



# OCC LAUNCH

[Company Name]

[Address]

[ ] 2024

Dear [ ]

## OCC Launch Advanced Subscription Funds

Thank you for your application to OCC Launch (the "**Application**"). On behalf of Old College Capital Holdings Ltd (a wholly owned subsidiary of the University of Edinburgh and administrator of the OCC Launch investment programme), I am delighted to confirm that the Application was successful, and We can offer You the Advance Subscription Funds (as defined in the "**Details of Funding**" section below).

**THE AGREEMENT (AS DEFINED BELOW) HAS BEEN PREPARED ON BEHALF OF OLD COLLEGE CAPITAL HOLDINGS LIMITED. YOUR SIGNATURE ON THIS DOCUMENT MAY HAVE CERTAIN LEGAL CONSEQUENCES AND YOU SHOULD SEEK INDEPENDENT LEGAL ADVICE BEFORE SIGNING THIS DOCUMENT.**

### Details of Funding

the "Company" or "You" or "Your"	[ ] <sup>1</sup>
"We", "us", "our" and the "Subscriber"	<b>Old College Capital Holdings Limited</b> , being a company incorporated and registered in Scotland with company number SC092426 and having its registered office at Old College, South Bridge, Edinburgh, EH8 9YL (" <b>OCC Holdings</b> ").  For the purposes of this Agreement, OCC Holdings is acting in its capacity as the administrator of the OCC Launch investment programme.
Amount of Funding	We offer You advance subscription funding of £[ ] (the " <b>Advance Subscription Funds</b> ").
the "Agreement"	The Application, this Offer Letter, the OCC Launch Standard Terms (each term as hereinafter defined) and the confirmation by one of the directors of the Company (as set out at the end of this Offer Letter).

<sup>1</sup> Company details (including registration number and registered office) (red = **always** include)



<p><b>the "Purpose"</b></p>	<p>You will use the Advance Subscription Funds towards general working capital purposes and, in particular, to provide cash flow for trading activities and towards the uses set out in the Application.</p>
<p><b>Costs that the Advanced Subscription Funds cannot be used for</b></p>	<p>You will not use the Advance Subscription Funds to do any of the following, unless expressly agreed between the Company and the Subscriber in writing:</p> <ul style="list-style-type: none"> <li>(a) pay any personal costs or other costs which are not directly related to the Company and its ordinary course of business;</li> <li>(b) repay any debts (including but not limited to loans, such as director's loans) except for any routine debts incurred in the ordinary course of business (such as trade creditors);</li> <li>(c) make any dividends, other distributions or transfer of funds to shareholders or associated companies and/or persons other than in the ordinary course of business; or</li> <li>(d) pay any bonus or discretionary payment to any employee, consultant, contractor or director of the Company, other than in accordance with the Company's contractual obligations.</li> </ul>
<p><b>Company's Business Address</b></p>	<p>[red]<sup>2</sup></p>
<p><b>Standard Terms</b></p>	<p>The Advance Subscription Funds are subject to the terms and conditions set out in this letter (the "<b>Offer Letter</b>") and the standard terms set out in the schedule to this Offer Letter (the "<b>OCC Launch Standard Terms</b>").</p>
<p><b>Payment</b></p>	<p>By accepting the terms of this Offer Letter, You irrevocably agree to the payment of the Advance Subscription Funds and (subject to the OCC Launch Standard Terms) the Subscriber shall pay the Advance Subscription Funds within fifteen (15) Business Days of receipt by the Subscriber of both:</p> <ul style="list-style-type: none"> <li>a) Your countersignature to this Offer Letter; and</li> <li>b) details of Your nominated bank account (space for which is provided below).</li> </ul>

<sup>2</sup> Company registered address or trading address (if different) ([red] = **always** include)





## Accepting the Advance Subscription Funds

If You wish to accept the Advance Subscription Funds, please sign the Offer Letter **both times** in the signature boxes on the following page, complete the Company's bank account details in the space provided, and return within fifteen (15) Business Days of the date stated at the top of this Offer Letter. If We do not receive Your acceptance on or before such date, then this Offer Letter and the remainder of the Agreement shall automatically expire and will be of no further force or effect.

Yours sincerely

[XX]

[Director of OCC Holdings]

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## Countersignature

[ ]<sup>3</sup> accepts the offer of the Advance Subscription Funds on the terms set out in the Agreement.

EXECUTED for and on behalf of [ ]<sup>4</sup>

.....  
Director

.....  
Date

## Company's Bank Details

Bank Name:

Bank Address:

Account Name\*:

Account Number:

Sort Code:

\*the above account must be in the name of the Company and should **NOT** be a personal bank account.

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<sup>3</sup> Insert name of Company (red = **always** include)

<sup>4</sup> Insert name of Company (red = **always** include)



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of EDINBURGH



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THE UNIVERSITY of EDINBURGH  
Old College Capital

## Director's Confirmation

I, the undersigned, confirm that I am a director of the Company and that the acceptance of, and entry into, the Agreement has been approved by a resolution of the board of directors of the Company and the Company has taken all necessary corporate actions to authorise its entry into and performance and delivery of the Agreement.

.....

Director

.....

Date



## SCHEDULE TO THE OFFER LETTER

### OCC LAUNCH STANDARD TERMS

These standard terms and conditions apply to the Advance Subscription Funds (as defined in the above Offer Letter) agreed to be paid to the Company by the Subscriber under a duly executed Offer Letter with the Company.

#### 1 Advance Subscription

##### 1.1 Purpose

The Company will apply the Advance Subscription Funds in accordance with the Purpose, and subject to the restrictions, set out in the Offer Letter.

##### 1.2 Payment

The Subscriber shall pay the Advance Subscription Funds in accordance with the Offer Letter.

##### 1.3 Waiver

The Company hereby undertakes to use all reasonable endeavours to procure all consents, waivers and shareholder resolutions necessary (pursuant to the Company's articles of association or otherwise) so as to enable the issue of shares in the capital of the Company, contemplated by the Agreement, to proceed.

#### 2 Conversion

2.1 The Advance Subscription Funds shall automatically convert into the Conversion Shares at the Conversion Price and the Company shall issue and allot to the Subscriber (acting in its capacity as nominee for the University) the fully paid Conversion Shares:

- 2.1.1 in the event of a Financing Round, immediately prior to the unconditional completion of such Financing Round; or
- 2.1.2 in the event of a Non-Qualifying Financing Round, at the election of the Subscriber, immediately prior to the unconditional completion of such Non-Qualifying Financing Round; or
- 2.1.3 in the event of a Sale or a Listing, immediately prior to the unconditional completion of such Sale or Listing; or
- 2.1.4 in the event of an Insolvency occurring before any of the events set out in sub-clauses 2.1.1 to 2.1.3 above, immediately prior to the occurrence of such Insolvency event; or
- 2.1.5 on 30 April [20xx<sup>5</sup>] (the "Longstop Date") (if no Financing Round, Sale or Listing has unconditionally completed on or prior to the Longstop Date); or
- 2.1.6 on the mutual agreement of the Company and the Subscriber;

and (in each case) the Conversion Shares so allotted and issued shall be in full satisfaction and discharge of all obligations of the Company under the Agreement to the Subscriber and the Agreement shall terminate automatically and immediately on completion of such conversion (with the exception of clause 4, clause 7 and clause 10 of these OCC Launch Standard Terms). In the event that the Advance Subscription Funds are converted into the Conversion Shares, pursuant to this clause 2.1, in the absence of any formal investment documentation being entered into (such as a shareholders' agreement), then clause 3.1 [and clause 3.2]<sup>6</sup> of these OCC Launch Standard Terms shall also survive and the Company shall continue to provide information to the Subscriber in accordance with clause 3.1 [and clause 3.2]<sup>6</sup>.

2.2 The Company shall consult with the Subscriber in respect of any Financing Round, Non-Qualifying Financing Round, Sale or Listing and shall provide to the Subscriber as soon as reasonably practicable:

- 2.2.1 a briefing note on the proposed Financing Round, Sale or Listing;
- 2.2.2 an update on the Company's trading and performance; and
- 2.2.3 at the request of the Subscriber, a meeting with the director(s) of the Company.

<sup>5</sup> To insert the year in which the *third* future April 30 falls (red = always include)

<sup>6</sup> To be reviewed on a deal-by-deal basis (blue = ideally include; yellow = possibly include)



### 3 **Subscriber Rights Prior to Conversion**

Prior to the allotment and issue of the Conversion Shares, the Company shall provide the Subscriber with the following rights:

#### 3.1 **Information Rights**

3.1.1 Quarterly, the Company shall deliver to the Subscriber:

- 3.1.1.1 a set of management accounts (if applicable);
- 3.1.1.2 details of the Company's quarterly revenue;
- 3.1.1.3 details of the Company's cash in bank;
- 3.1.1.4 details of the Company's cash runway;
- 3.1.1.5 an update on any proposed Financing Round;
- 3.1.1.6 details of the number of persons employed by the Company;
- 3.1.1.7 an update on any progress, highlights and learnings from the last quarter; and
- 3.1.1.8 such other information that the Subscriber may reasonably request.

3.1.2 Annually, the Company shall deliver to the Subscriber:

- 3.1.2.1 an update on the Company's trading and performance; and
- 3.1.2.2 annual financial accounts.

3.1.3 The Company authorises the Subscriber to exchange information, whether oral or written in such a manner (on a confidential basis) as the Subscriber considers necessary or desirable with any member of the University Group, any provider of funds to the University and the auditors and professional advisors of any member of the University Group.

#### 3.2 **[Board Rights]<sup>6</sup>**

3.2.1 [the right to appoint one board observer; who shall be permitted to attend and speak at meetings of the directors of the Company.]

#### 3.3 **Most Favoured Nation**

3.3.1 In the event that the Company proposes subsequent arrangements for the issue of additional advance subscription agreements or other convertible instruments (including, but not limited to, convertible loan notes) to third parties that are on more favourable terms than those contained in this Agreement, then (i) the Company shall notify the Subscriber of such proposed arrangements prior to entering into such agreements and/or issuing such instruments; and (ii) the Subscriber shall, at its option, be entitled to have those more favourable terms applied to the Advance Subscription Funds and this Agreement shall be amended accordingly. For the avoidance of doubt, this clause [3.3.1] shall not apply to a Non-Qualified Financing where the Subscriber has elected not to convert its Advanced Subscription Funds into Conversion Shares.

### 4 **SUBSCRIBER RIGHTS AFTER CONVERSION**

In any formal investment documentation entered into (such as a shareholders' agreement) related to, or subsequent to, the allotment and issue of the Conversion Shares, the Company shall provide the Subscriber with the following rights:

#### 4.1 **University Rights**

4.1.1 Provisions relating to the Subscriber being a member of the University Group:

- 4.1.1.1 the inclusion of all relevant defined terms, entities and concepts, including but not limited to OCC Holdings, University, University Group, University Successor and OCC LP;
- 4.1.1.2 the unrestricted ability to transfer the Conversion Shares within the University Group;
- 4.1.1.3 the unrestricted ability to assign the rights associated with the Conversion Shares to other University Group members;



- 4.1.1.4 the ability to exchange information, whether oral or written in such a manner (on a confidential basis) as the Subscriber considers necessary or desirable with any member of the University Group, any provider of funds to the University and the auditors and professional advisors of any member of the University Group;
- 4.1.1.5 [the exclusion of any restrictions that could impede the University's aims as a charitable body or its research activities, including restrictions that could impede the University's academic staff from conducting academic activities;]<sup>6</sup>
- 4.1.1.6 [reserved matters with respect to:
  - 4.1.1.6.1 altering the Company's Articles of Association in a way that is prejudicial to the University Group;
  - 4.1.1.6.2 varying or removing the Subscriber's pre-emption rights on the transfer or issue of new shares;
  - 4.1.1.6.3 removing the Subscriber's ability to tag-along in a Sale;
  - 4.1.1.6.4 removing the right of the Subscriber to freely transfer its Conversion Shares within the University Group or assign the rights associated with its Conversion Shares within the University Group;
  - 4.1.1.6.5 the Company engaging in non arms-length dealings;
  - 4.1.1.6.6 the Company engaging in activities that could be reputationally damaging to the University, including but not limited to using the University logo without consent, and engaging in activities that conflict with the University's investment policy.]<sup>6</sup>

#### 4.2 Investor Rights

- 4.2.1 The Subscriber shall be deemed to be an "Investor" (or such similar term) for all purposes, including, without limitation:
  - 4.2.1.1 economic rights associated with the Conversion Shares that are pari-passu to the investors in the relevant financing (whether a Financing Round or Non-Qualifying Financing Round);
  - 4.2.1.2 information rights that are equivalent to the investors in the relevant financing, or at least equivalent to 3.1.1 and 3.1.2;
  - 4.2.1.3 [unrestricted pre-emption rights] [, in accordance with Clause 4.1.1.6.2]<sup>6</sup>;
  - 4.2.1.4 [the right for the Subscriber to review and approve any press announcements relating to the relevant financing that results in the issue and allotment of the Conversion Shares]<sup>6</sup>;
  - 4.2.1.5 inclusion of the Conversion Shares in any investor majority calculation (to the extent such a concept exists) and for the Subscriber to have appropriate visibility of related investor majority consent matters (to the extent such a concept exists);
  - 4.2.1.6 [for as long as the Subscriber holds at least 5% of the Company's fully-diluted share capital,] [the right to appoint one board observer; who shall be permitted to attend and speak at meetings of the directors of the Company.]<sup>6</sup>

#### 4.3 Representations and Warranties

- 4.4 The Company hereby represents and warrants to the Subscriber that:
  - 4.4.1 the Company is a company duly incorporated under the laws of the United Kingdom, with authority to enter into and perform its obligations under the Agreement;
  - 4.4.2 there are no third-party consents, authorisations or approvals of any kind required which would otherwise prevent the Company from entering into and performing their obligations under this Agreement;



- 4.4.3 performance of the Agreement by the Company does not contravene any provision of the articles of association of the Company, or any applicable law, or breach any other agreement that the Company is bound by;
- 4.4.4 the Company owns (or believes it is able to acquire) sufficient legal rights to all Intellectual Property necessary to conduct its business as now conducted and as presently proposed to be conducted without any known conflict with, or infringement of, the rights of others;
- 4.4.5 the Company has not or is not subject to allegations that it has (or will by continued conduct) infringe another person's rights in connection with any Intellectual Property;
- 4.4.6 there are no current, outstanding or pending claims that could have a materially adverse effect on the Company or any of its officers or managers (in their capacities as such) and could negatively impact the Company's ability to enter into this Agreement;
- 4.4.7 the Company has disclosed a full and up-to-date record of its statement of capital, including any warrant agreements or convertible instruments that the Company is subject to;
- 4.4.8 the Company has not raised more than £250,000 of equity fundraising (including any funding which is convertible to equity) prior to the date of the Agreement;
- 4.4.9 the Agreement is valid and binding upon the Company and enforceable in accordance with its terms.

## 5 Assignment

- 5.1 The Company may not assign or in any other way dispose of any of its interests under the Agreement except with the prior consent of the Subscriber.
- 5.2 The Subscriber may assign or transfer all or part of its interests under the Agreement to any member of the University Group at any time.

## 6 Communications

- 6.1 Unless otherwise expressly stated herein, all communications under the Agreement will be by email.
- 6.2 Any communication will be made or delivered to that other party when sent to the email address shown next to its name in the "**Service Addresses for Notices**" paragraph in the Offer Letter or to such other address as may from time to time be notified by one party to the other in accordance with this clause 7.
- 6.3 Any communication made or delivered under the Agreement will be deemed made or delivered on the date the email is received. However, if the time of deemed receipt of any notice is not before 5pm on a Business Day it will be deemed to have been received at the commencement of business on the next Business Day.

## 7 General

### 7.1 Status of Funds

For the avoidance of doubt, no interest is payable on the Advance Subscription Funds in any circumstance. No amount of the Advance Subscription Funds is repayable by the Company in any circumstance, but such amount may be converted into the Conversion Shares as set out in clause **Error! Reference source not found.** of these OCC Launch Standard Terms.

### 7.2 Termination and Variation

The Agreement shall automatically terminate in accordance with clause 2 of these OCC Launch Standard Terms.

At any time, prior to conversion, the Subscriber may terminate the Agreement, without cause, by submitting a notification to the Company of such termination in writing signed by the Subscriber. For the avoidance of doubt, if the Subscriber elects to terminate the Agreement prior to conversion, the Subscriber will forego all rights to the Conversion Shares, and there will be no obligation on the Company to repay the Advance Subscription Funds.

Prior to conversion, the Agreement may be varied in writing signed by the Subscriber and the Company.

## 8 References

In the Agreement, references to a party include its successors in title, transferees and assignees.

## 9 Governing Law and Jurisdiction

- 9.1 The Agreement and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with the law of Scotland.

9.2 The parties irrevocably agree that the Scottish Courts have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Agreement or its subject matter or formation (including non-contractual disputes or claims).

## 10 Definitions

10.1 In the Agreement:

<b>"Business Day"</b>	means a day (other than Saturday or Sunday) when clearing banks in the City of Edinburgh are open for business.
<b>"Controlling Interest"</b>	means an interest in the shares in issue in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company.
<b>"Conversion Price"</b>	means: <ul style="list-style-type: none"> <li>(a) where conversion takes place pursuant to clause 2.1.1 above, a price per Conversion Share which is equal to the lower of: i) a price paid per share on such Financing Round [after reducing such price by X%]<sup>6</sup>; or ii) a price per share based on a fully-diluted pre-money valuation of [£X million]<sup>7</sup>, rounded down to the nearest whole share; or</li> <li>(b) where conversion takes place pursuant to clause 2.1.2 above, a price per Conversion Share which is equal to the lower of: i) a price paid per share on such Non-Qualifying Financing Round [after reducing such price by X%]<sup>6</sup>; or ii) a price per share based on a fully-diluted pre-money valuation of [£X million]<sup>7</sup>, rounded down to the nearest whole share; or</li> <li>(c) where conversion takes place pursuant to clause 2.1.3 above, a price per Conversion Share equal to the lower of: i) a price paid per Share on such Sale or Listing [after reducing such price by X%]<sup>6</sup>; or ii) a price per share based on a fully-diluted pre-money valuation of [£X million]<sup>7</sup>; [or iii) a price per share such that the subscriber receives two times their advance subscription funds]<sup>8</sup>, rounded down to the nearest whole share; or</li> <li>(d) where conversion takes place pursuant to clause 2.1.4, 2.1.5 or 2.1.6 a price per Conversion Share which is: i) equal to the price paid per share on the most recent subscription for equity in the Company or ii) a price agreed between the Company and the Subscriber; or iii) in the event that there has been no subscription for equity and a price cannot be agreed, a price per share based on a fully-diluted pre-money valuation of [£X million]<sup>7</sup> [after reducing such price by X%]<sup>6</sup>, rounded down to the nearest whole share.</li> </ul>
<b>"Conversion Shares"</b>	means either: <ul style="list-style-type: none"> <li>(a) in the case of shares issued pursuant to clause 2.1.1 or clause 2.1.2, the Next Round Shares; or</li> <li>(b) in the case of shares issued pursuant to clause 2.1.3, 2.1.4, 2.1.5 or 2.1.6 at the Subscriber's option, either i) the most senior class of shares of the Company (in respect of capital and dividend) in issue from time to time (if applicable); or ii) the ordinary shares in the capital of the Company. If the Subscriber fails to specify the class of shares then the most senior class of shares shall be issued.</li> </ul>
<b>"Financing Round"</b>	the allotment or issuing of Shares to one or more bona fide third parties raising an aggregate of at least £250,000 (excluding the Advance Subscription Funds) which amount can be raised in one or in a series of fundraisings on or before the Longstop Date.

<sup>7</sup> Insert the agreed valuation cap (red = always include)

<sup>8</sup> To be reviewed on a deal-by-deal basis (magenta = include only by exception)



	For the avoidance of doubt, where any fundraising comprises advanced subscription funding or other similar funding which is convertible to equity, such fundraising shall only be counted towards the £250,000 threshold when such conversion occurs.
<b>"Insolvency"</b>	means a situation in which: <ul style="list-style-type: none"> <li>(a) an order is made for the Company's compulsory liquidation; or</li> <li>(b) the Company is placed into voluntary liquidation (otherwise than for the purpose of reconstruction or amalgamation); or</li> <li>(c) the Company has an administrator or receiver appointed over the whole or any part of its assets or undertaking.</li> </ul>
<b>"Intellectual Property"</b>	means patents, patent applications, trademarks, trademark applications, service marks, tradenames, copyrights, trade secrets, licenses, domain names, mask works, information, proprietary rights and processes.
<b>"Listing"</b>	means the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any part of the share capital of the Company to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any part of the share capital of the Company to trading on the Alternative Investment Market of London Stock Exchange plc or the admission by any recognised investment exchange (as defined in Section 285(1) of the Financial Services and Markets Act 2000) of any part of the share capital of the Company, and, in each case, such admission becoming effective.
<b>"Longstop Date"</b>	has the meaning given in clause 2.1.5.
<b>"Next Round Shares"</b>	means, in respect of a Financing Round or Non-Qualifying Financing Round, the most senior class of share (in respect of capital and dividends) issued in such Financing Round or Non-Qualifying Financing Round.
<b>"Non-Qualifying Financing Round"</b>	means a subscription for equity in the Company which is not a Financing Round.
<b>"OCC LP"</b>	means Old College Capital LP, a limited partnership in the United Kingdom with registered number SL009405 and having its registered office at Old College, South Bridge, Edinburgh, EH8 9YL.
<b>"Sale"</b>	means: - <ul style="list-style-type: none"> <li>(a) the transfer of any interest in Shares to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest; or</li> <li>(b) the disposition by sale, license or otherwise of all or substantially all of the assets of the Company.</li> </ul>
<b>"Share(s)"</b>	any share forming part of the share capital of the Company.
<b>"University"</b>	means the University Court of the University of Edinburgh a charitable body registered in Scotland under the registration number SC005336 and incorporated under the Universities (Scotland) Acts and having its principal office at Old College, South Bridge, Edinburgh, EH8 9YL.
<b>"University Group"</b>	means the University and any University Successor and each entity (howsoever constituted) controlled directly or indirectly by the University or a University Successor from time to time (including the Subscriber and OCC LP) and any entity controlled directly or indirectly by the University or any University Successor to which all or a part of the holding of the University Group



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	in spin-out companies or the University Group's unlisted investment portfolio is transferred (individually a <b>"member of the University Group"</b> ).
<b>"University Successor"</b>	means any party succeeding in whole or in part to the interests of the University or any member of the University Group.