

# Prolific-Fund International Term Sheet Methodology

Top bank accounts facilitate the fluid movement of large sums for the Carbon Credits (CC) group. Funding for the CC group and its key projects is secured through the sale of carbon credits via our Green Funds and Blue Funds. This financial arrangement enables the CC group to maintain desired liquidity levels without the constant sale of carbon credits.

## Introduction

Climate Care Innovations Inc. operates as a registered Offset Carbon Project Registry authorized by CITSS. With EIN 93-3809649 and CIK 0001997153, the organization is SEC Reg D exempt, and specializes in carbon offset projects, project design, verification, validation, and sponsorship.

## MT799 Process

The MT799 process serves for the verification of sufficient funds or proof of funds (POF) between financial institutions. This SWIFT message type validates the credibility of the parties and ensures the smooth execution of contractual obligations.

## Know Your Customer (KYC) Procedure

The KYC procedure is obligatory for all entities engaging with Climate Care Innovations Inc. It involves the collection and verification of identification documents and financial records, fulfilling regulatory standards and risk mitigation requirements.

## Monetization

A sum ranging from US \$100M-\$500M is acquired from international monetization subject to due diligence. Private asset enhancement transactions (PAETs) occur for 1+ years, with benefits divided equally post other charges. E.T.F. are traded through our Green and Blue Funds.

## Step by Step Procedure

### Phase 1: Pre-Qualification and Documentation

1. **Initial Contact:** Asset holder or project developer establishes initial contact with Climate Care Innovations Inc.
2. **KYC Procedure:** Complete the Know Your Customer (KYC) process to fulfill regulatory and risk mitigation requirements.
3. **Asset Pre-Approval:** Ensure the asset, usually a carbon credit, is pre-approved and meets the minimum standards for purchase.

### Phase 2: Carbon Credit Sales and Transfer

1. **Sales Agreement:** All parties involved sign a Sales Agreement outlining the terms and conditions.
2. **Serialized Emission Reduction Transfer Form:** Download and fill out this form. Have it signed by the responsible project participants.
3. **Submission:** Return the completed form to the Registry via fax or email.
4. **Pricing and Quantity:** Make sure the amount ordered and the price are clear and consistent in all documents.
5. **Availability of Funds:** Provide proof of funds using an MT799 SWIFT message.
6. **Verification:** Once the proof of funds is verified through an Attorney or Escrow Company, proceed to the next step.

### Phase 3: Monetization and PAET

1. **Asset Disbursement:** The asset holder disburses the monetization or processing cost post-documentation.
2. **Monetization:** Monetization of the asset takes place, followed by Private Asset Enhancement Transactions (PAET) for a duration of 1+ year(s).

### Phase 4: Fund Release and Confirmation

1. **Funds Release:** Funds are released from the escrow account.
2. **Confirmation:** Both the supplier and recipient of the transfer will receive confirmation via email, and a certificate will be sent within 3 days.
3. **Public Display:** Results of the transfer will be displayed on the Registry website for public viewing, along with other approved offset project registries.

### Phase 5: Retirement or Ongoing Management

1. **Retirement:** Parties in possession of reductions can retire or cancel them at any time to offset GHG emissions.
2. **Ongoing Management:** Asset management may continue for those not retiring their credits, based on mutually agreed terms.

### Prolific-Fund Structure

Privat asset enhancement is based on licensed SBLCs/BGs. Monetization is pre-arranged with only top 25 bank instruments. A USA law firm/IOLTA trust account ensures 100% state insurance on deposits.

## Project Funding

Asset holders can receive advances for each tranche to initiate projects. After an initial period, larger project funding begins based on a jointly agreed tranche schedule.

### Notes

1. *The asset cannot be put to other uses during the PAET period.*
2. *The asset used is a pre-approved carbon credit.*
3. *Smaller amounts could be accepted for key projects.*
4. *These are not leased instruments.*
5. *Initial costs are transaction setup and processing costs.*

Project Funding Prolific-Fund International Carbon Registry

- Asset holder can receive advances (e.g., 5% on monetized funds) for each tranche, to get projects/going.

As an example:

Tranche # (every 2-4 weeks)	Advances (re: \$15M)	Advances (re: \$5M)
1	\$2,250,000	\$750,000
2	\$4,500,000	\$1,500,000
3 – 5	\$6,750,000	\$5,250,000
6 – 8	\$11,250,000	\$3,750,000
<b>Total Advances (2-4 months):</b>	<b>\$60,750,000</b>	<b>\$20,250,000</b>

- After the above period (e.g., 2-4 months of advances), larger project funding (e.g., up to \$25B+) begins (on a tranche scheduled jointly agreed between the Parties).

<sup>1</sup> The asset cannot be put to other uses during the PAET. Asset holder recovers full use of it after said PAET (1+ year).

<sup>2</sup> The asset being used herein = pre-approved carbon credit [which ends up with same monetized value as portions of carbon credits (which are not being processed at the moment, maybe in the future)].

<sup>3</sup> Smaller amounts (e.g, \$5M + initial cost \$333k) could be accepted to assist with key projects. Asset management group will make up the difference to reach \$16M threshold.

<sup>4</sup> These are not leased instruments, nor is this trading/managed buy-sells.

<sup>5</sup> Initial costs: transaction set up and processing costs. This sum is obviously returned, if no performance (e.g. first advance set within 2-4 weeks upon receipt of \$16M). SBLCs/BGs' licensing charges are covered out of the monetization funds (not out of the \$16M).

## Introduction

Climate Care Innovations Inc. operates in tandem with Special Purpose Acquisition Companies (SPAC) or Special Purpose Vehicles (SPV) that are SEC-registered. These entities execute Initial Public Offerings (IPOs), securing capital that is subsequently invested in short-term money market-type instruments. The objective is to acquire an operating company using these IPO proceeds.

## Pre-Merger Activities

1. A structure and process for SPAC-to-merger activities are pre-defined.
2. Audits are executed in accordance with PCAOB standards.
3. Tax structures are formulated with expert consultation.
4. Buy-side due diligence, both financial and operational, is conducted.
5. Regulation S-X requirements are communicated and disclosures are conformed.
6. Pro forma financial information is prepared, addressing any merger accounting issues.
7. MD&A, risk factors, and other market risks are disclosed.
8. Proxy files are submitted, SEC comments are addressed, and necessary amendments are made.

## Target Readiness

1. The target's readiness to operate as a public company is assessed in areas including corporate governance, financial reporting, tax, IT, and human capital.
2. Fairness opinions are formulated.

3. SOX readiness is evaluated.
4. Integration requirements with SPAC and subsequent public company reporting are assessed.
5. Assistance is provided in preparing PCAOB-compliant financials and the audit process.
6. S-4 filing preparation, SEC comment period, and technical accounting are facilitated.
7. Project management services are offered.
8. Tax liabilities are mitigated.

### Post-Merger Activities

1. The merger and acquisition are executed.
2. SOX assessments are conducted post-merger.
3. Form 8-K, also known as Super 8-K, is filed along with any necessary pro forma financial information.
4. Reporting issues, if any, are analyzed.
5. Follow-on offerings are considered.
6. Subsequent Forms 10-K and 10-Q are filed with adequate disclosure of the acquisition.
7. Ongoing SOX readiness assistance is provided, along with LTIP and compensation analysis.

CLIMATE CARE INNOVATIONS INC.

Prolific-Fund International Carbon Registry

**TERM SHEET**

**Company:** Climate Care Innovations Inc, an Arizona corporation, located at 9375 East Shea Blvd., suite 100, Scottsdale

**Securities:** Series A Preferred Stock of Company Preferred Class A

Series A Common Stock of Class A

Series B Common Stock of Class B

CCI-PF-TS-V4

**Investment Amounts:**           \$[ ] million from [lead investor name] (“Lead Investors”)  
\$[ ] million from other investors

Convertible notes and safes (“Convertible”) convert on the terms into shadow series of preferred stock (together with the Series A, the “Preferred Stock”).

**Valuation:**               \$785 million post-money valuation, including an available option pool equal to \_\_% of the post-Closing fully-diluted capitalization.

**Liquidation Preference:**   1x non-participating preference.

A sale of all or substantially all the company’s assets, or a merger (collective, a “Company Sale”), will be treated as a liquidation.

**Dividends:**               6% noncumulative, payable if declared by the Board of Directors.

16% carry through.

**Conversion to Common Stock:**   At holder’s option and automatically on:

- i.    IPO or
- ii.   Approval of most of the Preferred Stock (on an as-converted basis) (the “Preferred Majority”). Conversion ratio initially 1-to-1, subject to standard adjustments.

**Voting Rights:**           Approval of the Preferred Majority required to:

- i.    Change rights, preferences or privileges of the Preferred Stock;
  - ii.   Change the authorized number of shares;
  - iii.   Create securities senior or Pari passu to the existing Preferred Stock;
  - iv.   Redeem or repurchase any shares(except for purchases at cost upon termination of services or exercises of contractual rights of first refusal);
  - v.    Declare or pay any dividend;
  - vi.   Change the authorized number of directors; or
  - vii.   Liquidate or dissolve, including a Company Sale.
- Otherwise votes with Common Stock on an as-converted basis.

**Drag-Along:** Founders, investors and 1% stockholders required to vote for a Company Sale approved by:

- i. The board,
- ii. The Preferred Majority and
- iii. Most of the Common Stock [(excluding shares of Common Stock issuable or issued upon conversion of the Preferred Stock)] (the “Common Majority”), subject to standard exceptions.

**Other Rights & Matters:** The Preferred Stock will have standard broad-based Weighted average anti-dilution rights, first refusal and co-sale rights over founder stock transfers, registration rights, pro rata rights and information rights. Company counsel drafts documents. Company pays Lead Investor’s legal fees, capped at \$30,000.

**Board:** [Lead Investor designates 1 director. Common Majority designates 2 directors.]

**Founders and Employee Vesting:** Kompo Green Inc. Prolific-Fund Founders: John Jensen, Karen Chase, Tiffany Chase, Jody Smith Folz and

**No Shop:** For 30 days, the Company will not solicit, encourage, or accept any offers for the acquisition of Company capital stock (other than equity compensation for service providers), or of all or any substantial portion of Company assets.

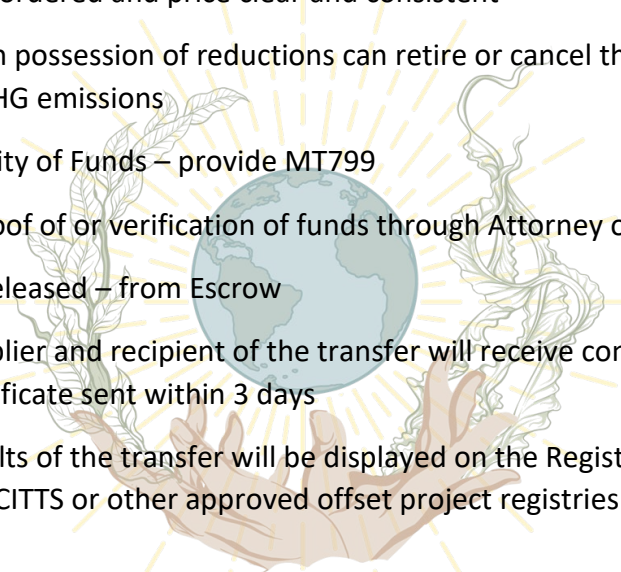
*The “No Shop” is legally binding between the parties. Everything else in this term sheet is non-binding and only intended to be a summary of the proposed terms of this financing.*

CLIMATE CARE INNOVATIONS INC.  
Prolific-Fund International Carbon Registry

All Carbon credits that our group of investors agree to purchase must meet a minimum standard for purchase. All credits must have a title and registered on the Prolific-Fund International Registry, EPA, California Environmental Protection Agency or equivalent. The GHG Prolific-Fund emission reductions registry provides a transparent and credible registered listing of projects that reduce intensity-based carbon footprints. It lists each project as well as issues and tracks each metric ton of Greenhouse Gas reduced or removed. All listings and issuances go through a rigorous process to ensure all the ISO 16024 standards requirements are met and the singularity of reductions (i.e. credits have not been previously issued or sold). Credits receive a unique reference number (Serial Number) and are tracked through their entire life cycle, via registered transfers that define the volume, serial number and vintage transferred to a new recipient. Retired reductions are permanently "locked" by the registry, ensuring that reductions

cannot be re-issued, sold or transferred at any time. This serial number is similar to an ISIN number (International Security Identification Number) or CUSIP number. No other group or individual can transfer, sell or trade these credits without processing through the registry. Pricing will be structured according to quantities ordered. The following foregoing process would need to be followed to complete a sale Sales Agreement – signed by all the parties

- Download the Serialized Emission Reduction Transfer form
- Fill out the form and have it signed by the responsible project participants and return the form to the Registry by fax or email
- Amount ordered and price clear and consistent
- Parties in possession of reductions can retire or cancel them at any time to offset GHG emissions
- Availability of Funds – provide MT799
- Once proof of or verification of funds through Attorney or Escrow Company
- Funds Released – from Escrow
- The supplier and recipient of the transfer will receive confirmation via email and certificate sent within 3 days
- The results of the transfer will be displayed on the Registry website for public viewing CITTs or other approved offset project registries



CLIMATE CARE INNOVATIONS INC.  
Prolific-Fund International Carbon Registry

SPV Investment Chart for FOD Enterprise LLC. Net Zero Hedge Fund  
\*includes ROI for portfolio

