

# HEALTHCARE PREFERENCE GROUP, INC

## TERM SHEET SERIES A PREFERRED SHARES \$500,000 REGULATION D 506(C) OFFERING

*The purpose of this letter (this “Term Sheet”) is to set forth the indicative terms pursuant to which, subject to certain conditions set forth herein, Investor (the “Investor”) for itself or with other investors (collectively, the “Investors”) would purchase certain securities issued by Healthcare Preference Group, Inc., (the “Company”), and the Company would sell such securities to the Investors (the “Transaction”). The terms and conditions set forth herein are subject to change and this letter does not constitute an offer. The issuance and sale of such securities is subject to, among other things, completion of due diligence to the Investors’ satisfaction, the preparation of definitive documentation to effect the Transaction that is mutually satisfactory to each party and, in the case of the Investors, that the Investors shall have determined that subsequent to the date hereof and prior to the closing of the Transaction, there shall have been no material adverse developments relating to the business, assets, operations, properties, condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole.*

Issuer	Healthcare Preference Group, Inc. (HPG)
Securities	Preferred Series A (“Preferred Shares”)
Offering	Raising up to \$500,000 through the issuance of 500,000 Series A Preferred Shares, with a minimum of \$50,000
Share Price	\$1.00 per Preferred Share
Fixed Annual Dividend	10% dividend paid for 2 years (24 months). Dividends are cumulative and will be paid in Common Shares of the Company.
Fixed Conversion	The Preferred Shares have a fixed conversion valuation of \$1.00 or a \$10,000,000 Company valuation into Common Shares at \$1.00 per Share in the Company.

Conversion	Preferred Shares are convertible into Common Shares by the Purchaser at any time during the 24 month period from the time of the closing of the Preferred Convertible Series A offering.
Maturity Conversion	Preferred shares will be converted into common shares of the company 24 months after (Your decision: a. the initial offering date or b. the investor subscription date) or the date that the Company is listed on a major U.S. exchange (NASDAQ, NYSE), whichever is sooner.
Conversion Valuation	The Purchaser is entitled, at its option, at anytime within 24 months, to convert all or any amount of their Preferred Shares into Common Shares of the company at a conversion value of a 25% discount based on any registered offering price executed by the Company under \$1.00 per share or under a Company valuation of \$10,000,000 or less. In the event that the Company completes a registered offering above \$1.00 a Share or higher than \$10,000,000 the holder can convert their Preferred Share at \$1.00 per Share or at a \$10,000,000 valuation into the Common Shares of the Company on a one for one (1:1) conversion.
Preferred Dividend	The Purchaser will receive preferential dividend rights for a period of 24 months or up until the Purchaser converts their Shares to Common Shares of the Company within 24 months. Any dividend distribution by the Company will be preferenced to be paid pro rata to all Preferred Series A Shareholders up to the full initial Share value invested by the Shareholder. In the event that all Preferred Shareholders receive through dividends their entire Share value invested, their Preferred Shares would automatically convert including their fixed 10% dividend up to the date and would be converted into Common Shares of the Company.
Anti-Dilution	The Preferred and conversion to Common Shares underlying the Shares and dividends to be issued to the Purchaser will be subject to full- ratchet anti-dilution protection for a period of 24 months. Provided however that the Company may close a lower priced registered offering, the Purchasers will be entitled to convert at a 25% discount based on their Principal and fixed 10% dividend triggering the anti-dilution protection. Any Shares issued by the Company from treasury will be subject to anti-dilution protection rights for Purchasers. All dividends issued to Purchasers during the 24 month period is subject to anti-dilution protection rights.

Right of Participation	Purchasers will have a Right of Participation up to 20% on any future registered offering or financings for up to 24 months after the registered Regulation D Preferred Series A offering Closing.
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*Neither this Summary of Terms and Conditions nor any discussion or negotiation of the proposed Transaction constitutes an agreement or obligation on the part of any person to purchase securities of the Company or enter into any agreement to purchase securities of the Company. Any such agreement or obligation shall arise with respect to a particular Investor solely upon execution and delivery to the Company by such Investor of definitive documents acceptable to such Investor are intended to be binding. Please contact us to arrange for an opportunity to ask Management questions pertaining to this Offering*

*IN WITNESS WHEREOF, Company has caused this Term Sheet to be signed in its name by its duly authorized officer this \_\_\_\_ day of \_\_\_\_\_ 2021.*

\_\_\_\_\_  
By:  
Title:  
Healthcare Preference Group, Inc

\_\_\_\_\_  
Investor  
Name: