

Triodos @ Investment Management

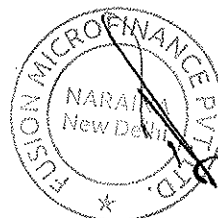
Indicative Term Sheet 1 March 2018

This term sheet contains the indicative terms and conditions for the facility as proposed by Triodos Investment Management BV ("TIM"), acting on behalf of Triodos Fair Share Fund ("TFSF") and Triodos Microfinance Fund ("TMF"), and is for discussion purposes only. It does not constitute any offer or commitment nor does it contain any representation or warranty on the part of TIM under any applicable law. All figures, terms, and conditions are subject to change. The provision of the facility is subject to due diligence, credit committee approval, board approval and satisfactory documentation.

This term sheet is not to be disclosed to or discussed with any party other than the Borrower without the prior written consent of TIM. The indicative terms are valid until 31 May 2018.

Indicative Terms and Conditions:

Borrower	:	Fusion Microfinance Pvt. Ltd. (Fusion)
Lender	:	Triodos Fair Share Fund and Triodos Microfinance Fund.
Purpose of Loan	:	Loans for expanding microfinance portfolio.
Principal Loan Amount:	:	INR 63 Cr. (approximately EUR 8 mln), to be disbursed in one disbursement.
Type of Facility	:	Non-Convertible Debentures ("NCDs") issued by Fusion
Loan Period	:	6 years from disbursement, with bullet repayment; 3 + 3 structure with a put/call option after 3 years. The option is to be structured as per NCD guidelines.
Interest Rate	:	12.0207% p.a. (net of all applicable taxes), payable semi-annually. (The gross rate incl. of withholding taxes (effectively 5.72%), as per prevailing withholding taxes, assuming a 50% participation each from Triodos Fair Share Fund (WHT of 5.98%) and Triodos Microfinance Fund (WHT of 5.46%) would be 12.75%)
Front End Fee	:	Nil
Legal fees	:	All legal fees will be for the account of the Borrower.
Default Interest	:	2% p.a. above the prevailing Interest Rate to be calculated on principal, interest and any other payment due and unpaid under the Loan Agreement.
Early Redemption	:	No early redemption is possible.
Securities	:	100% exclusive charge on prime portfolio of the Borrower. As per standard NCD documentation.
Representations and		
Warranties	:	The NCD contract will contain customary representations and warranties, appropriate for facilities of this nature, including but not limited to valid incorporation, capacity of authority, pari passu ranking, and no default, which shall be deemed to be made on signing of the NCD contract and repeated implicitly on the first utilization date, subsequent utilization dates and Interest Payment Dates.
Covenants	:	The NCD contract will contain customary covenants, appropriate for facilities of this nature, including, but not limited to, Capital Adequacy Ratio of RBI limit, credit exposure, unhedged foreign exchange position, change of ownership, acquisitions, transfer of assets, and change of business activities – as illustrated below.



Triodos Investment Management

CAR (regulatory)	15%
PAR 1	max. 15%
PAR 30	max. 5%
Write offs	max. 3%
Unhedged open foreign currency exposure ratio	min./max. - 25%/25%

- Events of Default** : The NCD contract will contain customary Events of Default appropriate for facilities of this nature, including but not limited to, commencement of insolvency proceedings, non-payment, breach of covenants, illegality, or material adverse change.
- Financial Reporting** : The Borrower shall provide the Lender with quarterly non-audited and annual audited financial statements, as well as a quarterly monitoring report (including solvency, write-offs, and non performing portfolio) on the loan portfolio.
- Taxation** : All payments by the Borrowers to the Lender will be made net of all taxes or other deductions and if any withholding is required then all relevant payments will be grossed up by the Borrower accordingly.
- Conditions Precedent** : The NCD contract will contain customary conditions precedent, appropriate for facilities of this nature, including but not limited to certification by the Borrower that the organization is duly registered and is in good standing as per law, supported by a legal opinion from an Indian external counsel.
- Governing Law** : Indian law.
- Jurisdiction** : The Courts of India.

If you agree upon these indicative terms, please return a duly signed copy to us.

Triodos Investment Management BV

By: _____

Name: _____

Title: _____

By: _____

Name: ADITYA MOHAN

Title: SENIOR INVESTMENT OFFICER

Accepted and agreed by

Fusion Microfinance Pvt. Ltd.

By: _____

Name: DEVESH SACHDEV

Title: DIRECTOR & CEO

By: _____

Name: DEEPAK MAADAN

Title: COMPANY SECRETARY

