

INDICATIVE TERM SHEET

Victoria Mutual Investments Limited (VMIL) J\$5.8B Fixed and Variable Rate Corporate Bonds

This indicative term sheet summarizes the principal terms with respect to a potential issuance of debt. This indicative term sheet is intended solely as a basis for further discussion and is not intended to be and does not constitute a legally binding obligation except as provided under “Confidentiality” below. No other legally binding obligation will be created, implied, or inferred until agreements are executed and delivered by all parties.

ISSUER:	Victoria Mutual Investments Limited (the “Company”, “VMIL” or the “Issuer”)
RATING:	CariCRIS: <i>jm</i> BBB+ (Local Scale JMD Currency)
ARRANGER & LEAD BROKER:	Victoria Mutual Wealth Management Limited
FACILITY AMOUNT:	An aggregate of up to Five Billion Eight Hundred Million Jamaican Dollars (“J\$5,800,000,000.00”)
USE OF PROCEEDS:	To refinance maturing debt facilities, finance various corporate investment activities and cover transaction related costs.
FACILITY DESCRIPTION:	Tranche A – Unsecured Variable & Fixed Rate Corporate Bonds; Tranche B – Unsecured Fixed Rate Corporate Bonds and; Tranche C – Unsecured Fixed Rate Corporate Bonds.
DISTRIBUTION:	In Jamaica via Private Placement by way of an exempt distribution in accordance with the Financial Services Commission (FSC) Guidelines for Exempt Distributions under: Part 3.3: Highly Rated Debt Issuer
RETAIL REPO TRUST ELIGIBILITY:	The Bond is eligible as an allowable asset under the retail repo trust per the FSC advisory.
LISTING:	The Issuer will seek to list the securities on the Jamaica Stock Exchange (JSE) private market subject to approval.
CURRENCY DENOMINATION:	Jamaican Dollars (J\$)
TENURE:	Tranche A: 2 Years Tranche B: 2 Years Tranche C: 18 months
COUPON:	Tranche A: For the first 12 months the Interest Rate will be based on a Fixed Margin of 3.00% PLUS the six (6) month Weighted Average Treasury Bill Yield (WATBY), held immediately prior to the commencement of each quarterly interest period until maturity. THEREAFTER , fixed at 11.25% per annum. Tranche B: Fixed at 11.25% per annum Tranche C: Fixed at 10.75% per annum
SUBSCRIPTION PRICE:	100% of the principal value of the Bonds

CLOSING DATE:	Tranche A: December 30, 2022 (Extended to March 31st, 2023) Tranche B: December 30, 2022 (Extended to March 31st, 2023) Tranche C: December 30, 2022 (Extended to March 31st, 2023)
ISSUE DATE:	Tranche A: December 30, 2022 Tranche B: December 30, 2022 Tranche C: December 30, 2022
PRINCIPAL REPAYMENT:	Bullet payment at Maturity
PREPAYMENT:	Following forty-five (45) days) after the Issue Date the Issuer will have the option to repay the Bond, in whole or in part, plus any accrued and unpaid interest up to the date of repayment, subject to 30 days written notice, without penalty.
COUPON CALCULATION AND PAYMENT DATES:	<p>Existing Investors:</p> <p>i) Bond due January 16, 2023: In the first instance, the interest period will commence on January 16, 2023 and end on March 30 2023 and thereafter each three (3) month period expiring on June 30, September 30, December 30, and March 30 in each year but in respect of the last interest period, commencing on the penultimate interest payment date and continuing up to but excluding the Maturity date.</p> <p>ii) Bond due March 9, 2023: In the first instance, the interest period will commence on March 9, 2023 and end on March 30 2023 and thereafter each three (3) month period expiring on, June 30, September 30, December 30, and March 30 in each year but in respect of the last interest period, commencing on the penultimate interest payment date and continuing up to but excluding the Maturity date.</p> <p>iii) Bond due April 30, 2023: In the first instance, the interest period will commence on April 30, 2023 and end on June 30 2023 and thereafter each three (3) month period expiring on, September 30, December 30, March 30 and June 30 in each year but in respect of the last interest period, commencing on the penultimate interest payment date and continuing up to but excluding the Maturity date.</p> <p>New Investors: Please note that interest shall start to accrue when funds have been received (the Value). The first interest payment will become due and payable three (3) months after the issue date. Thereafter, interest will be paid quarterly up to but excluding the maturity date.</p>
MATURITY:	Tranche A: December 30, 2024 Tranche B: December 30, 2024 Tranche C: June 30, 2024

MINIMUM SUBSCRIPTION:	J\$1,000,000.00
MINIMUM TRADING BLOCKS:	J\$100,000.00
SETTLEMENT:	The Bonds will be immobilized and dematerialized in the Jamaica Central Securities Depository (“JCSD”).
TRUSTEE, REGISTRAR & PAYING AGENT:	The Jamaica Central Securities Depository (“JCSD”). The Trustee Registrar & Paying Agent will act on behalf of the Bondholders and make decisions on their behalf.
FSC REQUIREMENTS:	The Facility shall be registered with the Financial Services Commission (“FSC”) as a security issued in Jamaica by way of an exempt distribution as per the FSC Guidelines SR-GUID-08/05-0016. The Issuer shall provide such information and sign such forms and other documents required to become registered with the FSC in relation to the Facility and shall comply with such on-going filing requirements required by applicable law as an Issuer of the Bonds.
TRANSFERABILITY:	The Bondholders’ interest in this Facility may be transferred by means of a book entry in the records of the JCSD or any other similar depository/agency on provision of written transfer request from the Bondholders to the Trustee, Registrar and Paying Agent.
ADVERSE MARKET PROVISION:	In the event of a material adverse market condition, prior to the disbursement of the funds, the Arranger reserves the right to change the terms or pricing of the Facility if it is determined that such changes would be reasonable, advisable and necessary in order to ensure successful execution of the Facility. In such event the Arranger will consult with the Issuer for the purpose of reaching an agreement on any changes deemed necessary. In the event changes cannot be agreed, the Arranger may terminate its engagement with the Issuer, which termination shall take effect upon written notice being given by the Arranger to the Issuer.
PROFESSIONAL FEES & EXPENSES:	All legal and professional fees related to the establishment of this Facility will be for the account of the Issuer, and shall be paid in full without deduction or withholding. Documented third party expenses, legal and other fees related to the collection of recourse items will be for the account of the Issuer. All such fees arising in connection with the Facility from time to time are for the account of the Issuer, and unless otherwise agreed, they will be debited to it.
TRUSTEE, REGISTRAR & PAYING AGENT FEE:	The Trustee, Registrar and Paying Agent’s fees will be borne by the Issuer.
SECURITY STAMPING AND REGISTRATION:	Stamp duty and any other taxes, registration charges inclusive of penalty (if applicable and arising from the Issuer’s action, delay or lack thereof), are for the account of the Issuer.
CONDITIONS PRECEDENT:	To include provision of the following documents in form and substance satisfactory to the Arranger: <ul style="list-style-type: none"> i. Board Resolution of the Issuer authorizing the issue of the Bonds; ii. Execution and delivery of all relevant Facility Documentation; iii. Satisfactory review by the Arranger’s Legal Counsel that the Issuer is in good standing and is authorized under Jamaican or other applicable laws to enter into this transaction; iv. Receipt of written confirmation that all representations and warranties being true and correct, and there being no default or event of default on or as of the closing date; v. Presentation, execution and delivery of final legal documentation prior to

	<p>disbursement in a form and substance satisfactory to the Arranger and its counsel, incorporating substantially the terms and conditions referred to herein;</p> <p>vi. Certification by the Issuer that no Material Adverse Conditions or Material Adverse Effect exists;</p> <p>vii. A credit rating from a recognized rating agency; and</p> <p>viii. Any additional documents that may be reasonably required by the Arranger.</p>
GENERAL CONDITIONS:	<p>The following conditions shall apply in respect of the Facility, so long as the Facility remains outstanding, the Issuer shall:</p> <p>i. Reimburse the Arranger/Trustee, on demand, for all costs and expenses incurred by them (i) in connection with its annual inspection of the Issuer’s business and operations (if applicable), (ii) following an Event of Default in connection with all site visits and inspections deemed necessary by the Trustee, and (iii) in respect of any other site inspection or visit agreed to by the Issuer and the Trustee; and</p> <p>ii. Promptly notify the Trustee of the occurrence of any Event of Default or the occurrence of any event or circumstance that, with the passage of time or the giving of notice or both, would constitute an Event of Default.</p>
REPRESENTATIONS & WARRANTIES:	<p>Customary and appropriate for financings of this type, including without limitation: due organization and authorization, enforceability, financial condition, no material adverse changes, title to properties, no liens, no litigation, payment of taxes, compliance with laws and regulations, no employee benefit liabilities, no environmental liabilities, full disclosure and the accuracy of all representations and warranties in the definitive documents related to the Bonds.</p>
AFFIRMATIVE COVENANTS:	<p>The Facility documentation will contain customary and appropriate affirmative covenants for financings of this type, including without limitation delivery of financial statements, reports, officers certificates and other information requested by the Arranger/Bondholders, payment of other obligations, continuation of business and maintenance of existence and material rights and privileges, compliance with laws and material contractual obligations, maintenance of property and insurance, maintenance of books and records, right of the Trustee to inspect property and books and records, notices of default, litigation and other material events, and compliance with environmental laws.</p>
FINANCIAL COVENANTS:	<p>The Bond Purchase Agreement will contain financial covenants providing for testing of the Issuer on a consolidated basis semi-annually in accordance with IFRS accounting standards and to include the following levels:</p> <p>Minimum Return on Assets: 1.00%</p> <p>Minimum Interest Coverage Ratio: 1.50x</p> <p>where:</p> <p>(i) “Return on Assets” means, as of any date of determination, the result of the following formula, expressed as a percentage: Net income / Average Total assets.</p> <p>(ii) “Interest Coverage Ratio” means a ratio of EBITDA to Interest Expense.</p>

MANDATORY PRINCIPAL REPAYMENT:	Prepayment of the outstanding Bond obligation shall be required in full in the event of a Change of Control of the Issuer, a Material Adverse Condition, or an Event of Default.
MATERIAL ADVERSE CONDITION:	<p>The Trustee reserves the right to demand prepayment of the Bonds where there is evidence of a Material Adverse Condition, as evidenced by one or more of the following conditions:</p> <ul style="list-style-type: none"> i. Material non-compliance with terms and conditions of this Facility; and ii. Significant deterioration in or development of factors that are likely to substantially impair the viability of the business of the Issuer as evidenced by one or more of the following: Cash Flows, Profits and Tangible Net Worth, Change of Internal Controls and Management; and iii. Bankruptcy.
EVENTS OF DEFAULT:	<p>The Facility and all interest on them will become immediately due and payable, in full, in the event of an Event of Default to include, but not be limited to, the following:</p> <ul style="list-style-type: none"> i. Non-payment of principal and/or interest within seven (7) days of the due date; ii. A Change of Ownership of the Issuer without first obtaining written consent from the Trustee acting on behalf of the Bondholders, such consent not to be unreasonably withheld; iii. The Issuer declaring that it does not intend to honour its obligations under any Facility; iv. The Issuer ceasing to operate as a going concern; v. Merger, consolidation, sale or disposal of non-trading assets of the Issuer with any other business or property (regardless of common shareholdings) without first obtaining written consent from the Trustee, such consent not to be unreasonably withheld; vi. Any Event of Default arising under any other Credit Facility extended to the Issuer whereby the repayment of the debt by the Issuer under such facility becomes accelerated; vii. The occurrence of a Material Adverse Condition. viii. The non-provision of compliance certificate to Bondholders within forty-five 45 days of the reporting period certifying that Issuer is compliant with the covenants (financial and other) under this Facility; and ix. The breach of financial and other covenants as defined under any facilities.
DEFAULT RATE:	If the Issuer fails to pay any sum payable according to the terms of the Facility Documentation on its due date, (including unpaid and overdue principal and interest), then the Trustee may, in its sole discretion (acting on behalf of the Bondholders), demand payment in full under the Facility. In any event, the Issuer will pay interest to Bondholders on such sums from the due date to the date of actual payment (before and after judgment), at the Default Rate defined as 2.0% per annum above the Interest Rate on Facility. Such interest is payable on demand.
DEFAULT INTEREST CALCULATION:	In the case of a default, the Trustee shall be entitled to calculate interest payments due on a daily basis capitalized with monthly resets, on any payment made after the due date. Interest shall be calculated on an actual/ 365 day basis.
FINANCIAL REPORTING REQUIREMENTS:	<ul style="list-style-type: none"> i. Annual audited financial statements for the Issuer together with financial projections their accompanying Bonds and assumptions for the next twelve months are to be provided to the Trustee within 120 days of the fiscal year-

	<p>end;</p> <p>ii. Quarterly financial statements for the Issuer are to be provided to the Trustee within 60 days of the end of each fiscal quarter; and</p> <p>iii. Any other reports reasonably required by the Trustee.</p>
TAX STATUS	All payments by the Issuer shall be paid net of withholding of taxes.
GOVERNING LAW:	The Issuer's obligations in connection with the Facility shall be governed by Jamaican law and the courts of Jamaica shall have jurisdiction in respect of disputes arising thereunder.
FACILITY DOCUMENTATIONS:	<p>Executed Facility documentation to include:</p> <p>i. Bond Purchase Agreements;</p> <p>ii. Global Promissory Bond issued to the Trustee on behalf of the Bondholders;</p> <p>iii. Trust Deed; and</p> <p>iv. Any other documents are customary for transactions of this nature</p>

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