
TERM SHEET

Seller:	A.
Bidder:	B.
Purchaser:	Name of Bidder or an acquisition vehicle formed by it.
Commitment Guarantee:	Only if the Purchaser is an acquisition vehicle, as part of Bidder's final bid, it shall deliver to Seller an irrevocable, unconditional and open-ended payment guarantee on first demand either from a bank or financial institution with a rating satisfactory to Seller or from the Bidder. ¹
Object of Purchase:	100% of Seller's right, title, interest and obligations (including, e.g., any unfunded commitments) in the loan receivables (the " Loan Receivables ") and the collateral securing such Loan Receivables (the " Collateral " together with the Loan Receivables, the " Loan Portfolio ") described in the database (the " Database ") made available to Bidder upon its execution and delivery of the Confidentiality Agreement.
Confidentiality Agreement:	The confidentiality agreement between Bidder and Seller dated [●].
Bid Date:	[●].
Bid Requirement:	Subject to the conditions of the process letter dated [●] bids must be for entire Loan Portfolio but must itemize purchase rates for each of the Loans Receivables in the Loan Portfolio.
Closing Date:	Upon the final, formal approval of Seller's responsible committees and boards.
Signing Date:	[●].
Servicer:	Subject to approval of Seller, either Purchaser or a third party selected by Purchaser.
Servicing Transfer Date:	[●].
Transfer of the Loan Portfolio:	At Closing Date. For any Loan Receivables and/or Collateral not transferable at Closing Date Seller shall grant Purchaser a participation in the same. Seller and Purchaser shall each use its best effort to obtain any required consents to allocate the same.

¹ Depending if this is acceptable from a commercial perspective.

Purchase Price: The Purchase Price shall be “Settled with Accrued Interest”² and shall be calculated at the Signing Date as follows:³

Purchaser shall pay Seller a purchase price (the “Purchase Price”) for the Loan Portfolio on the Closing Date equal to (a) the [Purchase Rate] multiplied by the funded principal amount of each Loan Receivable as of the Closing Date minus (b) (100% minus the Purchase Rate) multiplied by the unfunded commitments (if any), which shall include the face amount of any issued but undrawn letter of credit, assumed by Purchaser as of the Closing Date minus (c) (100% minus the Purchase Rate) multiplied by any Permanent Reductions (as defined below)⁴ on or after the Signing Date.

Transaction Documentation: Execution of a definitive Transaction Documentation (and any other required assignment/transfer documentation) acceptable to Seller.

Seller’s Guarantees: In particular, Seller guarantees to the Closing Date:

- Compliance with corporate and governmental authorization.
- Due incorporation.
- Seller is in possession of all licenses, allowances and consents.
- Seller has title to each of the Loans Receivables and its interest in the related Collateral is free and clear of any encumbrances.
- Absence of insolvency proceedings in relation to Seller.

Purchaser’s Guarantees: In particular, without limitation, Purchaser guarantees to the Signing Date and the Closing Date:

- Compliance with corporate and governmental authorization.
- Due incorporation.
- Compliance with all applicable data protection and banking secrecy laws and regulations.
- Authorizations, licenses.

² The interest calculation refers to a performing loan transaction. If non/sub-performing loans are involved a specific cut-off date can be included.

³ “Settled With Accrued Interest” means all Interest and Accruing Fees to but excluding the Closing Date shall be for the account of Seller and shall be paid by Purchaser to Seller on the Closing Date. “Interest and Accruing Fees” means interest and accruing ordinary course fees (such as commitment, facility and letter of credit fees) payable in connection with the Loan Receivables from and after the Signing Date.

⁴ “Permanent Reductions” means, for each Loan Receivable, the economic benefit of permanent commitment reductions and permanent repayments of principal.

Servicer's Guarantees: In particular, Servicer guarantees to the Closing Date and the Servicing Transfer Date:

- Compliance with corporate and governmental authorization.
- Due incorporation.
- Compliance with all applicable data protection and banking secrecy laws and regulations.
- Authorizations, licenses.

Indemnification: Seller shall indemnify and hold Purchaser harmless against all material breaches of Seller's guarantees. Purchaser shall indemnify and hold Seller harmless against all breaches of Purchaser's guarantees. Purchaser will hold Seller harmless in respect of all liabilities resulting from the Loan Portfolio (e.g. undrawn commitments etc.).

Tax: German VAT risk shall be assumed by the [●].

Stamp duties, transfer taxes and similar taxes shall be borne by Purchaser.

Costs: Purchaser shall bear all transaction costs (including its due diligence expenses) except for Seller's internal costs and the costs for Seller's advisors.

Seller shall be responsible for all costs, fees and expenses in respect of the Loan Portfolio that are chargeable to lenders under the terms of the credit documentation and that are attributable to any period prior to but excluding the Closing Date. Purchaser shall be responsible for all costs, fees and expenses in respect of the Loan Portfolio that are chargeable to lenders under the terms of the credit documentation and that are attributable to any period from and after the Closing Date.

Assignment Fees and Consent to Transfer Fees: Any recordation, processing or similar fee payable to an agent or otherwise under a credit agreement in connection with an assignment (the "**Assignment Fees**") shall be paid by Purchaser in such amount as is specified in such credit agreement and any transfer fee payable to the grantor in connection with the transfer of a participation (the "**Consent To Transfer Fees**") shall be paid by Purchaser to Seller and paid by Seller to grantor in such amount as is specified in the applicable participation agreement (or if not so specified, in a reasonable amount requested by the grantor).

Choice of Law and Jurisdiction:	The content of this Term Sheet and the Transaction Documentation shall be subject to German law. [●] shall be the non-exclusive place of jurisdiction.
Communication:	Each communication between the parties in relation to this Term Sheet shall be (i) in German or English, (ii) made in writing and (iii) unless specifically stated, made by e-mail or facsimile.
Side Agreements:	No oral side agreements have been made to this Term Sheet. Amendments and supplements to this Term Sheet must be made in writing in order to take effect. This shall also apply to this provision itself.
Miscellaneous:	<p>The sole purpose of this Term Sheet is to inform Purchaser (being one of several potential purchasers of the Loan Portfolio) about the material terms of a potential sale of the Loan Portfolio so that any responses Purchaser may give specifically address such terms and as a consequence, can be compared with other indicative offers submitted by the different potential purchasers. Nothing in this Term Sheet shall (i) be construed as being an offer to enter into the Transaction Documentation or any other agreement in connection with the Loan Portfolio or (ii) oblige either Seller or Purchaser to complete a contract or to enter into or continue contract negotiations. Seller, in particular, reserves the right to terminate any negotiations with Purchaser at any time and without being obliged to give any justification.</p> <p>No claims of Purchaser for specific performance, reimbursement of expenses or damages shall arise under or in connection with this Term Sheet and the potential entering into negotiations.</p> <p>Unless expressly provided for otherwise in this Term Sheet or the Transaction Documentation, any rights and liabilities arising from other existing agreements (including, in particular, the Confidentiality Agreement) remain unaffected.</p>

Signed and accepted on behalf of Bidder

By: _____

Name: _____

Title: _____

Date: _____

Signed and accepted on behalf of Seller

By: _____

Name: _____

Title: _____

Date: _____