Proposed Transfer Notice. To exercise such option, an Exercising Investor must deliver an Undersubscription Notice to the selling Key Holder and the Company within ten days after the expiration of the Investor Notice Period. In the event there are two or more such Exercising Investors that choose to exercise the last-mentioned option for a total number of remaining shares in excess of the number available, the remaining shares available for purchase under this Section 2.1(d) shall be allocated to such Exercising Investors pro rata based on the number of shares of Transfer Stock such Exercising Investors have elected to purchase pursuant to the Secondary Refusal Right (without giving effect to any shares of Transfer Stock that any such Exercising Investor has elected to purchase pursuant to the Company Undersubscription Notice). If the options to purchase the remaining shares are exercised in full by the Exercising Investors, the Company shall immediately notify all of the Exercising Investors and the selling Key Holder of that fact.

### [Forfeiture of Rights. Notwithstanding the foregoing, if the total number of shares of Transfer Stock that the Company and the Investors have agreed to purchase in the Company Notice, Investor Notices and Undersubscription Notices is less than the total number of shares of Transfer Stock, then the Company and the Investors shall be deemed to have forfeited any right to purchase such Transfer Stock, and the selling Key Holder shall be free to sell all, but not less than all, of the Transfer Stock to the Prospective Transferee on terms and conditions substantially similar to (and in no event more favorable than) the terms and conditions set forth in the Proposed Transfer Notice, it being understood and agreed that (i) any such sale or transfer shall be subject to the other terms and restrictions of this Agreement, including, without limitation, the terms and restrictions set forth in Sections 2.2 and 6.9(b); (ii) any future Proposed Key Holder Transfer shall remain subject to the terms and conditions of this Agreement, including this Section 2; and (iii) such sale shall be consummated within 45 days after receipt of the Proposed Transfer Notice by the Company and, if such sale is not consummated within such 45 day period, such sale shall again become subject to the Right of First Refusal and Secondary Refusal Right on the terms set forth herein.][[15]](#footnote-16)

### Consideration; Closing. If the consideration proposed to be paid for the Transfer Stock is in property, services or other non-cash consideration, the fair market value of the consideration shall be as determined in good faith by the Board of Directors and as set forth in the Company Notice. If the Company or any Investor for any reason cannot or does not wish to pay for the Transfer Stock in the same form of non-cash consideration, the Company or such Investor may pay the cash value equivalent thereof, as determined in good faith by the Board of Directors and as set forth in the Company Notice. The closing of the purchase of Transfer Stock by the Company and the Investors shall take place, and all payments from the Company and the Investors shall have been delivered to the selling Key Holder, by the later of (i) the date specified in the Proposed Transfer Notice as the intended date of the Proposed Key Holder Transfer; and (ii) [45] days after delivery of the Proposed Transfer Notice.

## Right of Co-Sale.

### Exercise of Right. If any Transfer Stock subject to a Proposed Key Holder Transfer is not purchased pursuant to Section 2.1 above and thereafter is to be sold to a Prospective Transferee, each respective Investor may elect to exercise its Right of Co-Sale and participate on a pro rata basis in the Proposed Key Holder Transfer as set forth in Section 2.2(b) below and, subject to Section 2.2(d), otherwise on the same terms and conditions specified in the Proposed Transfer Notice. Each Investor who desires to exercise its Right of Co-Sale (each, a “**Participating Investor**”) must give the selling Key Holder written notice to that effect within 15 days after the deadline for delivery of the Secondary Notice described above, and upon giving such notice such Participating Investor shall be deemed to have effectively exercised the Right of Co-Sale.

### Shares Includable. Each Participating Investor may include in the Proposed Key Holder Transfer all or any part of such Participating Investor’s Capital Stock equal to the product obtained by multiplying (i) the aggregate number of shares of Transfer Stock subject to the Proposed Key Holder Transfer (excluding shares purchased by the Company or the Participating Investors pursuant to the Right of First Refusal or the Secondary Refusal Right) by (ii) a fraction, the numerator of which is the number of shares of Capital Stock owned by such Participating Investor immediately before consummation of the Proposed Key Holder Transfer [(including any shares that such Participating Investor has agreed to purchase pursuant to the Secondary Refusal Right)] and the denominator of which is the total number of shares of Capital Stock owned, in the aggregate, by all Participating Investors immediately prior to the consummation of the Proposed Key Holder Transfer [(including any shares that all Participating Investors have collectively agreed to purchase pursuant to the Secondary Refusal Right)], plus the number of shares of Transfer Stock held by the [selling Key Holder][Key Holders]. [To the extent one or more of the Participating Investors exercise such right of participation in accordance with the terms and conditions set forth herein, the number of shares of Transfer Stock that the selling Key Holder may sell in the Proposed Key Holder Transfer shall be correspondingly reduced.]

### Purchase and Sale Agreement. The Participating Investors and the selling Key Holder agree that the terms and conditions of any Proposed Key Holder Transfer in accordance with this Section 2.2 will be memorialized in, and governed by, a written purchase and sale agreement with the Prospective Transferee (the “**Purchase and Sale Agreement**”) with customary terms and provisions for such a transaction, and the Participating Investors and the selling Key Holder further covenant and agree to enter into such Purchase and Sale Agreement as a condition precedent to any sale or other transfer in accordance with this Section 2.2.

### Allocation of Consideration.

#### Subject to Section 2.2(d)(ii), the aggregate consideration payable to the Participating Investors and the selling Key Holder shall be allocated based on the number of shares of Capital Stock sold to the Prospective Transferee by each Participating Investor and the selling Key Holder as provided in Section 2.2(b), provided that if a Participating Investor wishes to sell Preferred Stock, the price set forth in the Proposed Transfer Notice shall be appropriately adjusted based on the conversion ratio of the Preferred Stock into Common Stock.

#### In the event that the Proposed Key Holder Transfer constitutes a Change of Control, the terms of the Purchase and Sale Agreement shall provide that the aggregate consideration from such transfer shall be allocated to the Participating Investors and the selling Key Holder in accordance with Section 2 of Article Fourth, Part B of the Restated Certificate as if (A) such transfer were a Deemed Liquidation Event, and (B) the capital stock sold in accordance with the Purchase and Sale Agreement were the only capital stock outstanding.[[16]](#footnote-17)

### Purchase by Selling Key Holder; Deliveries. Notwithstanding Section 2.2(c) above, if any Prospective Transferee(s) refuse(s) to purchase securities subject to the Right of Co-Sale from any Participating Investor or Investors or upon the failure to negotiate in good faith a Purchase and Sale Agreement reasonably satisfactory to the Participating Investors, no Key Holder may sell any Transfer Stock to such Prospective Transferee(s) unless and until, simultaneously with such sale, such Key Holder purchases all securities subject to the Right of Co-Sale from such Participating Investor or Investors on the same terms and conditions (including the proposed purchase price) as set forth in the Proposed Transfer Notice and as provided in Section 2.2(d)(i); provided*,* however, if such sale constitutes a Change of Control, the portion of the aggregate consideration paid by the selling Key Holder to such Participating Investor or Investors shall be made in accordance with Section 2.2(d)(ii). In connection with such purchase by the selling Key Holder, such Participating Investor or Investors shall deliver to the selling Key Holder any stock certificate or certificates, properly endorsed for transfer, representing the capital stock being purchased by the selling Key Holder (or request that the Company effect such transfer in the name of the selling Key Holder). Any such shares transferred to the selling Key Holder will be transferred to the Prospective Transferee against payment therefor in consummation of the sale of the Transfer Stock pursuant to the terms and conditions specified in the Proposed Transfer Notice, and the selling Key Holder shall concurrently therewith remit or direct payment to each such Participating Investor the portion of the aggregate consideration to which each such Participating Investor is entitled by reason of its participation in such sale as provided in this Section 2.2(e).

### Additional Compliance. If any Proposed Key Holder Transfer is not consummated within 60 days after receipt of the Proposed Transfer Notice by the Company, the Key Holders proposing the Proposed Key Holder Transfer may not sell any Transfer Stock unless they first comply in full with each provision of this Section 2. The exercise or election not to exercise any right by any Investor hereunder shall not adversely affect its right to participate in any other sales of Transfer Stock subject to this Section 2.2.

## Effect of Failure to Comply.

### Transfer Void; Equitable Relief. Any Proposed Key Holder Transfer not made in compliance with the requirements of this Agreement shall be null and void ab initio, shall not be recorded on the books of the Company or its transfer agent and shall not be recognized by the Company. Each party hereto acknowledges and agrees that any breach of this Agreement would result in substantial harm to the other parties hereto for which monetary damages alone could not adequately compensate. Therefore, the parties hereto unconditionally and irrevocably agree that any non-breaching party hereto shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity (including, without limitation, seeking specific performance or the rescission of purchases, sales and other transfers of Transfer Stock not made in strict compliance with this Agreement).

### Violation of First Refusal Right. If any Key Holder becomes obligated to sell any Transfer Stock to the Company or any Investor under this Agreement and fails to deliver such Transfer Stock in accordance with the terms of this Agreement, the Company and/or such Investor may, at its option, in addition to all other remedies it may have, send to such Key Holder the purchase price for such Transfer Stock as is herein specified and transfer to the name of the Company or such Investor (or request that the Company effect such transfer in the name of an Investor) on the Company’s books any certificates, instruments, or book entry representing the Transfer Stock to be sold.

### Violation of Co-Sale Right. If any Key Holder purports to sell any Transfer Stock in contravention of the Right of Co-Sale (a “**Prohibited Transfer**”), each Participating Investor who desires to exercise its Right of Co-Sale under Section 2.2 may, in addition to such remedies as may be available by law, in equity or hereunder, require such Key Holder to purchase from such Participating Investor the type and number of shares of capital stock that such Participating Investor would have been entitled to sell to the Prospective Transferee had the Prohibited Transfer been effected in compliance with the terms of Section 2.2. The sale will be made on the same terms, including, without limitation, as provided in Section 2.2(d)(i) and the first sentence of Section 2.2(d)(ii), as applicable, and subject to the same conditions as would have applied had the Key Holder not made the Prohibited Transfer, except that the sale (including, without limitation, the delivery of the purchase price) must be made within 90 days after the Participating Investor learns of the Prohibited Transfer, as opposed to the timeframe proscribed in Section 2.2. Such Key Holder shall also reimburse each Participating Investor for any and all reasonable and documented out-of-pocket fees and expenses, including reasonable legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Participating Investor’s rights under Section 2.2.

## [Limitation on Foreign Person Investors

. Notwithstanding the covenants set forth in this Section 2, no Investor that is a Foreign Person shall be permitted to obtain greater than 9.9% of the outstanding voting shares of the Company.][[17]](#footnote-18)

##  [Entity Transfers. No Key Holder that is a trust, corporation, partnership, limited liability company or other entity shall engage or permit any Entity Transfer without complying with this Agreement mutatis mutandis as if such Entity Transfer were a direct Transfer of Transfer Stock by the Key Holder.]

# Exempt Transfers.[[18]](#footnote-19)

## Exempt Transfers

. Notwithstanding the foregoing or anything to the contrary herein, the provisions of Sections 2.1 and 2.2 shall not apply (a) in the case of a Key Holder that is an entity, upon a Transfer by such Key Holder to its stockholders, members, partners or other equity holders; (b) to a repurchase of Transfer Stock from a Key Holder by the Company at a price no greater than that originally paid by such Key Holder for such Transfer Stock and pursuant to an agreement containing vesting and/or repurchase provisions approved by a majority of the disinterested members of the Board of Directors; [or] (c) in the case of a Key Holder that is a natural person, upon a Transfer of Transfer Stock by such Key Holder made for bona fide estate planning purposes, either during such person’s lifetime or on death by will or intestacy to such person’s spouse, including any life partner or similar statutorily-recognized domestic partner, child (natural or adopted), or any other direct lineal descendant of such Key Holder (or such person’s spouse, including any life partner or similar statutorily-recognized domestic partner) (all of the foregoing collectively referred to as “family members”), or any other Person approved by a majority of the disinterested members of the Board of Directors, or any custodian or trustee of any trust, partnership, limited liability company or other corporate entity for the benefit of, or the ownership interests of which are owned wholly by such Key Holder or any such family members[; (d) to a pledge of Transfer Stock that creates a mere security interest in the pledged Transfer Stock, provided that the pledgee thereof agrees in writing in advance to be bound by and comply with all applicable provisions of this Agreement to the same extent as if it were the Key Holder making such pledge;] [or (e) to the sale by the Key Holder of up to [\_\_]% of the Transfer Stock held by such Key Holder as of the date that such Key Holder first became party to this Agreement (including any agreement of which this Agreement is a direct or indirect amendment or restatement)]; provided that in the case of clause[(s)] (a)[, (c), (d) or (e)], the Key Holder shall deliver prior written notice to the Investors of such pledge, gift or transfer and such shares of Transfer Stock shall at all times remain subject to the terms and restrictions set forth in this Agreement and such transferee shall, as a condition to such Transfer, deliver a counterpart signature page to this Agreement as confirmation that such transferee shall be bound by all the terms and conditions of this Agreement as a Key Holder (but only with respect to the securities so transferred to the transferee), including the obligations of a Key Holder with respect to Proposed Key Holder Transfers of such Transfer Stock pursuant to Section 2; and provided further in the case of any transfer pursuant to clause (a) or (c) above, that such transfer is made pursuant to a transaction in which there is no consideration actually paid for such transfer.

## Exempted Offerings

. Notwithstanding the foregoing or anything to the contrary herein, the provisions of Section 2 shall not apply to the sale of any Transfer Stock (a) to the public in an offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (a “**Public Offering**”); or (b) pursuant to a Deemed Liquidation Event.

## Prohibited Transferees

. Notwithstanding the foregoing, no Key Holder shall transfer any Transfer Stock to any (a) Competitor; (b) customer, distributor or supplier of the Company, if the majority of the disinterested members of the Board of Directors should determine that such transfer would result in such customer, distributor or supplier receiving information that would place the Company at a competitive disadvantage with respect to such customer, distributor or supplier; (c) Sanctioned Party. [(d) Foreign Person that pursuant to any such transfer would acquire any DPA Triggering Rights, unless otherwise approved by the majority of the disinterested members of the] Board of Directors][[19]](#footnote-20).

# Legend

. Each certificate, instrument, or book entry representing shares of Transfer Stock held by the Key Holders or issued to any permitted transferee in connection with a transfer permitted by Section 3.1 hereof shall be notated with the following legend:

THE SALE, PLEDGE, HYPOTHECATION, OR TRANSFER OF THE SECURITIES REPRESENTED HEREBY IS SUBJECT TO, AND IN CERTAIN CASES PROHIBITED BY, THE TERMS AND CONDITIONS OF A CERTAIN RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT BY AND AMONG THE STOCKHOLDER, THE CORPORATION AND CERTAIN OTHER HOLDERS OF STOCK OF THE CORPORATION. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION.

Each Key Holder agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares notated with the legend referred to in this Section 4 to enforce the provisions of this Agreement, and the Company agrees to promptly do so. The legend shall be removed upon termination of this Agreement at the request of the holder.

# Lock-Up.

## Agreement to Lock-Up

. Each Key Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to a Public Offering, the registration by the Company of shares of its Common Stock or any other equity securities on a registration statement (other than a Form S-8), and ending on the date specified by the managing underwriter or the Company, as applicable (such period not to exceed 180 days, or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in applicable FINRA rules, or any successor provisions or amendments thereto), (a) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock (or other equity securities of the Company) or any securities convertible into or exercisable or exchangeable (directly or indirectly) for such Common Stock (or other equity securities) held or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the capital stock, whether any such transaction described in clauses (a) or (b) above is to be settled by delivery of capital stock or other securities, in cash or otherwise. The foregoing provisions of this Section 5 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement or to the establishment of a trading plan pursuant to Rule 10b5-1, provided that such plan does not permit transfers during the restricted period. The Company’s underwriters are intended third‑party beneficiaries of this Section 5 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Key Holder further agrees to execute such agreements as may be reasonably requested by the underwriters that are consistent with this Section 5 or that are necessary to give further effect thereto. In the event a Key Holder is or becomes party to a lock-up or market standoff agreement with the Company or any third party beneficiary of this Section 5.1 that contains terms that are more restrictive to the Key Holder, the Key Holder agrees that the Key Holder shall be subject to the more restrictive terms and compliance therewith shall be deemed compliance herewith.[[20]](#footnote-21)

## Stop Transfer Instructions

. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the shares of capital stock of each Key Holder (and transferees and assignees thereof) until the end of such restricted period.

## Survival

. Unless and only to the extent otherwise superseded by an underwriting agreement entered into in connection with the underwritten Public Offering, the obligations of the Key Holders under this Section 5 shall survive the termination of this Agreement or any provision(s) of this Agreement.

# Miscellaneous.

## Term

. This Agreement shall automatically terminate upon the earlier of (a) immediately prior to the consummation of the Company’s initial Public Offering (“**IPO**”) [or Qualified Direct Listing, as applicable], and (b) the consummation of a Deemed Liquidation Event [in which the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities, or if the Investors receive substantially similar rights].

## Stock Split

. All references to numbers of shares in this Agreement shall be appropriately adjusted to reflect any stock dividend, split, combination or other recapitalization affecting the capital stock occurring after the date of this Agreement.

## Ownership

. Each Key Holder represents and warrants that such Key Holder is the sole legal and beneficial owner of the shares of Transfer Stock subject to this Agreement and that no other person or entity has any interest in such shares (other than a community property interest as to which the holder thereof has acknowledged and agreed in writing to the restrictions and obligations hereunder).

## Dispute Resolution

.

### [*Alternative 1:* Except as (i) otherwise provided in this Agreement, or (ii) any disputes, controversies, or claims arising out of either party’s intellectual property rights for which a provisional remedy or equitable relief is sought, any unresolved dispute, controversy, or claim arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be resolved by arbitration before a single arbitrator. Such arbitrator shall be mutually agreed upon by the parties, and if no agreement can be reached within 30 days after names of potential arbitrators have been proposed by Judicial Arbitration and Mediation Services, Inc. (“**JAMS**”),[[21]](#footnote-22) then JAMS shall choose one arbitrator having reasonable experience in corporate finance transactions of the type provided for in this Agreement. The arbitration shall take place in [*location*], pursuant to the JAMS Comprehensive Arbitration Rules and Procedures [and in accordance with the Expedited Procedures in those rules] [or pursuant to JAMS’ Streamlined Arbitration Rules and Procedures]; provided, however, that there shall be limited discovery prior to the arbitration hearing as follows: (x) exchange of witness lists and copies of documentary evidence and documents relating to the issues to be arbitrated, (y) depositions of all party witnesses, and (z) such other depositions as may be allowed by the arbitrators upon a showing of good cause. Depositions shall be conducted in accordance with the [*state*] Code of Civil Procedure, the arbitrator shall be required to provide in writing to the parties the basis for the award or order of such arbitrator, and a court reporter shall record all hearings, with such record constituting the official transcript of such proceedings. Judgment on the award may be entered in any court having jurisdiction.] [[22]](#footnote-23)

[The parties (i) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of [*state*] and to the jurisdiction of the United States District Court for the District of [judicial district] for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (ii) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of [*state*]or the United States District Court for the District of [*judicial district*], and (iii) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.]

### Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the District of [\_\_\_\_\_] or any state court of [*state*] having subject matter jurisdiction.

### Waiver of Jury Trial:EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION AGREEMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.[[23]](#footnote-24)

## Notices.

### All notices and other communications given or made pursuant to this Agreement shall be in writing (including electronic mail as permitted in this Agreement) and shall be deemed effectively given upon the earlier of actual receipt or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient’s next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on Schedule A or Schedule B hereof, as the case may be, or (as to the Company) to the address set forth on the signature page hereto, or in any case to such email address or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to [*Company Counsel Name and Address*], and if notice is given to any Investor, a copy (which copy shall not constitute notice) shall also be given to any “cc” address noted on Schedule A for such Investor.[[24]](#footnote-25)

### Consent to Electronic Notice. Each party to this Agreement consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the “**DGCL**”), as amended or superseded from time to time, by electronic mail pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address set forth below such party’s name on the Schedules hereto, as updated from time to time by notice to the Company, or as on the books of the Company. To the extent that any notice given by means of electronic mail is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each party to this Agreement agrees to promptly notify the Company of any change in its electronic mail address, and that failure to do so shall not affect the foregoing.

## Entire Agreement

. [Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.][[25]](#footnote-26) This Agreement (including the Exhibits and Schedules hereto) together with the other Transaction Agreements (as defined in the Purchase Agreement) and any Side Letters constitute the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between or among any of the parties are expressly canceled.

## Delays or Omissions

. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

## Amendment; Waiver and Termination

.

### This Agreement may be amended, modified or terminated (other than pursuant to Section 6.1 above) and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument executed by (i) the Company, (ii) the [Qualified] Key Holders holding [*specify percentage*] of the shares of Transfer Stock then held by all of the [Qualified] Key Holders [provided that such consent shall not be required if the Key Holders do not then own shares of Capital Stock representing at least [\_\_]% of the outstanding Capital Stock of the Company], and (iii) the holders of at least [*specify percentage*]% of the shares of Preferred Stock then held by the Investors (voting as a single separate class and on an as-converted basis); provided that the Company may in its sole discretion waive compliance with any provision of this Agreement if observance of the terms would cause the Company or any Investor to be in violation of applicable Sanctions.

### Any amendment, modification, termination or waiver effected in accordance with this Section 6.8 shall be binding upon the Company, the Investors, the Key Holders and all of their respective successors and permitted assigns whether or not such party, assignee or other shareholder entered into or approved such amendment, modification, termination or waiver.

### [Notwithstanding Section 6.8(a) above, (i) this Agreement may not be amended, modified or terminated and the observance of any term hereunder may not be waived with respect to any Investor or Key Holder without the written consent of such Investor or Key Holder unless such amendment, modification, termination or waiver applies to all Investors and Key Holders, respectively, in the same fashion [(it being agreed that a waiver of the provisions of Section 2 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase or sell securities in such transaction; [provided, however, if, after giving effect to any waiver of Section 2 with respect to a particular transaction, a waiving Investor in fact purchases or sells securities in such transaction (a “**Participating Investor**”), the aforementioned waiver shall be deemed to apply to any Investor only if that Investor has been provided the opportunity to purchase or sell a proportional number of the securities in such transaction based on relative participation of all Participating Investors)]], (ii) no consent of any Key Holder shall be required for a waiver of the applicability of the rights provided in Section 2 of this Agreement as to any specific Proposed Key Holder Transfer, (iii) the consent of the Key Holders shall not be required for any amendment, modification, termination or waiver if such amendment, modification, termination or waiver does not apply to the Key Holders, and (iv) Schedule A hereto may be amended by the Company from time to time in accordance with the Purchase Agreement to add information regarding Additional Purchasers (as defined in the Purchase Agreement) without the consent of the other parties hereto.][[26]](#footnote-27)

### The Company shall give prompt written notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto whose rights and/or obligations were affected by such amendment, modification, termination, or waiver and that did not consent in writing to such amendment, modification, termination or waiver; provided that the failure to provide such notice shall not invalidate any amendment, modification, termination or waiver hereunder; and provided further, for clarity, that no such notice shall be required to be given to any Key Holder for a waiver of the applicability of the rights provided in Section 2 of this Agreement as to any specific Proposed Key Holder Transfer that does not involve any Transfer Stock held by such Key Holder.

### No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

### Any amendment, modification, termination, or waiver effected in accordance with this Section 6.8 shall be binding on all parties hereto, regardless of whether any such party has consented thereto or received notice thereof.

## Assignment of Rights.

### The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

### Any successor or permitted assignee of any Key Holder, including any Prospective Transferee who purchases shares of Transfer Stock in accordance with the terms hereof, shall deliver to the Company and the Investors, as a condition to any transfer or assignment, a counterpart signature page hereto pursuant to which such successor or permitted assignee shall confirm their agreement to be subject to and bound by all of the provisions set forth in this Agreement that were applicable to the predecessor or assignor of such successor or permitted assignee.

### The rights of the Investors hereunder are not assignable without the Company’s written consent (which shall not be unreasonably withheld, delayed or conditioned), except (i) by an Investor to any Affiliate, or (ii) to an assignee or transferee who, after such assignment or transfer, holds at least [\_\_\_\_\_\_\_\_\_\_][[27]](#footnote-28) shares of Capital Stock (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction), it being acknowledged and agreed that any such assignment, including an assignment contemplated by the preceding clauses (i) or (ii) shall be subject to and conditioned upon any such assignee’s delivery to the Company and the other Investors of a counterpart signature page hereto pursuant to which such assignee shall confirm their agreement to be subject to and bound by all of the provisions set forth in this Agreement that were applicable to the assignor of such assignee.

### Except in connection with an assignment by the Company by operation of law to the acquirer of the Company, the rights and obligations of the Company hereunder may not be assigned under any circumstances.

## Severability

. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

## Additional Investors

. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company’s Preferred Stock after the date hereof, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering a counterpart signature page to this Agreement and thereafter shall be deemed an “Investor” for all purposes hereunder.

## Governing Law

.[[28]](#footnote-29) This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

## Titles and Subtitles

. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

## Counterparts

. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

## Aggregation of Stock

. All shares of Capital Stock held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliates may apportion such rights as among themselves in any manner they deem appropriate.

## Specific Performance

. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each Investor shall be entitled to specific performance of the agreements and obligations of the Company and the Key Holders hereunder and to such other injunction or other equitable relief as may be granted by a court of competent jurisdiction.

## Additional Key Holders

. In the event that after the date of this Agreement, the Company issues shares of Common Stock, or options to purchase Common Stock, to any employee or consultant, which shares or options would collectively constitute with respect to such employee or consultant (taking into account all shares of Common Stock, options and other purchase rights held by such employee or consultant) 1% or more of the Company’s then outstanding Common Stock (treating for this purpose all shares of Common Stock issuable upon exercise of or conversion of outstanding options, warrants or convertible securities, as if exercised or converted), the Company shall, as a condition to such issuance, cause such employee or consultant to execute a counterpart signature page hereto as a Key Holder, and such person shall thereby be bound by, and subject to, all the terms and provisions of this Agreement applicable to a Key Holder.

## Sanctions

. For the avoidance of doubt, at any time that a Person is or becomes a Sanctioned Party, all rights granted to the Person under this Agreement, including, without limitation, any right to purchase any Transfer Stock, will be immediately suspended for so long as such Person is a Sanctioned Party or until authorization is issued by a relevant government authority as required by applicable Sanctions.

## Costs of Enforcement

. [Each party will bear its own costs in respect of any disputes arising under this Agreement.] [The prevailing party shall be entitled to reasonable attorney’s fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.]

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this [Amended and Restated] Right of First Refusal and Co-Sale Agreement as of the date first written above.[[29]](#footnote-30)

COMPANY: [*Insert Company Name*]

 By:

 Name:

 Title:
Address:

 Email: [[30]](#footnote-31)

KEY HOLDERS: [*Insert Key Holder Name]*

 Signature:

INVESTORS: [*Insert Investor Name]*

 By:

 Name:

 Title:

**SCHEDULE A**

INVESTORS

|  |
| --- |
| Investor NameAddressPhone NumberEmail[Counsel cc, if any] |
| Investor NameAddressPhone NumberEmail[Counsel cc, if any] |
| Investor NameAddressPhone NumberEmail[Counsel cc, if any] |

**SCHEDULE B**

KEY HOLDERS

|  |
| --- |
| [Key Holder NamePersonal AddressPersonal Email] |
| [Key Holder NamePersonal AddressPersonal Email] |
| [Key Holder NamePersonal AddressPersonal Email] |

1. In most cases, investors will want the term “Key Holders” to include holders a significant number of shares of common stock (or options to purchase a significant number of shares of common stock) in addition to the individuals who actually founded the Company. [↑](#footnote-ref-2)
2. ***\*New October 2025\**** If the Company’s certificate of incorporation includes the “Special Mandatory Conversion” provision (either as stand-alone or for a tranche penalty), include this language if Investors’ shares converted pursuant thereto should be excluded from their ownership for purposes of determining the rights hereunder. [↑](#footnote-ref-3)
3. ***\*New October 2025\**** Most large venture funds (typically those that comprise Major Investors) will expect to be specifically carved out of the “Competitor” definition; caution should be taken with strategic investors that may in fact compete. [↑](#footnote-ref-4)
4. To be included if needed for any of the CFIUS-related provisions below. [↑](#footnote-ref-5)
5. This minimum shareholding requirement is sometimes expressed in terms of a certain percentage of the Company’s fully diluted capitalization, in which case the Investor runs the risk of losing rights under this agreement if it fails to participate in future issuances. [↑](#footnote-ref-6)
6. This definition may not be necessary in a Series A Financing. If it is not included, all references to Preferred Stock should be changed to Series A Preferred Stock. [↑](#footnote-ref-7)
7. ***\*Revised October 2025\**** Additional information regarding Restricted Countries can be found at: <https://ofac.treasury.gov/sanctions-programs-and-country-information> [↑](#footnote-ref-8)
8. Model language is to account for the fact that some listed parties may not be fully prohibited, but rather subject to more targeted restrictions. [↑](#footnote-ref-9)
9. Includeto the extent that these jurisdictions are or may be relevant. [↑](#footnote-ref-10)
10. This model agreement provides flexibility to the Company to enable it to comply with any Sanctions. [↑](#footnote-ref-11)
11. This definition should be modified appropriately if transfers by holders other than Key Holders will be subject to rights of first refusal and co-sale. See Footnote 13. Also note that this definition permits sales by Key Holders of any Preferred Stock owned by Key Holders and any Common Stock received upon conversion of any Preferred Stock owned by Key Holders, on the theory that those shares have been purchased and should be treated the same as shares of Preferred Stock held by Investors. [↑](#footnote-ref-12)
12. Note the Delaware Court of Chancery’s holding in *Latesco, L.P. v. Wayport, Inc.*, 2009 WL 2246793 (Del. Ch. July 24, 2009), that fiduciary disclosure principles do not apply to purchases by insiders pursuant to contractual ROFR provisions. The court essentially ruled that, under Delaware law, companies (as well as their officers and directors), are not required to disclose material non-public information to a seller before buying shares pursuant to ROFR provisions unless (1) the ROFR agreement expressly requires such disclosure; or (2) the Company or the insiders purchasing the shares make statements to the seller that are misleading absent additional disclosure. The court’s decision does not necessarily imply a similar result under the federal securities laws. [↑](#footnote-ref-13)
13. This form assumes that only transfers by Key Holders will be subject to rights of first refusal and co-sale. In certain circumstances, the Company or other Investors may request that the Investors also be subject to the same limitations on transfer as the Key Holders. Some Investors may feel that imposing a right of first refusal or a right of co-sale on other Investors is a necessary measure to protect the Preferred Stock liquidation preference against acquisitions that are structured as a tender offer which will not ordinarily trigger application of the liquidation preference in the Company’s Certificate of Incorporation (but note that co-sale rights would ordinarily provide the Investors with the same purchase price paid to the holders of Common Stock, rather than a higher price reflecting the liquidation preferences of the Preferred Stock. For further discussion of this point, see footnote 24 in the Voting Agreement). In other cases, Investors may wish to impose such restrictions on one another as means to police the composition of the Company’s stockholders, or to ensure that they have “first dibs” if and when other Investors sell their shares. [↑](#footnote-ref-14)
14. Some bylaws contain a preexisting right of first refusal in favor of the Company that could be inconsistent with Section 2.1. Practitioners should review the bylaws to confirm that any inconsistencies are addressed. Alternatively, in the event the parties intend that the provisions of the Right of First Refusal and Co-Sale Agreement are to govern instead of the bylaws, the last sentence of 2.1(b) should be modified accordingly, and the bylaws should be modified as necessary to reflect this understanding such as by exempting from the right of first refusal in the bylaws any transfer that is subject to Section 2.1 of the Right of First Refusal and Co-Sale Agreement. [↑](#footnote-ref-15)
15. The “all or nothing” concept contained in this paragraph makes the right of first refusal provisions less onerous for the Key Holder, in that the Company and the Investors cannot simply chip away at the deal he or she has struck with the Prospective Transferee; they must either purchase all of the Transfer Stock or let the sale to the Prospective Transferee proceed undisturbed, subject to the Right of Co-Sale. This paragraph would be particularly valuable to a Key Holder that had a controlling interest in the Company and was only able to attract a purchaser by offering to sell that interest to one party (who would not be interested in purchasing a smaller interest). If this paragraph is included, it is probably a good idea to include the preceding paragraph regarding undersubscriptions so that one Investor cannot cause everyone to lose their right of first refusal by refusing to purchase its pro rata share. [↑](#footnote-ref-16)
16. This provision allows the investors to receive their liquidation preference in the event that the majority stockholders sell their shares directly to a third party. [↑](#footnote-ref-17)
17. Inclusion of this limitation is appropriate in cases in which there is a foreign person investing into the Company but that investor intends to avoid obtaining any rights that might trigger CFIUS intervention. In such cases, depending on the nature of the U.S. business, the foreign investor may need to avoid obtaining “control,” and in order to do so may need to stay below the CFIUS-designated passivity threshold of 10% of outstanding voting shares. [↑](#footnote-ref-18)
18. Often the definition of an “**Exempt Transfer**” is negotiated on a case-by-case basis. For example, a Key Holder may wish to be permitted to Transfer a *de minimis* amount of Shares to a third party, such as a charity. However, the examples set forth herein are fairly standard and found in many Co-Sale Agreements. [↑](#footnote-ref-19)
19. To be included if needed for any of the CFIUS-related provisions. [↑](#footnote-ref-20)
20. Earlier versions of this provision contained the concept that Key Holders would not be bound by this lockup if directors, officers, and 1% holders are not bound. While this construct is typical for investors (see Section 2.11 of the model Investors’ Rights Agreement), management really controls who signs a lockup when acquiring their stock from the Company and, so, is generally in control of whether this test is met. Accordingly, management (usually comprising most of the Key Holders), generally do not have an exception for failing to have directors, officers, and 1% holders sign a lockup. Similarly, the sentence at the end of this section is in recognition of the fact that most Key Holders will actually be bound by more restrictive lock-ups in other agreements, such as founder stock purchase or option agreements. The lock-up contained here is intended as a backstop, and not to loosen other restrictions. [↑](#footnote-ref-21)
21. Some parties prefer to use the American Arbitration Association (“**AAA**”) instead of JAMS. [↑](#footnote-ref-22)
22. Binding arbitration may be less expensive and more efficient than litigating disputes in court. Additionally, it may be more confidential. However, some parties dislike that the result cannot be appealed, and the arbitrator(s) is not bound to follow case law and precedent. [↑](#footnote-ref-23)
23. If the parties select California state court as the forum for any dispute resolution, a jury trial waiver will likely be unenforceable. Instead, the parties can choose to submit to trial by judicial referee, a private person (typically a retired judge) the parties select. All California rules of court, procedure and evidence govern judicial reference proceedings and, unlike with arbitration, the decision may be appealed. Accordingly, if the parties select California state court, and would like to backstop the jury waiver, we recommend including the following provision as a next paragraph:

If the waiver of jury trial set forth in this section is not enforceable, then any claim or cause of action based upon or arising out of this Agreement, the other Transaction Agreements, the securities or the subject matter hereof or thereof shall be settled by judicial reference pursuant to California Code of Civil Procedure Section 638 *et seq.* before a referee sitting without a jury, such referee to be mutually acceptable to the parties. Each party will bear an equal share of the cost for the judicial referee. This paragraph shall not restrict a party from exercising remedies under the Uniform Commercial Code or from exercising pre‑judgment remedies under applicable law. [↑](#footnote-ref-24)
24. This model agreement provides that the stockholder counsel addresses be listed in the schedules for investors, since there is often more than one such counsel and this prevents one cc being replaced with another if different investors in later rounds use different counsel. [↑](#footnote-ref-25)
25. The drafter should ensure that the relevant signatories to the current agreement have authority to amend the Prior Agreement under the terms of the Prior Agreement. Alternatively, if the Prior Agreement is terminated rather than amended and restated, “the Prior Agreement shall terminate and be of no further force and or effect and shall be superseded and replaced in its entirety by this Agreement.” [↑](#footnote-ref-26)
26. There may be situations when a party is asked to waive or amend a right but not all similarly situated parties are required to do so. Consider a provision that indicates a party may waive or amend his own rights without having to obtain the consent of all of the others who are a part of such person’s group. [↑](#footnote-ref-27)
27. If being an “Investor” requires a minimum share ownership, consider reframing to read “to an assignee or transferee that, after such assignment or transfer, holds at least [\_\_\_\_\_] shares of Capital Stock (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction)” similar to the Major Investor concept and associated transfer provision of the model Investors’ Rights Agreement. [↑](#footnote-ref-28)
28. ***\*Revised October 2025\**** All model documents have been drafted with an eye towards enforceability under Delaware law. If the parties elect to use a different governing law, consult with local counsel to determine whether other changes to the documents are required, including (for example) whether such law imposes any particular requirements, such as special legends or other notices, in order to make restrictions on transfer of shares effective. [↑](#footnote-ref-29)
29. This model agreement provides a simplified/condensed form of a signature page, which shall be adjusted as appropriate. [↑](#footnote-ref-30)
30. The notice provision provides that notice address for the Company on the signature page and for Investors on Schedule A – accordingly, the Company’s notice address/email address need to be on the signature page and the Investors’ addresses should only be included in Schedule A. [↑](#footnote-ref-31)