



**TERM SHEET FOR PROPOSED PURCHASE OF  
SERIES C CONVERTIBLE PREFERRED STOCK  
March 11, 2013**

**SUMMARY OF TERMS**

**Issuer:** ResearchGate Corporation (the "Company").

**Investors:** Tenaya Capital VI, LP ("Tenaya"), together with existing investors and/or other new investors as set forth under Amount of Financing.

**Type of Security:** Series C Convertible Preferred Stock (the "Series C Preferred").

**Price:** The purchase price per share (the "Series C Original Purchase Price") of \$7.8827 is based on a pre-money valuation of \$110.0 million divided by the total number of shares outstanding on an as-converted, fully-diluted basis, reflecting a 2.5% option pool refresh, resulting in a post-closing capitalization summarized as follows (assuming the amount of the financing is \$25.0 million):

<b>Post Series C Capitalization</b>			
	Shares	% FD	% PFD
Series 1*	1,743,519	10.2%	14.8%
Series A**	3,465,585	20.2%	29.5%
Series B	3,383,293	19.8%	28.8%
Series C	3,171,503	18.5%	27.0%
Subtotal Preferred	11,763,900	68.7%	<u>100%</u>
Common Stock	2,964,023	17.3%	
Options Issued	1,068,942	6.2%	
Pre-C Pool Refresh	428,155	2.5%	} 7.8%
Options Available	901,258	5.3%	
Total Fully Diluted	17,126,278	<u>100%</u>	
Series C Price	\$ 7.8827		
Post-Money Value	\$ 135,001,312		
Series C Raise	\$ 25,000,007		
Pre-Money Value	\$ 110,001,305		

\* Includes Preferred Stock 1:1, 1:2, 1:3 and 1:4

\*\* Includes Series A-1 Preferred and Series A-2 Preferred

Amount of Financing:	The financing will be for a minimum of \$20.0 million and up to \$25.0 million. Tenaya will lead the round and invest up to \$10.0 million with a minimum investment of \$7.5 million. The remainder of the round will be available to existing investors and/or other new investors. Should the Company receive total subscriptions of less than \$20.0 million, Tenaya will be allocated the unsubscribed amount up to a total investment of \$10.0 million.
Use of Proceeds:	The proceeds from the sale of the Series C Preferred shall be used for working capital and general corporate purposes.
Anticipated Date of the Initial Closing:	The financing is targeted to close (the "Closing") as soon as possible, subject to (i) satisfactory business and legal due diligence by Tenaya; (ii) receipt by the Investors of a customary opinion of counsel for the Company; (iii) delivery by the Company of Tenaya's standard management rights letter and (iv) execution of definitive documents by the parties, including appropriate representations, warranties and covenants.
Series C Rights:	The Series C Preferred shall have pari passu rights to the Series B Preferred Stock (the "Series B Preferred") including, but not limited to, as applicable, dividends, liquidation preference, conversion, anti-dilution, redemption, voting, information rights, right of first refusal and right of first offer to participate pro rata in future financings, protective provisions, drag-along and registration rights.
Voting:	As used herein, the Series 1:1 Preferred, Series 1:2 Preferred, Series 1:3 Preferred, Series 1:4 Preferred, Series A-1 Preferred, Series A-2 Preferred and the Series B Preferred are collectively referred to as the "Existing Preferred" and, together with the Series C Preferred, as the "Series Preferred." The voting threshold for protective provisions, automatic conversion and the like shall remain at a majority of the then outstanding Series Preferred. The consent of the holders of at least sixty-six percent (66%) of the then outstanding shares of Series C Preferred (voting as a separate class) shall be required for any amendments to the Company's certificate of incorporation or bylaws that adversely affect the power, preferences or rights of the Series C Preferred in a manner disproportionate to the Existing Preferred.
Board Observer:	Tenaya will be provided with the right for one person (initially, Benjamin Boyer) to attend board meetings as an observer.
Major Investor:	Tenaya shall be designated as a "Significant Holder," "Major

Investor” or the like for purposes of information rights, right of first refusal and right of first offer to participate pro rata in future equity financings (and financings involving securities convertible into equity).

Fees and Expenses: The Company shall pay the reasonable legal fees and expenses of Tenaya’s counsel (not to exceed \$50,000).

Exclusivity/Confidentiality: The Company agrees to work in good faith towards the Closing. The Company agrees that it will not, for a period of 30 days from the date these terms are accepted, take any action to solicit, initiate, encourage or assist the submission of any proposal, negotiation or offer from any person or entity other than Tenaya relating to the sale or issuance, of any of the capital stock of the Company. The existence and terms and conditions of this letter are strictly confidential and may not be disclosed to anyone other than (i) to the directors, officers and advisors of the Company who have fiduciary or legal responsibilities to the Company to keep such information confidential, and (ii) as required by law.

For the avoidance of doubt, except for the respective Original Purchase Prices, if any provision in this term sheet relative to the Series C Preferred is not as favorable as the existing terms in the governing agreements or does not include a provision set forth in such governing agreements for the benefit of the holders of any series of the Existing Preferred, then such term or provision will be modified to reflect at least equal status for the Series C Preferred with such series of the Existing Preferred.

This term sheet shall remain available for acceptance through 5:00 pm PT on Monday, March 18, 2013, and is intended only for discussion purposes, and does not create or impose any obligations on the Company, Tenaya, or any other person except for the exclusivity/confidentiality clause listed above. This term sheet supersedes all previous agreements between the parties whether written or oral.

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The parties to this term sheet acknowledge their agreement to the terms contained herein by signing below. The term sheet may be signed in counterpart and a facsimile or pdf signature shall have the same force and effect as an original signature.

Agreed and Accepted

**Tenaya Capital**

**ResearchGate Corporation**

By:  \_\_\_\_\_

By:  \_\_\_\_\_

Benjamin Boyer  
Managing Director

Dr. Ijad Madisch  
Chief Executive Officer

Date: March 11, 2013

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