

FlexUp Investment Contract – General Conditions (Investment-GC)

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Preamble

The present FlexUp Investment Contract – General Conditions (“**Investment-GC**”) set out the general terms and mechanisms that govern all investment agreements executed under the FlexUp Model. They apply uniformly to all such agreements worldwide, ensuring consistency, legal certainty, and modularity across jurisdictions.

The Investment-GC are incorporated by reference into each Investment Contract – Special Conditions (“**Investment-SC**”), which serve as the binding document signed by the Parties. The Investment-SC specifies the particular parameters of each contract, while the present Investment-GC provides the common framework.

All the documents composing the Contract are published and maintained by FlexUp and distributed under the FlexUp Licence (www.flexup.org).

Article 1. Composition of the Contract

- 1.1. The Contract is composed of the following documents, in descending order of priority:
 - a. the FlexUp Investment Order – Special Conditions (“**Investment-OSC**”), if applicable, which is specific to a particular Order within the Contract,
 - b. the FlexUp Investment Contract – Special Conditions (“**Investment-SC**”), which is specific to this Contract,
 - c. the FlexUp Charter – Special Conditions (“**Charter-SC**”), which is specific to this Project,
 - d. the FlexUp Funding Round – Special Conditions (“**Funding Round-SC**”), which is specific to a particular Funding Round,
 - e. the FlexUp Investment – Additional Conditions (“**Investment-AC**”), which is specific to the particular context and jurisdiction of this Contract,
 - f. the FlexUp Investment Contract – General Conditions (“**Investment-GC**”), the present document, which applies to all FlexUp investment agreements worldwide,
 - g. the FlexUp Charter – General Conditions (“**Charter-GC**”), which applies to all FlexUp projects worldwide.
- 1.2. The documents listed in Article 1.1 form an inseparable contractual whole and are collectively referred to as the “**Contract**”. In case of conflict, the order of priority in Article 1.1 applies.
- 1.3. For clarity, the following terminology applies:
 - “**Special Conditions**” refers to the Investment-SC, and where applicable, the Funding Investment-OSC, Round-SC and Charter-SC.
 - “**General Conditions**” refers to the Investment-GC, Charter-GC, and any applicable Investment-AC.
 - “**Charter**” refers collectively to the Charter-SC and Charter-GC.
- 1.4. The documents composing the General Conditions are not appended to this Contract but are incorporated by reference. The version that applies is the latest version published on the FlexUp website (www.flexup.org) as of the date of signature of the Investment-SC or, if later, of the applicable Investment-OSC, subject to the update rules provided herein.
- 1.5. The templates used to produce both the Special Conditions and the General Conditions are distributed under the terms of the FlexUp Licence, available at www.flexup.org.

Article 2. Interpretation

- 2.1. In this Contract, capitalized words are “**Defined Terms**”, whose definitions are given in this Investment-GC or, failing that, in the other documents composing the Contract.
- 2.2. In the event of any inconsistency between definitions, the definitions set forth in the document with higher priority under Article 1.1 shall prevail.

Article 3. Object of the Contract

- 3.1. This Contract governs the subscription by the Investor to the Securities issued by the Company under the FlexUp Model.
- 3.2. The rights and mechanisms governing this subscription, including any rights to conversion into Stock, are defined by the Contract.

Article 4. Investor obligations

- 4.1. The Investor commits to provide the Investment Amount to the Company, in accordance with the Payment Structure and timelines specified in the Contract.

Article 5. Company Obligations

- 5.1. In consideration for the Investment Amount, the Company commits to issue the Securities to the Investor, in accordance with the terms specified in the Contract.

Article 6. Funding Round

6.1. Definition and Scope

- a. A “**Funding Round**” is the process by which the Company raises funds from one or more investors (the “**Participants**”) under a common set of terms defined in a corresponding Funding Round-SC.
- b. If the Contract is subject to the Company’s FlexUp Charter, as specified in the Funding Round-SC, then:
 - i. Company is the Holder of the Project, as defined in the Charter.
 - ii. Investor is an Associate of the Project, as defined the Charter.
 - iii. The Contract is an Associate Contract.

6.2. Process Timeline

- a. The Funding Round-SC specifies an Opening Date and a Closing Date, which define the period during which investment contracts can be signed.
- b. All investments in a given Funding Round must be on equal terms, differing only by Investor identity, Investment Amount, and the resulting Securities issued. In the case of a “Rolling” Funding Round, the Token Index may also differ for investments made on different dates.
- c. Participants subscribe to the Funding Round by entering into their respective investment agreements (Investment-SC or Investment-OSC) during the Subscription Period.

6.3. Funding Parameters

- a. If a “**Funding Minimum**” is specified in the Funding Round-SC, the round is conditional upon reaching this target. If the minimum is not met by the Closing Date, the Funding Round will be cancelled, and any funds received must be reimbursed to Participants.

- b. The Funding Round-SC must define a “**Funding Maximum**”, which is the maximum amount the Company may raise in the round.

6.4. Drawdown and Payment

- a. Where a Funding Minimum applies, the Company will issue a “**Drawdown Request**” to Participants once the minimum is met, requiring transfer of their Investment Amount.
- b. Unless otherwise specified in the Special Conditions, Participants must transfer their Investment Amount by bank transfer, net of all transfer and conversion fees, so as to be received on the Company’s designated account no later than seven (7) business days after the later of (i) Order Confirmation or (ii) receipt of a Drawdown Request.
- c. If Oversubscription occurs, Drawdown Requests may reflect adjusted Investment Amounts and Securities allocations in accordance with Article 6.6.

6.5. Risk and Tokenization

- a. The “**Risk Factor**” is determined according to the rules of the FlexUp Model, based on the selected Payment Structure. It is used to calculate the notional value of the risk associated with the investment, and the corresponding notional value of Tokens that must be issued to compensate for this risk.
- b. The Funding Round-SC specifies the mechanism for determining the Token Index. The mechanisms are:
 - i. **Fixed**: The same Token Index applies to all investments, typically based on the value on the Closing Date.
 - ii. **Rolling**: The applicable Token Index is that of the date on which the funds are received by the Company (“**Issue Date**”), calculated as per the rules defined in the Charter.

6.6. Oversubscription

- a. If subscribed funds exceed the Funding Maximum, the Company will allocate investments according to the “Oversubscription Resolution Mechanism” defined in the Funding Round-SC. The mechanisms are:
 - i. **First-come, First-Serve**: Priority is given by order of signing, with the final Participant’s amount adjusted to fit the Funding Maximum.
 - ii. **Pro-Rata**: All Participants who signed before the Closing Date participate in proportion to the amount they subscribed for, adjusted by a common ratio.
 - iii. **Capped**: All Participants who signed before the Closing Date participate up to the amount they subscribed for, subject to a cap calculated to match the Funding Maximum.
- b. Excess funds transferred beyond the final allocated Investment Amount must be promptly refunded by the Company.
- c. If the Funding Round-SC does not specify an Oversubscription Resolution Mechanism, the default shall be First-come, First-serve.

6.7. Undersubscription

- a. If the Funding Minimum is not met by the Closing Date, the Funding Round is cancelled.
- b. All funds received from Participants must be reimbursed by the Company.

6.8. Closing Procedure

- a. Upon the Closing Date, the Company will review all subscriptions and determine the final allocation of investments based on the applicable scenario (normal, oversubscription, or undersubscription).
- b. The Company will then issue Drawdown Requests reflecting any adjustments.
- c. Upon receipt of all required funds, the Company will:
 - i. issue the corresponding Securities to each Participant and provide them with a certificate, and,

- ii. share a summary of the Funding Round outcome, including (i) total funds raised, (ii) updated Equity composition, and (iii) the Token Index applied to each investment.

Article 7. Representations and warranties

Each Party represents and warrants to the other Party that:

- 7.1. It has full power and authority to enter into this Contract and to perform its obligations hereunder;
- 7.2. The execution and delivery of this Contract and the performance of its obligations hereunder do not and will not conflict with or violate any provision of law or any agreement to which it is a party and;
- 7.3. This Contract constitutes a valid legally binding, and enforceable obligation;
- 7.4. If applicable, all necessary corporate or equivalent actions have been taken to authorize the execution and performance of this Contract

Article 8. Compliance with Charter

- 8.1. This Contract is subject to the Charter, and as such:
 - a. it constitutes an Associate Contract as defined in the Charter; and
 - b. investor is recognised as an Associate of the Project, bound by the rights and obligations set forth in the Charter.
- 8.2. The Parties expressly acknowledge that the Charter governs all aspects of the Securities, including the Investor's financial and voting rights and any rights to conversion into Stock.

Article 9. Fees

Each Party shall bear its own costs and expenses incurred in connection with the negotiation, preparation, and execution of this Contract, unless otherwise specified in the Contract or agreed in writing by the Parties.

Article 10. Governing Law

This Contract shall be governed by and construed in accordance with the laws specified in the Charter, unless otherwise expressly provided elsewhere in the Special Conditions. Any dispute arising out of or in connection with this Contract shall be subject to the exclusive jurisdiction of the courts specified in the Charter.

Article 11. Entire Agreement

- 11.1. This Contract constitutes the entire agreement between the Parties with respect to its subject matter and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, relating thereto.
- 11.2. For the avoidance of doubt, this clause does not limit or exclude the applicability of the FlexUp Licence, nor does it affect any non-contractual rights or obligations arising under applicable law

Article 12. Notices

- 12.1. All notices or communications under this Contract must be given In Writing, as defined in the Charter.
- 12.2. Notices shall be deemed properly delivered if sent by electronic mail to the addresses specified in the Contract, unless the Parties agree otherwise in writing.

12.3. Either Party may change its contact information for notices by providing notice to the other Party in accordance with this Article

Article 13. Conversion of Tokens into Stocks

This Article applies if the Project is a Single-Project Organization (i.e., a legal entity entirely dedicated to the Project) that is authorized to issue Stock (in this context, the Project is referred to as the “**Company**”):

- 13.1. Under this Contract, the Investor is granted Securities (including Credits and Tokens) that confer the financial and voting rights set forth in the FlexUp Charter.
- 13.2. In addition, the Securities may entitle the Investor, in certain circumstances defined in the Charter, to receive Stock in the Company.
- 13.3. Securities are distinct from Stock and do not confer the corporate rights ordinarily attached to Stock under the Company’s bylaws and applicable legislation.
- 13.4. If and when Stocks are issued to the Investor:
 - a. such Stock shall coexist with the Securities already held by the Investor;
 - b. the Investor shall retain all rights attached to their Securities under the Charter;
 - c. the Investor shall acquire the rights attached to Stock ownership under the Company’s bylaws and applicable legislation; and
 - d. the Charter shall define the conditions for Stock issuance, the applicable conversion ratio, the number of Stock to be issued, and the resulting rights.
- 13.5. For the avoidance of doubt:
 - a. the issuance of Stock to an Investor who already holds Securities does not entitle the Investor to duplicate or cumulative economic or voting rights;
 - b. all Investors receive the same economic entitlement per underlying unit of participation, regardless of whether they hold Tokens, Stock, or both; and
 - c. conversion of Tokens into Stock does not reduce or duplicate the rights already attached to the Tokens but may provide the Investor with additional rights available only to Stockholders under the Company’s bylaws and applicable legislation (typically political or governance rights).

Article 14. Transfer of Rights

- 14.1. The Investor may not assign, transfer, pledge, or otherwise dispose of any rights or obligations arising under this Contract without the prior written consent of the Company, except as permitted by the Charter or, if applicable, the Investment-AC or the Investment-SC. Any attempt to do so in violation of this provision shall be null and void and subject to the remedies provided in the Charter.
- 14.2. The Company may assign or transfer this Contract to any successor entity that assumes all of its obligations hereunder, provided that written notice is given to the Investor.

Article 15. Severability

If any provision of this Contract is found to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be deemed severed, and the remainder of the Contract shall remain in full force and effect. The Parties agree to negotiate in good faith to replace any invalid or unenforceable provision with a valid and enforceable provision that most closely reflects the original economic intent.

Article 16. Updates to the General Conditions

- 16.1. FlexUp reserves the right to publish updated versions of the General Conditions, without prior notice.
- a. Updated versions will be distributed and published by any means, including publication on the FlexUp website (www.flexup.org).
 - b. Such updates shall be binding upon the Investor unless objected to in writing within ninety (90) days of publication:
 - i. Updates to the Charter-GC may be objected on the terms given in the Charter-GC;
 - ii. Updates to other documents of the General Conditions (such as the present Investment-GC, and if applicable, the Investment-AC) may be objected to on the terms given in Article 16.2 below.
- 16.2. The Investor may object to changes within ninety (90) days following publication. Where there are multiple Participants in a Funding Round:
- a. A simple majority, based on the invested amount, must present objections as a group.
 - b. If different categories of Securities with varying characteristics (such as Priority or Payment Terms) exist in the Round, a separate majority approval is required for each category.
 - c. If a majority within any category objects, then all Participants from that Round shall remain governed by the prior version of the General Conditions.
- 16.3. The Company will endeavour to notify the Investor of updates promptly, using the contact information last provided under.
- 16.4. Unless objected to, updates shall apply automatically ninety (90) days after publication, including to ongoing Funding Rounds, provided that no update shall retroactively alter the terms of a Funding Round-SC or Investment-OSC already signed.

Article 17. Amendments

- 17.1. Other than updates made pursuant to Article 16 this Contract may be amended only by a written agreement signed by both Parties.

Article 18. Equivalence of Defined Terms

- 18.1. In this Contract, terms from the FlexUp Charter-GC map as follows:
- “Investor” refers to Supplier and/or Associate;
 - “Company” refers to Client and/or Project;
 - “Investment Amount” refers to Contribution;
 - “Securities” refers to Remuneration, Commitments, Equity, Credits and/or Tokens;
 - Should the Project be a Single-Project Organization, then both Project and Holder might also be referred to as "Company."
- 18.2. In case of any terminological discrepancies between the Charter and other documents of the Contract, the Defined Terms shall be interpreted according to the order of priority indicated in Article 1.1.