



2025



Indicative Term Sheet

Outline of the terms and conditions of the proposed
finance agreement.



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MAEC INDICATIVE TERM SHEET

Indicative Terms and Conditions:

This Indicative Term Sheet has been prepared in order to give the borrower the indications of terms and conditions that will apply before and during loan tenure of the proposed loan to the borrowing entity. ("Borrower") from the "Lender" and collectively, the "Parties").

This draft Indicative Term Sheet is an outline of the terms of the proposed Finance Agreement (the "Loan Agreement, Guarantees, Term-Sheets and Ready Willing Able letter or any other documentation to be agreed upon"), and should not be interpreted or construed as to imply a firm commitment or undertaking by the Lender to provide funding to the Borrower and/or on any of the Terms and Conditions mentioned hereunder.

These terms and conditions do not purport to summarize all of the conditions, covenants, representations, warranties, and other provisions, which would be contained in the definitive documentation for the Loan Agreement contemplated.

The final and full terms and conditions of the Loan Agreement will be detailed in the final Loan Agreement after a full Bank-to-Bank Due Diligence to be signed and may differ materially from this draft Indicative Term Sheet. These terms and conditions may in no circumstance be submitted to a party external to the negotiations without the consent of either of the Parties.

1. BORROWER/LENDER/PROJECT

1.1 Borrower:

Government or Private entity that intends to borrow funds from MAEC and its Banks.

1.2 Lender:

MAEC-EHCF INTERNATIONAL SRL ("MAEC") is the intermediary lender.

MAEC recommends and takes borrower to the Banking Platform to acquire a loan. As a loan arranger, facilitator, and broker it takes the responsibility of loan usage, execution plus supervision and guaranteeing the loan repayment. Hence MAEC re-insures the loan to mitigate adverse defaults. Please note the funds belong to the Banking Platform banks.

1.3 Loan Type:

Amortization: (This loan requires the borrower to make scheduled, periodic payments that are applied to both the principal and interest).

1.4 Projects:

To provide funding to various beneficiaries to finance sustainable national development works e.g., all infrastructures of roads, railways, power, dams, smart towns etc. Agriculture, industrial production, mining, and minerals beneficiation.

Budget support, various public and private construction works, houses, schools, etc.

1.5 Security:

Usually, Government and Commercial Banks Guarantees with face value covering Loan Principal plus Interest.

2. THE FACILITY

2.1 Amount:

Minimum €100-million euro. Large loans negotiated as per borrower's request.

2.2 Tenure:

Large loans 25-30 year tenure with a five (5)-year capital and interest grace period. Smaller loans will attract different negotiated tenure and grace periods conditions.

2.3 Loan Acquisition Process & Availability:

MAEC will avail the Borrower with four (4) loan draft documents; A Loan Agreement draft, Government or Commercial Bank Guarantee draft, Term-Sheet and RWA drafts.

2.3.1 First, a Term Sheet should be signed by the borrowing Government or enterprise to establish and confirm a relationship with MAEC whilst the Borrower's Bank (Central Bank or any appointed commercial bank) should sign the RWA letter to confirm its willingness to support this borrowing and clearly indicate that upon successful acquisition of this loan a Guarantee will be sent through this same bank to MAEC's bank by Bank-to-Bank communications.

2.3.2 Upon this MAEC's bank will send its coordinates to Borrower's Bank to commence the Bank-to-Bank Due-Diligence by sending an MT799 (Pre-Advice/Confirmation of Funds Availability/Proof of Funds). Due Diligence SWIFT communications will be sent by the Borrower's bank to MAEC's bank by SWIFT MT799 as said above.

2.3.3 When an affirmative funds confirmation reply by MAEC's bank, a reply MT799 is received by the Borrower's bank that is only when a Loan Agreement will be signed and Government Guarantee or Commercial Bank Guaranteed will be sent to MAEC's bank through a Bank-to-Bank SWIFT MT760 communications.

PLEASE NOTE: No Loan Agreement nor Guarantees will be signed between Borrower & MAEC without this said Bank-to-Bank Due Diligence being completed.

GUARANTEES: The following Guarantees will secure this loan: Country's Central Bank Guarantee and any Commercial Bank SBLC Guarantee. The collateralization of natural resources reserves through Safe Keeping Receipts will be considered e.g., minerals still in the ground, iron-ore, coal, manganese, bauxite, gold, etc.

No Borrower's natural resources will be appropriated or attached in case of default. A negotiated solution will be agreed upon mostly extending debt period.

Secondly, this loan will be re-insured in Europe to mitigate against such events and delays in repayments. Thirdly, European Union technical support teams will come onto the ground to make sure projects run efficiently as per their experience in Europe etc. The Borrower shall request disbursement within a maximum of 30 days but by no means beyond, of signing all loan contract documents.

2.4 Extension Option:

The Lender may, at its sole discretion, consider an extension to the Final Maturity Date for a further period of up to 6 months to drawdown the loan.

2.5 Interest rates:

Fixed interest rate of 1% per annum.

2.6 Expiration of the Term Loan:

The Term Loan shall not be available to be drawn after the end of the Availability Period. If the Term Loan is not disbursed at the end of the Availability Period, due to a default event caused by one Party, the Term Loan shall expire and shall be automatically cancelled at that time and the culpable Party shall promptly pay to the injured Party a non-refundable cancellation fee of 100 bps (1%) flat on the Initial Loan Amount.

2.7 Facilitation Fee:

A total facilitation fee of (6%) will be payable by the Borrower on disbursement of the loan.

2.8 ALLOCATION & ELIGIBILITY**2.8.1 Allocations:**

If there are any disbursed funds which remain unallocated at the end of the availability period, the Borrower will prepay the unallocated part of the Loan at that point.

2.8.2 Eligibility:

Develop the Borrower's economy or project as a whole as stipulated in the Loan Agreement up to the last rural village of the Borrower nation or as agreed between Borrower and Lender as long as the lending is comprehensively designed to mitigate loan repayments default.

2.8.3 Integrity and Integrity Audit Rights:

- a. The Borrower shall ensure that no Prohibited Conduct in connection with the funding to Beneficiaries or project financed by the Funder Loan shall occur.
- b. The Borrower shall take any necessary action requested by the Funder to investigate or terminate Prohibited Conduct in connection with the on-lending to beneficiaries or project.
- c. The Borrower shall not, and shall ensure that the Beneficiaries or project shall not, enter into business relationships or make funds available to Sanctioned Persons etc.
- d. Members of the Borrowers or the Beneficiaries' management bodies convicted by final rulings for criminal offences in the course of their professional duties should be excluded from activities linked to the Funder financing.

2.9 DISBURSEMENT**2.9.1 Conditions precedent to closing and or disbursement:**

The conditions precedent to the first and/or subsequent disbursements shall include customary conditions precedent for a financing of this nature, including (but not restricted to):

- a. evidence acceptable to the Funder establishing due execution/authority and effectiveness of the finance contract by the Borrower.
- b. a legal opinion from an independent legal counsel acceptable to the Funder, on the due execution of the finance contract and its enforceability as well as on the relevant documentation distributed to the Funder prior to the signing of the finance contract.
- c. no event of default or potential event of default or mandatory prepayment event between the period of signature of the Finance Agreement or any Agreement and Drawdown.
- d. all representations and warranties are correct in all material respects.
- e. confirmation by the Funder of eligible projects (allocations), All of the conditions precedent referred to in this Section must be in form and substance satisfactory to the Funder at disbursement. Conditions precedent should be satisfied at least 5 Business Days before the scheduled disbursement and be valid on the day of disbursement.

2.10 REPAYMENT

2.10.1 Voluntary prepayment:

At the request of the Borrower, may have repaid in part or in full on a Payment Date, in advance of the repayment schedule specified in the Disbursement Notice.

- a. Fixed-rate tranches may be prepaid subject to 1 (one) calendar months' notice and provided that the Funder is indemnified for the net present value of the financial loss due to redeployment of funds, and/or income otherwise forgone.
- b. Floating rate tranches can be prepaid on an interest payment date without indemnity subject to one month's notice.

2.10.2 Compulsory prepayment:

The Funder may require repayment of the Loan in part or in full in the event of:

- a. prepayment of loans to other lenders (Pari passu).
- b. change of laws affecting the Borrower's ability to perform its obligations under the Finance Agreement.
- c. Default by the Borrower of the terms of the Payment Dates.

2.10.3 Taxes:

All payments by the Borrower to be paid free and clear of all levies, taxes, or withholdings.

2.11 SUSPENSION & CANCELLATION

2.11.1 Suspension / Cancellation:

The Funder may suspend or cancel, at any time in whole or in part, the undisbursed portion of the Loan:

- a. following the occurrence of any Event of Default or Compulsory Prepayment Event (or in the expectation of such events taking place); or
- b. if a material adverse change has occurred, (A material adverse change can be justified only upon independent professional evaluation where the experts have been selected by both parties) the Funder may also cancel a disbursement deferred for more than 6 (six) months if unbecoming negative occurrences are registered and not corrected, (In such an event the opinion of an independent professional evaluation must be invoked to justify the cancellations).

3. KEY CLAUSES

3.1 Approvals:

Borrower will ensure and issue an undertaking that all governmental and corporate approvals, registrations, and authorisations, as well as approval of the regulatory authorities of the Borrower are in place, and in full force and effect to permit the utilisation of the Facility and enable foreign currency to be made available when required.

3.2 Expenses:

All expenses including but not limited to legal, printing, travel, publicity, and all out-of-pocket expenses incurred in connection with the preparation, negotiation and execution of the Facility Agreement will be for the account of the Borrower and shall be settled upon disbursement of the first tranche.

3.3 Events of default:

- a. Events of Default permitting the Funder to demand immediate repayment of the Loan shall include customary Events of Defaults for a financing of this nature, including, but not limited to:
 - material adverse change; non-compliance with other undertakings of the finance contract; non-payment; misrepresentation; cross-default; failure by the Borrower to pay its debts as they fall due; administration; receivership; winding up; liquidation; bankruptcy or equivalent; or steps in this direction are taken or initiated, cessation of a substantial part of business or substantial reduction in capital; default under other loans granted by the Funder; enforcement process on the Borrower's assets or the Project assets; unlawfulness or ineffectiveness of the Borrower's obligations under the Finance Contract.

- b. Any other breach under the Finance Contract, or a change in the circumstances of the Borrower, may lead to acceleration unless it is capable of being remedied and is remedied.
- c. Standard default indemnities are payable so that the Funder may recover the financial loss due to redeployment of funds, and/or income otherwise forgone.

3.4 Representations and Warranties:

The Borrower is required to make the standard representations and warranties for a financing of this nature including, but not limited to:

- a. status, power and authority, validity, and admissibility in evidence of the incorporation and execution of documents and performance of the obligations therein,
- b. the binding nature of obligations,
- c. no contravention with statutes and other contracts, accounts,
- d. no material adverse change in circumstances,
- e. no events of default,
- f. no material litigations pending,
- g. most favourable lender clause (forward looking, i.e., if Borrower agrees with future lenders clauses stricter than granted to Funder at signature of this Finance Contract, the Funder has the right to request the same terms).
- h. all necessary authorisations, (e.g., environment and social, prohibited conduct)

Representations shall be repeated at every disbursement and every Payment Date.

3.5 Negative Pledge:

The Borrower shall not, without notifying the Funder, grant to any third party any security interest over the assets in respect of indebtedness or funded by the Borrowed Funds.

3.6 Pari-Passu:

The Borrower shall ensure that at all times the claims of the Funder against it under this contract rank at least Pari-passu with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation, or other similar laws of general application.

3.7 Reporting requirements:

The Borrower will be required to provide reporting on (to be finalized during negotiations):

- a. updates on allocation of credit to Beneficiaries.
- b. the Borrower's audited financial statements.
- c. Impact assessments on the effects of the Funding on the Beneficiaries; and
- d. other reporting requirements will be determined during the due diligence phase.

3.8 Ad hoc provision of information:

The Borrower should provide to the Funder information on various issues corresponding to contractual undertakings including on material litigation or proceedings against borrower, controlling entities or management in relation to criminal offences linked to the project or to the Funder's financing.

3.9 Force Majeure:

This offer is subject to there being, in the opinion of the Funder, no material adverse change in the world financial markets or in the financial conditions of the Borrower prior to the date of signing of the Facility Agreement.

4. DOCUMENTATION

4.1 Documentation:

The Finance Contract and other relevant documentation will be prepared by the Funder in English, on the basis of its standard clauses for this type of operation, and subject to any specific terms required in respect of the operation at hand.

4.2 Applicable Law:

Laws of Chamber of Commerce of the United Kingdom.

5. MONITORING**5.1 Monitoring Requirements:**

- a. Audited Financial Statements – Annually to be implemented.
- b. Statement of compliance with financial covenants audited – Annually submitted.
- c. Statement of repeated representations & warranties – on Payment Dates; and
- d. Impact Reports e.g. (progress with Agri-projects, industrial, mining or services etc.) – Reporting frequency to be determined; and
- e. Compliance audit by Funders.

5.2 Legal Opinion:

Borrower shall appoint its own external legal adviser whilst Funder appoints its own legal advisers.

6. CLOSING REQUIREMENTS**6.1. Agreements:**

- a. The Loan Agreement Documents shall have been duly executed.
- b. All approvals legally required or deemed necessary by Funder shall have been obtained.
- c. The Borrower shall have obtained all Directors' consents, all permissions, and approvals necessary to enter into Loan Agreement.
- d. All fees, charges, and expenses due and payable to Funder shall have been paid in full; and
- e. The Borrower shall provide a letter from the bankers confirming the details of the Borrower's bank account designated for the Loan Funds.

We hope the illustrated terms and conditions will guide all parties to the expected execution of this subject loan.

MAEC Finance.

