

This document outlines the stages of the Torchlight investment process.

Torchlight provides its membership with a consistent flow of quality investment opportunities, through the network of its members and organic inbound interest. The network generates investment opportunities that span geographies, verticals and stages. One of the core benefits of Torchlight is that it empowers members and entrepreneurs with a consistent process that synthesizes this wide variety of investment opportunities, allowing for full information and transparency throughout the investment cycle.

- INTEREST** All actionable investment opportunities available to Torchlight members are funneled through Gust, an online investment platform that organizes the network's activity. When a member identifies a company he or she is interested in diligencing further, they inform the Torchlight management team. A memo is then sent notifying the entire network that a member is interested in doing due diligence on a specific company. Other members must then indicate within a defined time period if they would also like to participate. A "lead" is assigned to the deal (either the referrer, or a member that has expressed interest in leading), and an initial call is scheduled between all interested parties to discuss the opportunity.
- QUESTIONS** Following the initial members-only diligence call, if there is still sufficient interest in the company, Torchlight opens a forum to collect questions that members would like to pose to the company's founders in a subsequent call. This forum enables members to see what others are asking, and is open for approximately two weeks. During this time members are also encouraged to discuss, solicit each other's opinions, and do / share their own diligence.
- FOUNDERS** After the Questions stage is over, the deal lead sets up a conference-call with the founders of the company. Members interested in the deal are encouraged to join the meeting, where the lead, management team and select additional members hear the company pitch and answer the questions members have submitted. There is a mechanism for those listening, but not actively participating, in the call to ask followup questions if time allows. For those interested but unable to join the planned time, these meetings are recorded and made available.
- CLOSING** After the Founders period is over, members are informed of the date by which they must make a capital commitment. During this period, members with significant interest will be put in touch directly with the entrepreneurs for any additional questions. The deal lead, as well as the management team, are also available to discuss the company, and we encourage all members to collaborate on diligence and decision making.
- On the closing date we indicate to the founders the group's total requested allocation, and once accepted, transfer contact details over to individual members to formally close the deal with the company's founders.