

## TERM SHEET – [Name of Investee]

[Date]

Thank you for applying for the TerraFund program. After thorough consideration of your proposed project, your business and your potential, we are pleased to offer you the following two (2) options for our investment in your company, located on page 5. Before reading these terms, please review the explanation on the first three pages of this document. We believe in your vision and the growth potential of your company, and we are eager to collaborate with you to achieve shared success.

A few notes on our terms:

- TerraFund investments are made through approved partners, which include Realize Impact through its subsidiary Africa Trees Ltd., a company registered in Mauritius. Funding decisions are made by a single investment committee, stewarded by World Resources Institute as the guardian of TerraFund. The other TerraFund partners, with which you will have an indirect relationship, are Vumbuzi Impact Africa Foundation and One Tree Planted.
- In some cases, TerraFund offers a mix of debt and equity. The equity portion aims to cover the long-term patient capital needs of your project, including most tree-growing expenses, while the debt covers operational capital to increase your revenues and profits in 2026 and beyond.
- Multiple investment options are provided, allowing you to choose which is best for your business. If a mix of those options is preferable, please let us know. Our investment team may advise you to choose one of the options, but your choice will not affect our decision whether to invest in your company.
- The requested budgets cover at least two tranches. The investment terms listed in this document provide the capital for the first tranche, representing the first 12 months of your approved budget.
- The second tranche is available from February 1, 2027 only if 1) you have made all loan repayments in full and on time, 2) if you attend all required monitoring, reporting, and verification (MRV) trainings, 3) you provide an impact report on TerraMatch in July 2026 and January 2027 and TerraFund approves that report, and 4) you provide accurate geospatial location data in the form of polygons, if required, and TerraFund approves that data.
- Reports must continue to be completed and quality assured by TerraFund project managers every six months, beginning on July 31, 2026 and ending on January 31, 2032. These reports include information about the environmental and social impact of this funding. To adhere to these requirements, World Resources Institute provides in-depth technical assistance, free of charge, for all participating companies. You must continue to submit these reports to remain eligible for additional financing from TerraFund or any of its partners.
- TerraFund requires participating companies to produce quarterly financial statements for review from our investment team, along with an audited annual financial report.

- Details about debt investments can be found here:
  - All loans include monthly payments, beginning with interest-only payments. The purpose of monthly payments is to demonstrate a track record to help you qualify for additional debt financing in the future, both from TerraFund and other local and international funders.
  - Loans are issued with annual compounded interest at 8% in U.S. dollars (USD), 12.5% in Kenyan shillings (KES), 14% in Rwandan francs (RWF), and 15% in Ghanaian cedi (GHS). You may choose the currency in which your loan is issued, but you may not negotiate the interest rate.
  - Loans can range from 12 to 60 months in duration, depending on the use of funds. The repayment period for a working capital loan, for example, may be shorter than the repayment period for debt issued to purchase machinery, as the former generates revenue more immediately than the latter. In the offer below, TerraFund has suggested a repayment period based on the proposed use of funds and your financial position. If a payment is late and TerraFund did not approve that delay, TerraFund can charge you a fee of \$250 USD per payment.
  - TerraFund will apply a credit to your loan if you have made all payments on-time and met all reporting and other monitoring requirements. The credit will be applied each year, with a larger reduction after the first year.
- Details about equity investments can be found here:
  - All equity is valued at a multiple of your "top line" revenues – the company's total revenue or gross sales before any expenses are deducted – during the prior 12 months or most recent 4 quarters. In most cases, this is approximately 1.5x to 2x of your most recent 12 months of revenues, with the exact multiple based on your historical growth rate and profitability. TerraFund uses data from your most recent annual audited financial statements or signed and approved management reports from the current year.
  - TerraFund equity investments are patient, with no expectation of your company having an "exit" (such as an acquisition). Africa Trees never purchases more than 33% of a company's total shares and will consult with you before selling its shares to a third party.
  - TerraFund reserves the right to appoint a member to your company's board of directors.
- Disbursement of investment funds are predicated on you passing our KYC (know your customer) requirement and providing historic financial information to TerraFund. TerraFund may also contact your shareholders or previous lenders. We will work with you to gather these documents. The required KYC information includes certified true copies of:
  - A. Corporate description
  - B. Certificate of incorporation
  - C. Tax identification number
  - D. Bank account information
  - E. Registered business location(s)

- F. List of corporate officers
  - G. List of corporate directors
  - H. Table of shareholders
  - I. Table disclosing status of existing debt
  - J. Organization chart
  - K. A copy of the passport of the CEO.
  - L. Signed audited financials (or management accounts where audits are not available) from 2014 through 2023, or back to the incorporation of your company, if your company was incorporated after 2014.
- TerraFund investments are all pending receipt of expected funding to Africa Trees.
  - For each additional grant or investment you receive, you must notify TerraFund within 30 days of receipt of funds and provide the signed copy of that investment paperwork or grant agreement for our records. This is to allow TerraFund to report back to its donors on how our investment has catalyzed additional impact.

## OUTCOME TARGETS

All TerraFund investments have accompanying outcome targets that must be reported on every six months. The following outcome targets assume you will receive the total in your first and second tranches, which equal **[INSERT AMOUNT]**.

Project Overview	Target
Cluster	[TEXT from Airtable]
Admin 1 Jurisdictions of Implementation	[TEXT from TerraMatch]
Admin 2 Jurisdictions of Implementation	[TEXT from TerraMatch]
Project Period	January 1, 2026 to February 28, 2032
<b>Tree Restoration</b>	
Number of Trees Planted in 2026	[# from TerraMatch]
Number of Additional Trees Planted in 2027	[# from TerraMatch]
Total Number of Trees Planted by Dec 31, 2027	[# from TerraMatch]
Total Number of Trees Planted by Species	[Array from TerraMatch]
Survival Rate of Planted Trees	[% from TerraMatch]
Total Number of Trees Naturally Regenerating by 2027	[# from TerraMatch]
Total Number of Trees Grown by Dec 31, 2032	[CALCULATION: Total Trees Planted x Survival Rate + Total Trees Regenerated]
<b>Land Restoration</b>	

Number of Hectares Under Restoration in 2026	[INPUT NUMBER, NOT IN TERRAMATCH]
Number of Additional Hectares Under Restoration in 2027	[INPUT NUMBER, NOT IN TERRAMATCH]
Total Number of Hectares Restored by Dec 31, 2032	[# from TerraMatch]
Number of Hectares Restored by Restoration Practice	[Array from TerraMatch with Practice & %]
Target Land Use Types	[Multiselect from TerraMatch]
Land Tenure Regime	[Multiselect from TerraMatch]
<b>Jobs Created</b>	
Total Number of People Employed	[# from TerraMatch]
Total Number of Volunteers Engaged	[# from TerraMatch]
<b>People Benefitted</b>	
Total Number of Direct Beneficiaries	[# from TerraMatch]
Type of Non-Tree Initiatives Supported	[INPUT FROM LIST]

## FUTURE TRANCHES

The offers in the following section cover Year 1 of your submitted budget. The availability and amount of additional tranches of funding is contingent on the financial and impact reporting discussed above, as well as successful implementation of the project in Year 1. In February 2027, we will discuss the possibility of future tranches of investment capital. In the unlikely event where you are not eligible for your second tranche, we will adjust these outcome targets to fit the lower amount.

*[Offers on following page]*

Please choose between the following offers.

## OFFER #1

**\$xx,xxx** Equity investment

- Valuation determined by the previous 12 months of revenues and historical growth rate and profitability

## OFFER #2

**\$xx,xxx** Equity investment

- Valuation determined by the previous 12 months of revenues and historical growth rate and profitability

### **PLUS**

**\$xx,xxx** Operational capital loan

- **XX** month maturity
- Interest rate: **XXX%** [CURRENCY]
- **XX** months of interest-only payments
- A total credit of [INSERT AMOUNT] will be applied to your loan if you have made all payments on-time and met all reporting and other monitoring requirements. A credit will be applied to your loan following the end of every 12 month period. The credit increments will be [INSERT AMOUNT] after the end of year 1, and [INSERT AMOUNT] after the end of each subsequent year. If at any time you do not meet these conditions, then you will no longer be eligible for additional credits.

If you have any questions on any of these terms, please email your designated point of contact and [terrafund@realizeimpact.org](mailto:terrafund@realizeimpact.org).

Thank you.

Matt Eldridge  
Executive Director  
For and on behalf of  
REALIZE IMPACT, owner of AFRICA TREES LTD