

Date: November 24, 2025

To: Board of Directors of the Toronto Atmospheric Fund

From: Parminder Sandhu, the Chair of the Board of Directors of the Toronto Atmospheric Fund

Subject: Re-open item TA 11.5 titled “Direct Investment Request 2025 C”

SUMMARY:

On June 24, 2025, the Direct Investment Committee of the Toronto Atmospheric Fund approved the following amended recommendation regarding Direct Investment Request 2025.C for presentation to the Board.

“1. Approved an investment of \$3,500,000, structured as an unfunded guarantee of the repayment by the Company of a term loan made to it by Third-Party Credit Lender of no greater than 4 years length, subject to the following conditions:

a. Third-Party Credit Lender shall have agreed to lend to the Company not less than \$3,500,000 as a working capital loan facility upon the terms described in the Confidential Attachment 1 – Direct Investment Request 2025.C (“Memo”) to the report (July 4, 2025) from the Vice President, Impact Investing, Toronto Atmospheric Fund and upon such additional terms as may be consistent therewith as are approved by Vice President, Impact Investing; and

b. the terms of the Guarantee shall provide for a total return to TAF of no less than 3 percent per annum of the amount of the Guarantee through a combination of fees and warrant consideration, the aggregate value of which is to be determined by the Vice President, Impact Investing as meeting that requirement by using the methods set out in the Memo.”

It has come to my attention that while this wording was included in the Draft Minutes of the Direct Investment Committee received by the Board at its meeting on June 24 (<https://secure.toronto.ca/council/agenda-item.do?item=2025.TA11.4>), the report for item TA 11.5 Direct Investment Request 2025 C (<https://secure.toronto.ca/council/agenda-item.do?item=2025.TA11.5>) included recommendations that did not reflect the amendments made by the Committee.

By re-opening this item, I am requesting that the Board of Directors of the Toronto Atmospheric Fund amend Decision 1 to ensure the official record reflects the correct

Committee-approved language, as the motion adopted by the Board did not include the precise wording required.

RECOMMENDATIONS

The Chair of the Board of Directors of the Toronto Atmospheric Fund recommends that the Board of Director of the Toronto Atmospheric Fund :

1. Reopen item [TA11.5](#) titled: Direct Investment Request 2025 C
2. Delete Decision 1, and adopt the following instead:

“1. Approve TAF to provide an unfunded guarantee not exceeding \$3.5 million of the repayment by the borrowing company (the "Borrower") of a term loan made to it by the lending party and affiliates (the "Lender") of no greater than 4 years length ("Guarantee"), subject to the following conditions:

- a. The Lender shall have agreed to lend to the Borrower not less than \$3.5 M as a working capital loan facility upon the terms described in the Confidential Attachment 1 – Direct Investment Request 2025.C ("Memo") and upon such additional terms as may be consistent therewith as are approved by VP Impact Investing;
- b. the terms of the Guarantee shall provide for a minimum total return to TAF, outlined in the Memo, of the amount of the Guarantee through a combination of fees and warrant consideration, the aggregate value of which is to be determined by the VP Impact Investing as meeting that requirement by using the methods set out in the Memo; and
- c. satisfactory review of all legal documentation by TAF's legal counsel, as determined by the VP Impact Investing and the Chief Executive Officer.”

Sincerely

Parminder Sandhu,
the Chair of the Board of Directors of the Toronto Atmospheric Fund