

Ahascragh Distillers Limited
Second Investment Round
Conditions and Criteria
Subject to Contract/Contract Denied

17th November 2021

TERM SHEET

This term sheet (“**Term Sheet**”), summarises the principal terms on which it is proposed that [NAME AND ADDRESS] (the “**Investor**”), will make an investment (the “**Proposed Investment**”) in Ahascragh Distillers Limited, a private company limited by shares incorporated under the laws of Ireland (the “**Company**”). This Term Sheet is for discussion purposes only. For the avoidance of doubt, this Term Sheet is not exhaustive and is not intended to be legally binding except as specifically set out below.

This Term Sheet should be filled out if the Investor is interested in availing of EIS Redeemable or Ordinary Shares and returned to Ahascragh Distillers Ltd at invest@ahascraghdistillery.com.

The Investor can invest in one or the other or both of the investment opportunities detailed below.

<u>Company</u>	Ahascragh Distillers Limited (“ the Company ”).
<u>EIS</u>	Employment Incentive Investment Scheme (“ EIS ”)
<u>Opportunity 1 – EIS Redeemable Investment</u>	Investment for A Redeemable Shares of €1.00 each (“ EIS Shares ”)
<u>Opportunity 2 - Clan Investment EIS eligible</u>	Investment for B Ordinary Shares of €100 with a premium of €15 on each Ordinary Share (“ Clan Shares ”)
<u>Funding Target</u>	€1,500,000 minimum of EIS Shares and Clan Shares on a fully diluted basis
<u>EIS Shares Holding Period</u>	To be held for a minimum period of 5 years from date of issue, no right to dividends, entitlement to amount invested plus up to 12.5% of the investment upon an Exit Event
<u>EIS Shares Programme</u>	<u>Irish Tax relief:</u> Up to 40% of investment amount can be claimed as relief against 2021 taxable income <u>Minimum Investment:</u> €25,000 in A Redeemable Shares of €1.00 each <u>Invested Term:</u> 5 years <u>Predicted Return:</u> Amount invested + 12.5% (2.5% per year for 5 years) <u>Gross Return:</u> 84% with tax relief
<u>Eligibility Criteria</u>	<u>Clan Shares</u> B Ordinary Shares of €115 each. Investments of €1,000 are EIS eligible <u>EIS Shares</u> A Redeemable Shares of €1.00 each with minimum investment of €25,000
<u>Voting Rights</u>	The Constitution of the Company will set out the rights of: EIS Shares - non-voting shares Clan Shares – voting shares held by the Nominee for investments < €50,000, and direct for investments > €50,000, on similar terms with the existing Ordinary Shares as set out

	in the Subscription and Shareholders Agreement dated June 8th, 2021 and the Constitution (e.g. right to dividends and entitlement to capital upon an Exit Event)
<u>Exit Event</u>	<p>An Exit Event means:</p> <ul style="list-style-type: none"> a) An acquisition of the majority of the issued share capital of the Company; b) The sale of all of the business assets of the Company; c) A listing on a recognised stock exchange d) Any other event determined by the Board in its absolute discretion. <p>For the avoidance of doubt, an Exit Event shall not include any capital or debt raises.</p>
<u>Nominee</u>	Ahascragh Spirits Limited or another nominee trust company
<u>Taxes</u>	The shareholder is responsible for all personal taxes including Income Tax, PRSI, USC and CGT in respect of EIS Shares and Clan Shares and share disposals. Every investor should obtain independent tax advice.
<u>Holding Structure</u>	The EIS Shares and Clan Shares (< €50,000 investment) will be held by the Nominee which will hold the shares as trustee on behalf of shareholder as the beneficial owner of the EIS Shares or the Clan Shares. There will be a nominee agreement between the shareholder and the nominee company.
<u>Closing Date</u>	December 17 th 2021
<u>Pre-money Valuation:</u>	The pre-money valuation of the Company will be €13,760,000.
<u>Use of Funds:</u>	The funds received on completion of the Proposed Investment shall be used to fund capital requirements of the Company and for the purposes of achieving the goals and targets set out in the Company's business plan.
<u>Investment Terms:</u>	<p>The Investors will be party to a Subscription and Shareholders Agreement with the Nominee as a party for the Investors in EIS Shares and in Clan Shares (< €50,000 investment).</p> <p>The Company shall provide the Investor with warranties in relation to the Company. The constitution of the Company will contain customary provisions.</p>
<u>Due Diligence:</u>	The Company will provide all information that the Investor reasonably requires in connection with its due diligence review and evaluation of the Company and the Company's legal status intellectual property and business.
<u>Expenses:</u>	Each party will be responsible for its own costs and expenses (including, without limitation, the fees, costs and expenses of its representatives, including attorneys and accountants) incurred at any time in connection with pursuing or consummating the proposed Investment whether or not it proceeds to completion. This paragraph entitled "Expenses" is legally binding. For EIS Redeemable shares a 1% application fee is charged to cover third party reporting fees

	during the investment term. The Investor is liable for all payment transaction costs.
<u>Counterparts:</u>	This Term Sheet may be executed in any number of counterparts and by the parties on separate counterparts each of which, when executed shall constitute an original, all such counterparts together constituting but one and the same instrument. The expression “counterpart” shall include any executed copy of this Term Sheet transmitted by pdf scanned copy.
<u>Confidentiality:</u>	<p>The matters contemplated by this Term Sheet are to be treated as confidential and should not be disclosed by the Company or any Investor to any person (except with the prior written consent of the Company and the Investor or in order to comply with law).</p> <p>The Investor undertakes that it will not disclose or make use of for its own benefit any of the information of a confidential nature relating to the Company which has been disclosed to it during the course of its due diligence investigation and otherwise in connection with the Proposed Investment. The provisions of this paragraph do not apply to any information which is publicly available at the time of disclosure unless disclosed through breach of the undertakings in this paragraph, nor does it apply to any information disclosed by the parties to the extent that disclosure is required by any law or regulation.</p> <p>This paragraph entitled “Confidentiality” is legally binding.</p>
<u>Governing Law:</u>	This Term Sheet and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of Ireland. This paragraph entitled “Governing Law” is legally binding.

Investments are at your own risk. Please read in conjunction with the Company’s Information Memorandum. Investments of this nature carry risk to your capital. You should take such independent advice as you deem appropriate. Please Invest Aware.

We, the undersigned, hereby confirm our understanding of the terms set out in this Term Sheet, and wish to apply for shares listed below as type and number.

Investor Signature _____

Date: _____

Investor Contact Details:

Address:

Email:

Phone:

Share Type: *Please indicate opportunity type and list number of shares*

EIS Shares – A Redeemable Shares of €1.00 each

Number of shares _____

Clan Shares – B Ordinary Shares of €115.00 each

Number of shares _____