

KERNEL CAPITAL GUIDELINE TERMSHEET

XXX Limited Summary of terms as of XX/XX/20XX

THIS TERM SHEET SUMMARIZES THE PRINCIPAL TERMS OF A PROPOSED INVESTMENT BY XXX (THE "FUND") IN XXX LIMITED ("THE COMPANY"). THE BELOW OUTLINE DEAL STRUCTURE IS FOR DISCUSSION PURPOSES SOLELY AND DOES NOT CONSTITUTE A FORMAL OFFER OF FUNDING. THE MAKING OF SUCH AN OFFER AND THEREAFTER AGREEING THE TERMS OF A SUBSCRIPTION AGREEMENT WILL BE SUBJECT TO THE FINAL APPROVAL OF THE UNDERSIGNED. THIS TERM SHEET IS SUBJECT TO THE CONDITIONS PRECEDENT SET OUT BELOW.

SUBJECT TO CONTRACT / CONTRACT DENIED

Investment	XXX
Co Investment	XXX
Instrument & Valuation	Investment will be made for [A] Ordinary shares at a fully-diluted pre-money valuation of XXX. On a fully diluted basis the Fund shall hold XX% of the equity as at the date of investment. Please see attached to this Term Sheet pre and post investment share capital table.
Terms	<ul style="list-style-type: none"> • shall comprise of [A] Ordinary shares, a new share class, or such other class of shares as may be in issue or proposed to be issued as part of the funding round; • will hold voting rights, minority ownership protection rights, information rights and such other rights as would be standard for a transaction of this kind, to include drag along, tag along, pre-emption rights and weighted-average anti dilution rights; • An Employee Share Option Plan pool, which shall be non-voting, to be established prior to this investment for the allocation of options and/or shares to management and employees, representing XX% of the Company's share capital pre-investment (XX% post investment); and • The promoters of the Company shall be required to enter into service agreements including customary non-compete and similar restrictive covenants for the benefit of the Company.
Due Diligence	The Fund shall carry out due diligence and the Company shall co-operate with same. In order to facilitate a timely completion of the investment the Fund shall seek and then rely upon certain warranties relating to the Company and its business from the promoters and the Company.
Board of Directors	The Fund shall have the right to appoint a director to the Board but should it not do so it shall be entitled to appoint an observer to the Board. The Fund shall at all times be entitled to information rights customary with an investment of this nature.
Use of Proceeds	The use of proceeds will be in accordance with the business plan and agreed at execution of the proposed investment.
Protective Provisions	The Company will be prohibited from carrying out certain actions without the prior consent of the Fund.
Conditions Precedent	<ol style="list-style-type: none"> i) The approval of the Board of Directors of the Company. ii) All relevant shareholder approvals. iii) Investment Committee approval of the Fund. iv) The Funds satisfaction: <ul style="list-style-type: none"> • with legal agreements for the proposed transaction; • that no material adverse change to the Company's prospects occurs prior to completion; • with completion of due diligence, including customer calls; • with the Business Plan.
Legals	The Fund's investment will be governed by a Subscription Agreement between the Fund and the Company. Such documentation will be prepared by the Fund's legal advisors. The Company shall bear the Fund's legal and other expenses with respect to the transaction contemplated herein.
Exclusivity	This term sheet is confidential to the Company and existing investors and neither the Company nor its agents shall enter into any agreement or discussion for an investment in the Company by any party other than existing investors for a period of four weeks from the date of signing of this termsheet without the prior written permission of the Fund.
Legal Effect	The Exclusivity paragraph above is legally binding upon signing of this Term Sheet by the Company and the Fund.
Expiry of Term Sheet	This Term Sheet Expires XX/XX/20XX
Target Completion	Four weeks from date of the Company signing

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