



**BlueOrchard**  
Impact Investment Managers

Mr. Vivek Tiwari  
MD and CEO  
**Satya MicroCapital Limited**  
519 5th FLOOR, DLF PRIME TOWERS,  
Okhla Industrial Area , Phase-1,  
Delhi- 110020, INDIA

3<sup>rd</sup> July 2020.

#### FINAL TERM SHEET

Thank you for your interest in working with BlueOrchard Finance Ltd. ("**BlueOrchard**" or the "**Fund Manager**") to support your funding needs for 2020/2021. We would be pleased to support Satya MicroCapital Limited . ("**Satya**" or the "**Issuer**") through funding from the InsuResilience Investment Fund, SICAV-RAIF ("**IIF**" or the "**Subscriber**"), managed by BlueOrchard.

Please find below final terms and conditions upon which we would be prepared to provide financing. This Final Term Sheet is neither binding on the Subscriber or Fund Manager, nor a commitment to lend, but merely a summary of terms and conditions that the Fund Manager, on behalf of the Subscriber, considers appropriate for a facility of this nature under current market conditions. The final terms and conditions provided in this letter are valid for a period of four months from the date of this letter, unless extended by the Fund Manager, at its sole discretion, in writing.

<b>Issuer</b>	Satya MicroCapital Limited
<b>Subscriber</b>	InsuResilience Investment Fund, SICAV-RAIF
<b>Fund Manager</b>	BlueOrchard Finance Ltd.
<b>Facility</b>	Non-Convertible Debenture (VRR)
<b>Purpose</b>	Support Climate Insurance related loan products to help reduce climate risk to their clients
<b>Commitment</b>	Up to INR 380,000,000 (equivalent to approximately USD 5 mm)
<b>Currency</b>	Indian Rupee (INR)
<b>Disbursement Date</b>	24 <sup>th</sup> July 2020
<b>Maturity</b>	Upto 72 months.
<b>Amortization</b>	25% at 24 <sup>th</sup> month and 75% at 36 <sup>th</sup> month
<b>Put / Call Option Exercise Date</b>	At the end of 36 months.
<b>Interest Rate</b>	<p>At least 11.723% p.a.</p> <p>The interest rate is the net rate (and is exclusive of current withholding tax rate of 5.4600%) and the debenture trust deed will include language to protect the Subscribers against increases in the withholding tax rates. At the prevailing tax rate, the gross interest rate inclusive of withholding taxes would be 12.400% p.a.</p> <p>Note: The interest rate is subject to change if hedging costs increase and should the USD return fall below the Subscriber's minimum return requirement.</p>
<b>Interest Payments</b>	Semi-annually.
<b>Upfront Fee</b>	Nil
<b>Coupon Reset Date</b>	At the end of 36 months.

For Satya MicroCapital Limited  
(Formerly known as TFC Finvest Limited)

(Vivek Tiwari)  
(Managing Director & CEO)

<b>Other Costs</b>	Any issue related expenses including rating, listing, Subscribers legal counsel fees, trustee, stamp duty and other costs associated with the issuance of the NCDs will be borne by the Issuer.
<b>Voluntary Prepayment</b>	Not earlier than 12 months from the date of the transaction documents, the Issuer may prepay the outstanding principal amount in full or in part on an interest payment date. On such date, the Issuer shall pay the principal amount, all accrued interest, a prepayment fee of 2.00% on the principal amount, any breakage costs and any legal or other fees incurred as a result of the voluntary prepayment or otherwise. Amounts repaid or prepaid cannot be re-borrowed.
<b>Penalty Interest Rate</b>	At any time there is a payment default of any amount of principal, interest, fees or other obligations due (whether by acceleration, at maturity or otherwise) or an event of default, the Issuer shall pay an additional interest rate of 2.00% p.a. above the Interest Rate on the outstanding principal amount until such default is cured.
<b>Hedging Arrangement</b>	The Subscribers shall enter into a hedging instrument with third-party counterparty in order to provide this Facility.  Any costs associated with the early termination of the hedge arrangement shall be borne by the Issuer.
<b>Dividend Payment Restriction</b>	The Issuer shall not declare or pay any dividend, make a cash distribution or pay other consideration to its shareholders (other than dividends or distributions payable in shares of the Issuer), unless: (i) the proposed payment or distribution is made from positive retained earnings of the Issuer (excluding any amount resulting from the revaluation of any of the Issuer's assets) from the previous financial year for which the dividends or distributions were declared; and (ii) no Event of Default or Potential Event of Default has occurred or is ongoing. (iii) after giving effect to any such action the Issuer is in compliance with the financial covenants.
<b>Security</b>	Hypothecation of book debts/receivables maintained at all times at 110% of aggregate principal outstanding. Security creation and perfection required as per laws and regulations.  Reporting of loan receivables and security top-up on a monthly basis.
<b>Conditions Precedent</b>	Conditions precedent shall include, but are not limited to, the following: <ul style="list-style-type: none"> <li>• In-principle approval of the stock exchange for listing of NCDs</li> </ul>
<b>Conditions Subsequent</b>	Conditions subsequent shall include, but are not limited to, the: <p>Listing of NCDs within 7 calendar days of the deemed date of allotment of the NCDs</p>
<b>Financial Covenants</b>	Covenants shall include, but are not limited to, the following: <ul style="list-style-type: none"> <li>• The Borrower shall at all times maintain a ratio of the sum of (x) Portfolio At Risk over 30 days + Restructured Loans + Charge-Offs during the last 12 months divided by (y) the Outstanding Gross Loan Portfolio of not greater than 15% until Dec 2020. After Dec 2020, the threshold will go down to 10%.</li> <li>• The Issuer shall at all times maintain the ratio of (x) Portfolio At Risk over 90 days + Restructured Loans – Loan Loss Reserves divided by (y) Tier One Capital of less than 10%.</li> </ul>



	<ul style="list-style-type: none"> <li>• The Issuer shall at all times maintain a Capital Adequacy Ratio, calculated according to the Capital Adequacy Standards as established by the Reserve Bank of India, of at least 16.5%.</li> <li>• The Issuer shall maintain a ratio of Return on Assets greater than 0% during the preceding twelve month period.</li> <li>• The Issuer shall at all times maintain the sum of the absolute value of the ratio for each single currency, other than the Local Currency, of Foreign-Currency Assets of such currency minus Foreign-Currency Liabilities of such currency divided by Equity no more than 50%. The detailed calculation of this ratio should be as follows: (absolute value (Foreign Currency 1 assets – Foreign Currency 1 liabilities + off balance sheet hedges in Foreign Currency 1) plus absolute value (Foreign Currency 2 assets – Foreign Currency 2 liabilities + off balance sheet hedges in Foreign Currency 2) divided by Equity plus absolute value (Foreign Currency n assets – Foreign Currency n liabilities + off balance sheet hedges in Foreign Currency n) divided by Equity</li> </ul>
<b>Taxes and Government Charges</b>	Any taxes and government charges and/or registration charges, including taxes on interest paid to Subscriber, are to be for the account of the Issuer, so that the Subscriber shall receive the entire amount of such interest, fees or costs without any deductions.
<b>Legal Fees</b>	A legal opinion in respect of the laws of the jurisdiction of the Borrower will be required and associated legal costs shall be borne by the Borrower.
<b>IIF Reporting</b>	<ul style="list-style-type: none"> <li>– Within 90 days of the end of each financial year, audited financial statements;</li> <li>– Within 30 days of the end of each fiscal quarter, unaudited quarterly financial statements;</li> <li>– Within 20 days of the end of each month, monthly management accounts (i.e. balance sheet, profit and loss statement, cash flow statement); and</li> <li>– No later than 60 days prior to the end of each financial year, the proposed budget for the next following financial year.</li> <li>– Within 45 days of each quarter, reporting on Climate Insurance Activities.</li> </ul>

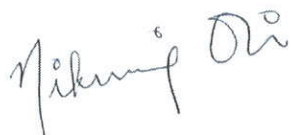
This Final Term Sheet is not an offer, commitment or agreement to lend or provide financing to Satya; it is for discussion purposes only and is subject to change without notice. Please note that it only summarizes some of the terms and conditions which may be reflected in final documentation and that nothing herein obligates the Lender or its affiliates to provide, arrange or syndicate any credit or other financing in favor of the Issuer or its affiliates. Proposed Interest Rate in this Final Term Sheet is based on the credit markets as of today, and on the current evaluation we have of your institution. The final offer will be subject to all necessary approvals, including credit approvals, of the Fund Manager and the Subscriber and market conditions at the time of disbursement. As a result of these, actual terms at the time of closing may differ from those indicated herein.

This Final Term Sheet is for the confidential use of Satya only and is not to be reproduced, used for any other purpose, nor disseminated to any other parties without the prior written consent of the Fund Manager.

We would welcome your feedback and be pleased to discuss this Final Term Sheet with you in further detail. Should you wish to proceed, please kindly confirm to us via email or in writing and by returning this Final Term Sheet with your signature, to allow us to start cooperating with you in order to best meet your funding needs.

We look forward to collaborating with you.

Yours sincerely,



**Nikunj Oli, Regional Manager - Asia**  
**BlueOrchard Finance Ltd.**

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**Acceptance by Satya MicroCapital Limited**

**For Satya MicroCapital Limited**  
(Formerly known as TFC Finvest Limited)

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Name: (Vivek Tiwari)  
(Managing Director & CEO)

Date: 06-07-2020