

Emerging Manager Term Sheet

Social Capital has a standard deal for all new managers. We stake each manager with an initial allocation of \$1M to \$5M depending on experience and strategy for a term of three years. There is no fee to apply, no requirement to co-locate, and no capital contribution will ever be due. Each individual will be tasked with executing their own strategy and contributing to a shared community of investors. In return, the manager will receive access to a range of resources including research, technology, operational infrastructure and support, as well as an audited track record.

Key Terms

- *Capital Allocation:* An initial allocation of \$1M to \$5M, increased over time based on performance versus agreed upon benchmarks
- *Program Duration:* Three years or greater provided manager is in good standing
- *Basic Compensation:* Guaranteed minimum compensation of \$80,000 per year, plus benefits
- *Annual Trading Profit Split:*
 - 70% – Social Capital
 - 30% – Paid out to manager
- *Hurdle Rate:* 0% hurdle on capital allocations below \$30M, scaling to 10% by \$50M
- *Capital Introduction:* Social Capital may seed, and provide capital introduction for, managers departing the program to raise external funds, at terms to be discussed
- *GP:* Social Capital retains a 25% GP stake, which can be bought out after seven years

Collaboration & Community

Managers are expected to help one another, utilize provided resources for self-improvement, and participate in a collaborative, knowledge-sharing culture. Sharing ideas, experience, and expertise across strategies will be core to our collective success and empower managers to creatively seek out new markets and new investment opportunities. Ongoing, regular discussion of existing and prospective investments, as well as idea dinners, teach-ins, and office hours will be key in this effort.

Risk Management

Managers are expected to be entrepreneurial and opportunistic. Our risk management philosophy is designed to encourage and enable a long-term approach without top-down micromanagement or complex portfolio construction parameters:

- Positions greater than 5% of equity require a written one-page thesis shared to the group
- Positions cannot exceed 15% of equity at time of entry
- A total portfolio drawdown of 30% or greater will trigger a manager review, which may include remedies up to and including termination, though not in all cases

This term sheet is being provided in connection with certain proprietary investment activities Social Capital intends to pursue. This term sheet does not relate to any investment products or services offered by Social Capital to others, and it does not relate to any offer to sell any securities. This term sheet is for discussion purposes only and no obligation on the part of any party will arise (if at all) until definitive agreements are signed by all parties.

¹Based on total NAV as of December 31, 2021