

# TERM SHEET

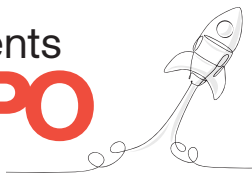
## VM Investments Limited (VMIL) J\$5.43B Corporate Bonds December 13, 2024

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.

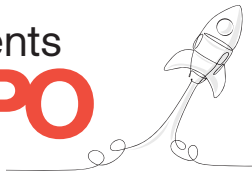
<b>Issuer:</b>	VM Investments Limited (the “Company”, “VMIL” or the “Issuer”)		
<b>Rating:</b>	CariCRIS Credit Rating: <i>jmA-</i> (Jamaica National Scale JMD Currency) <i>jmBBB+</i> (Jamaica National Scale Foreign Currency) Cari <b>BBB</b> (Regional Scale Local Currency)		
<b>Arranger &amp; Lead Broker:</b>	VM Wealth Management Limited		
<b>Facility Amount:</b>	<b>Tranche D</b>	<b>Tranche E</b>	<b>Tranche F</b>
	An aggregate of up to One Billion Jamaica Dollars (“J\$1,000,000,000.00”)	An aggregate of up to Two Billion Jamaican Dollars (“J\$2,000,000,000.00”)	An aggregate of up to Two Billion, Four Hundred and Thirty-Three Million, Nine Hundred and Sixty-Five Thousand, Six Hundred and Twenty-One Jamaican Dollars (“J\$2,433,965,621.00”)
<b>Use Of Proceeds:</b>	To refinance maturing debt facilities.		

<b>Facility Description:</b>	Unsecured Corporate Bonds		
<b>Distribution:</b>	In Jamaica via a Public Offer in accordance with the Financial Services Commission (FSC) Guidelines for Public Offers		
<b>Retail Repo Trust Eligibility:</b>	The Bond is eligible as an allowable asset under the retail repo trust per the FSC advisory.		
<b>Currency Denomination:</b>	Jamaican Dollars (J\$)		
<b>Tenure:</b>	<b>Tranche D</b>	<b>Tranche E</b>	<b>Tranche F</b>
	18 Months	24 Months	36 Months
<b>Coupon*:</b>	<b>Tranche D</b>	<b>Tranche E</b>	<b>Tranche F</b>
	9.75%	10.00%	10.50% per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin
	Initial investments above J\$5M will receive a 10.00% coupon.**	Initial investments above J\$5M will receive a 11.00% coupon.**	Initial investments above J\$5M will receive a 11.50% coupon % per annum for the first 2 years THEREAFTER the Interest Rate would be based on the Ninety (90) Day Weighted Average Treasury Bill Yield (WATBY) PLUS a Fixed Margin.**

<b>Fixed Margin:</b>	2.00%		
	<i>A CariCRIS rating upgrade would result in 0.25% reduction in the Fixed Margin on each occasion.</i>		
<b>Subscription Price:</b>	100% of the Principal Value of the Bonds		
<b>Issue Date:</b>	December 27, 2024		
<b>Interest Payment:</b>	The first Interest Payment will become due and payable on March 27, 2025, (three (3) months after the Issue Date) and thereafter each three (3) month period expiring on March 27, June 27, September 27, and December 27 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.		
<b>Principal Repayment:</b>	Bullet payment at Maturity		
<b>Prepayment:</b>	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.		
<b>Maturity:</b>	<b>Tranche D</b>	<b>Tranche E</b>	<b>Tranche F</b>
	June 27, 2026	December 27, 2026	December 27, 2027
<b>Minimum Subscription:</b>	J\$10,000.00		
<b>Minimum Tradingblocks:</b>	J\$5,000.00		
<b>Settlement:</b>	The Bonds will be immobilized and dematerialized in the Jamaica Central Securities Depository (“JCSD”).		



<p><b>Trustee, Registrar &amp; Paying Agent:</b></p>	<p>The Jamaica Central Securities Depository Trustee Services (“JCSCTS”). The Trustee Registrar &amp; Paying Agent will act on behalf of the Bondholders and make decisions on their behalf.</p>
<p><b>Transferability:</b></p>	<p>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.</p>
<p><b>Representations &amp; Warranties:</b></p>	<p>Customary and appropriate for financings of this type, including without limitation: due organization and authorization, enforceability, payment of taxes, full disclosure and the accuracy of all representations and warranties in the definitive documents related to the Bonds.</p>
<p><b>Affirmative Covenants:</b></p>	<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 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>
<p><b>Financial Covenants:</b></p>	<p>The Bond Indenture 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> <ul style="list-style-type: none"> <li>• Maximum Debt to Equity: 5.0x</li> </ul> <p>where:</p> <ol style="list-style-type: none"> <li>i. “Debt to Equity” means, as of any date of determination, the result of the following formula, expressed as a multiple: VMIL’s Total Borrowings (Excluding Repurchase Agreements) / VMIL’s Total Equity.</li> </ol>



<p><b>Material Adverse Condition:</b></p>	<p>The Bondholders reserve 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"> <li>i. Material non-compliance with terms and conditions of this Facility; and</li> <li>ii. Significant 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: Change of Internal Controls and Management; and Insolvency.</li> </ul>
<p><b>Events Of Default:</b></p>	<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"> <li>i. Non-payment of principal and/or interest within fourteen (14) days of the due date;</li> <li>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;</li> <li>iii. The Issuer declaring that it does not intend to honour its obligations under any Facility;</li> <li>iv. The Issuer ceasing to operate as a going concern;</li> <li>v. 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;</li> <li>vi. The occurrence of a Material Adverse Condition.</li> <li>vii. 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</li> <li>viii. The breach of financial and other covenants as defined under any facilities.</li> </ul>
<p><b>Default Rate:</b></p>	<p>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.</p>

<b>Default Interest Calculation:</b>	In the Event of 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 a 360 day year basis.
<b>Financial Reporting Requirements:</b>	<ul style="list-style-type: none"> <li>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- end;</li> <li>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</li> <li>iii. Any other reports reasonably required by the Trustee.</li> </ul>
<b>Tax Status</b>	All payments by the Issuer shall be subject to applicable taxes including withholding taxes
<b>Governing Law:</b>	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.
<b>Facility Documentations:</b>	<p>Executed Facility documentation to include:</p> <ul style="list-style-type: none"> <li>i. Bond Subscription Agreement;</li> <li>ii. Global Promissory Bond issued to the Trustee on behalf of the Bondholders;</li> <li>iii. Trust Deed; and</li> </ul> <p>Any other documents are customary for transactions of this nature</p>

(\*) Coupon may be adjusted prior to the opening date, based on the changes in market conditions.

(\*\*) Investors who sell down their holdings below the J\$5M threshold will continue to receive the higher coupon rate. Conversely, investors who increase their holdings above the J\$5M threshold will not be eligible for the higher rate.