

TERM SHEET



Corinth Group of Switzerland
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DATE:



Term Sheet for

1. **General**

Corinth Group of Switzerland and its strategic investment partners, hereinafter referred to as Corinth, are pleased to provide this term sheet containing the principal terms being considered for an investment of USD or Euros **(amount) (amount in words)** in **(name of applicant)** located at **(address and location of applicant)** (the “Project Company,”) and together with Corinth, (the “Parties”), for which Corinth through its regulated entities will advance 100% (one hundred percent) of the required capital for the Project as defined below.
2. **Capital Structure**

Corinth will invest **30% (Thirty percent)** equity at par value in the Project Company (PC) or an agreed SPV structure against preferred shares and will provide 100% of the required investment in the form of a shareholder loan.

If the PC possesses significant assets or cash resources, Corinth and the PC will jointly agree on a Fair Market Value (FMV) or, in the absence of any joint agreement, will arrange for an FMV to be conducted by an independent third party to determine the price of the 30% shareholding before closure.

The agreed FMV amount before closure, as outlined above, will be deducted from the agreed FMV at the exit and as stated in Article 18 below. The remaining FMV amount after the deduction will be the figure on which the value of Corinth’s shareholding is calculated.
3. **Project Company**

The Project Company (the “PC”) is the legal entity of the Applicant in which the Applicant holds 100% (one hundred percent) shares.
4. **Project Description**

As per the application document dated **(date)** and the ancillary documents supplied together with the application document.
5. **Applicant**
6. **Investor**

Corinth through regulated and licensed entities.
7. **Corinth’s Management Company in Switzerland**

Corinth Management Services AG
Stadtgartenweg 6,
CH - 7000 Chur, Switzerland

Registration No: CHE-103.982.016
8. **Currency**

Euro

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9. **Loan Facility** Is the total sum of the Investment Amount stated in Article 1 above plus the project development and consultancy fee as stated in Article 30 below?
10. **Loan Facility Term** Up to a maximum of 8 (eight) years, the Loan Term is to be confirmed or modified as mutually agreed between the parties.
11. **Facility Repayment** Repayment will start six months after the first drawdown per the agreed repayment schedule unless a Grace Period is agreed between the parties
12. **Grace Period** The Grace Period provided will be for a maximum of two years (24 months) and will be mutually agreed between the parties. Such period will be the period before the commencement of the Loan repayment and the interest repayment. Unless otherwise agreed the first payment will be six months after the grace period has expired.
13. **Interest** **3% (three percent)** Interest.
14. **Early Repayment Penalty** No Penalty will be payable in the event of an early Repayment of the Loan.
15. **Payment of Dividends** Dividends are due to be paid to all shareholders throughout the equity participation.
16. **Issue of PC Share Certificates** The shareholder of the PC will transfer within 15 (fifteen) Banking Days after the notification of the first draw to the PC 30% (thirty percent) shares of the PC to Corinth and before the first drawdown is made. The transfer must be officially registered with the local authorities, and all applicable documents must be sent to Corinth.
17. **Redemption of Corinth's Shares** Commencing with the earlier of (i) the date that is **8 (eight)** years from the date of closing, (ii) at Corinth's election at any time after the total return of the Loan Facility, Corinth shall have a put right to require the PC to redeem, in total, Corinth's shares in the PC at a price based on the Fair Market Value (FMV) of the PC.

Before the redemption of Corinth's shareholding and if the PC had an independent FMV valuation report done before the financial closure of the transaction as outlined in Article 2, this FMV amount will be deducted from the agreed FMV as stated in this article above. The remaining FMV amount will be the figure calculating the value of Corinth's shareholding.
18. **Pre-emptive Rights** Corinth shall have a pro-rata option, based on its percentage of the fully diluted equity interest in the PC, to participate in future equity issuances by the PC.

All terms described herein are subject to due diligence satisfactory to Corinth and final documentation satisfactory in form and substance to Corinth and its legal counsel.

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19. **Right of First Refusal** If the PC proposes to sell any of the equity interest in the PC to a third party, Corinth shall have the first right to purchase the securities on substantially the same terms as the proposed sale.
20. **Drawdown Schedule** The Drawdown Schedule shall be agreed upon between the Applicant and Corinth. The drawdown schedule will form part of the Loan Facility Agreement.
21. **Insurers** Domestic and or international A-rated Insurance Companies as appointed by Corinth and the Applicant.
22. **Investment Documents** All agreements required between Corinth and the Applicant.
23. **Effective Date** The date that the Investment Documents and related conditions of each Agreement have been satisfied to the satisfaction of Corinth.
24. **Funding Date** Funding into the PC will commence within 45 days after the effective date.
25. **Due Diligence** From and after the date of the execution and return of the Term Sheet and the receipt of the complete due diligence documents and the KYC documents, the Applicant will allow Corinth and or its nominee companies and its appointed affiliate(s), their representatives and advisors full access to its facilities, books, records, key employees, and advisors, etc., if so, required by Corinth.
- Corinth will bear the total expenses and costs related to all pre-closing activities, including all due diligence costs (financial, legal, commercial, and technical, if applicable) and all underwriting costs, inclusive of expenses related to the use of all third-party expertise (attorneys, accountants, due diligence companies, consulting engineers, valutors, appraisal firms, project managers, insurance brokers etc.) as stated above.
26. **Cost Contribution** The Applicant is obligated to provide Corinth with a Cost Contribution in the amount of **EUR 80,000 (Eighty thousand)**.
- The Cost Contribution is payable in the following manner:
- EUR 80,000.00** (eighty thousand Euros) within 7 (seven) banking days of signing this term sheet against an Invoice by Corinth.
- If the Due Diligence as outlined under point 27 above is not to the satisfaction of Corinth, or if Corinth decides to abort the transaction for any reason whatsoever the Capital Contribution in the amount of **EUR 80,000.00** (eighty thousand Euros) paid by the Applicant will be refunded in full and without deduction of any costs within 7 (seven) banking days.

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If, after the Parties have signed this term sheet, the Applicant decides to abort the transaction for any reason, the Cost Contribution in the amount of **EUR 80,000.00** (eighty thousand Euros) is non-refundable.

27. **Successful Due Diligence** Upon successful due diligence the Applicant will be notified by Corinth in writing and Corinth will prepare the investment agreements as stated under point 24 above.
28. **Project Development and Consultancy Fee** A Project Development and Consultancy Fee of **3%** of the total investment amount is payable to Corinth's appointed Management Company by the Applicant upon successful funding of the Project. The Project Development and Consultancy Fee will be included in the Drawdown Schedule and will form part of the total Loan Facility.
29. **Board Representation** Corinth requires an equal number of seats on the PC's Board of Directors plus the casting vote on reserved matters until its unreturned Loan Facility has been reduced to zero and not less than 30% (thirty percent) of the seats for the duration of Corinth's holding of shares in the PC.
30. **Source of Funds** We confirm and declare that the funds for this project to be advanced by Corinth through the regulated and licensed Investment Funds are clean, clear, and of non-criminal origin and have been legally derived from the source of typical origin and are free from any liens and encumbrances and total taxes have been paid on them.
31. **Anti-Money Laundering** The Applicant will complete the Client Information Sheet in accordance with the Patriot Act of October 26, 2001, and amendments thereto; Articles 2 and 5 of the Due Diligence and Federal Banking Commission Circular of December 1999 and its amended articles concerning the prevention of Money Laundering, and Article 305 of the Swiss Criminal Code and the respective information must be supplied to banks and financial institutions, for purposes of verification and the identification and opening of Bank Accounts.
32. **Governing Law** All investment agreements will be governed by the substantial laws of Switzerland or as defined by Corinth.
33. **Confidentiality** The terms of this letter and the existence of the proposed Project are confidential and may not be disclosed by either Party except to legal and financial advisors and except as required by law. The Parties will only publicly announce the Project contemplated by this term sheet after the closing, except when and in the form agreed to in writing by the Parties.

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34. **Press Announcements** Before the issuance of any Press Release and subject to the terms of this Term Sheet and future Agreements, the Applicant (including the Board, any committee and or employee thereof) shall not issue any press release or make any public announcement in any form of media or social media regarding this Term Sheet and transaction without the prior written consent of Corinth.

This Term Sheet will expire on **(date)** close of business Swiss time.

With their signatures affixed below the parties hereby understand and agree unanimously that this term sheet becomes a legally binding document and remains valid until the signing of the final investment agreements by the parties. Swiss law applies and the Court of Chur in Switzerland is hereby accepted by the parties as an exclusive jurisdiction.

For and on behalf of Corinth

For and on behalf of the Applicant

Date:

Date:

Name:

Name:

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