

MREIF Indicative Term Sheet_November 2025

Please note that this indicative term sheet (Term Sheet) does not represent an express or implied offer of funding, nor does it create any liability or obligation on the MREIF to provide such funding. The facility referred to in this Term Sheet is subject to, inter alia, all requisite approvals. In addition, all rates and prices quoted in this document are indicative only and although reflective of market conditions prevailing at the time of this document, do not constitute an offer to transact at these levels and are supplied for illustrative purposes only. There may be additional terms, conditions, covenants, warranties and other provisions contained in the formal written legal agreements should a mutually satisfactory arrangement be concluded.

INTRODUCTION

MREIF is a close-ended real estate investment fund established as a unit trust scheme, pursuant to the Securities and Exchange Commission's Rules and Regulations, domiciled in Nigeria and denominated in Naira. The Fund is sponsored by the Ministry of Finance Incorporated and managed by ARM Investment Managers Limited (the Fund Manager).

The mandate of the Fund is to close the Nigerian housing deficit, by addressing both the supply and demand issues through the provision of low-rate mortgages to intending home buyers through Eligible Financial Institutions ("EFIs"), and offtake guarantees to developers.

The Fund will provide financing to EFIs at concessionary interest rates to offer long-term, low-cost, mortgage loans to qualified home buyers, thus creating effective demand for housing supplied within the Scheme and developing the mortgage market. The commercial terms for the onboarding of the EFIs are herein stated.

DEFINITIONS AND INTERPRETATION

Drawdown means the application to the Lender by the Borrower to access a portion or all the Facility Amount.

Drawdown Date means the date the Lender disburses the Facility Amount after all Conditions Precedent have been met.

Facility means the on-lending facility limit of up to N10,000,000,000 (Ten Billion Naira Only) described and outlined in this Term Sheet to be advanced to the Borrower by the Lender.

Facility Agreement means the Facility Agreement to be executed between the Borrower and the Lender outlining the obligations of both Parties in relation to the Facility.

Facility Amount means the on-lending facility limit which the Lender shall make available to the Borrower to access for the creation of mortgages.

Financing Agreements means Facility Agreement and the Security Agreement(s).

Material Agreements means any contract or agreement between the Lender and the Borrower in relation to the Facility.

Security Agreement(s) means any legal agreement and instruments that provide collateral or security to the Lender.

Term Sheet means this indicative term sheet.

Transaction Agreements shall include this Term Sheet, the Financing Agreements and any other agreement so designated.

PARTIES

Borrower Sterling Bank Limited

Lender ARM Investment Managers Limited, in its capacity as Fund Manager of the Ministry of Finance Incorporated (“MOFI”) Real Estate Investment Fund (“MREIF”) (the Borrower and the Lender shall be collectively referred to as the Parties, each shall be referred to as a Party).

Lender’s Advisor The Lender shall appoint suitably qualified reputable firms to advise in respect of the technical, legal and insurance requirements as may be necessary. The cost of retaining these advisors shall be borne by the Borrower. The list of all relevant advisers shall be provided in Appendix 2 of this Term Sheet.

THE FACILITY

Currency The currency of the facility shall be the Nigerian Naira.

Facility Amount On-lending facility of up to N10,000,000,000 to be advanced in one or more loans.

Purpose The Facility shall be utilised strictly for mortgage financing to be provided to intending home buyers.

Tenure Initial term of up to 20 years from the date of first Drawdown.

Interest Rate 6.75% per annum

Drawdown Amounts drawn under the Facility shall be advanced in one or more instalments by the Lender to the Borrower, in accordance with the Drawdown Criteria for the qualified home buyers as set by the Lender and any additional credit requirement as prescribed by the Borrower.

Availability Period Six (6) months from the date upon which all conditions precedent to the utilisation of the Facility have been satisfied, deferred or waived by the Borrower.

Environmental, Social & Governance (“ESG”) The Borrower shall comply with all regulatory ESG requirements outlined by the rules and regulations of the Securities and Exchange Commission and all ESG requirements and principles of the Fund, its Sponsor and the Nigerian Mortgage Refinancing Commission (“NMRC”).

ON-LENDING TERMS

Mortgage Limit Up to 90% of the value of each housing unit.

Equity Contribution Minimum of 10% of the value of each housing unit to be provided by the home buyer.

Maximum Obligor Limit Up to N100,000,000.00 for each homebuyer.

On-Lending Rate On-lending Rate shall be Interest Rate plus 3% and shall be fixed for the duration of the mortgage.

Purpose To purchase completed housing units under the MREIF Scheme and other housing units, although not constructed under the MREIF Scheme but have been pre-qualified by the Borrower as complying with the development criteria as may be prescribed by the Lender from time to time.

MREIF mortgages shall be made available to any qualified Nigerian either in Nigeria or abroad for the purchase of housing units in Nigeria.

Tenure Up to 20 years.

Disbursement Mortgages shall be created no more than 10 days from drawdown date and any funds not disbursed at the expiration of 10 days from Drawdown shall be returned to the Fund.

Security Loans to be secured by:

1. A duly registered legal mortgage over the house purchased with the mortgage loan.
2. A charge over an account opened with the Borrower into which the repayment sum for two (2) repayment cycles is deposited and held.
3. Any additional security as may be deemed fit by the Borrower

REPAYMENT

Repayment The interest and principal amount under each Loan drawn under this Facility, shall be payable monthly in arrears, in accordance with the repayment schedule to be outlined in the Facility Agreement, with the first installment due thirty (30) days from first drawdown. The interest repayment shall be at the Interest Rate and exclusive of the margin between the Interest Rate and the On-Lending Rate.

Failure to make such repayments on the outlined repayment date shall result in an event of default.

DOCUMENTATION AND GOVERNING LAW

Finance Documents The Facility shall be documented by a facility agreement between the Borrower and the Lender (the "Facility Agreement"), the Security Documents and other relevant financing agreements (collectively, the "Financing Agreements").

This Term Sheet, the Financing Agreements and the Security Documents (the "Transaction Agreements") shall be governed by the laws of Nigeria.

Principal agreements and other documentation satisfactory to the Lenders may include but will not be limited to:

1. Facility Agreement
2. Security Documents
3. Fee Letters
4. Any other relevant agreements as may be advised by Lender's Counsel

Security: 1. Irrevocable standing payment order issued to the CBN in favour of the Fund to cover the facility

2. Assignment of all rights the Borrower has to all receivables due from and all rights in the mortgaged assets.

3. Charge on all accounts into which all receivables from the mortgaged assets are held.

4. Any other security as applicable.

Security will be created in favour of a Security Trustee, for the benefit of the Lender.

Governing Law and Jurisdiction The Transaction Agreements and any dispute, controversy or claim (including any non-contractual obligations, disputes or claims) arising therefrom shall be governed and construed in accordance with the laws of the Federal Republic of Nigeria.

PREPAYMENT, CANCELLATION & DEFAULT

Mandatory Prepayment and Cancellation Usual and customary for similar financing and this may include:

1. where it becomes unlawful, unenforceable or illegal for the Borrower to perform any of its obligations to fund or maintain the facility; or
2. if a material provision or clause of the Facility Agreement is or becomes invalid, non-binding, illegal or ineffective or becomes unenforceable for any reason whatsoever.

Prepayments Generally Any prepayment shall be made with accrued interest on the amount prepaid and payment of break costs, Prepayment Fee and any other outstanding fees or costs; provided however that mandatory prepayments shall not be subject to a Prepayment Fee. Any prepayment may not be redrawn and shall be applied against the outstanding principal amount.

Default Interest Rate: Overdue principal, interest and other amounts shall bear interest at the Interest Rate plus 2% per annum for as long as the default shall be continuing. Unpaid interest is accretive.

ACCOUNTS TO BE MAINTAINED

Facility Repayment Account The Borrower shall make all amounts set out as repayments of the principal amount and the interests into the Facility Repayment Account as will be defined in the Facility Agreement and in accordance with the repayment schedule outlined in the Facility Agreement.

CONDITIONS PRECEDENT TO DRAWDOWN

Conditions Precedent to Drawdown Usual and customary for similar financings including the following:

1. Execution of the Transaction Agreements (as defined above).
2. All Material Agreements are in full force.
3. A copy of a resolution of the board of directors of the Borrower approving the entry into and the terms of the Transaction Agreements.
4. Provision of the constitutional documents of the Borrower.
5. Most recent audited financial statement of the Borrower.
6. Confirmation that all necessary governmental and material third party approvals and/or consents required in connection with the Borrower's business shall have been obtained and shall remain in effect for the duration of the Facility.
7. There shall not exist any judgment, order, injunction or other restraint prohibiting or imposing materially adverse conditions upon the Borrower or the transaction contemplated by the Facility Agreement.

8. Confirmation that since entering into the Facility Agreement, no material event shall have occurred which would reasonably be expected to have a material adverse change on the Borrower.
9. Confirmation that any necessary consent required before entering into the Facility Agreement has been secured.
10. Borrower has provided details of the homebuyers who will be the beneficiary of the mortgages.
11. Borrower's policies and criteria for the qualification of credible homebuyers.
12. A certificate duly signed by a director of the Borrower confirming that: (a) no material adverse effect had occurred since the execution of the Term Sheet, etc. (b) No litigation by any entity shall be pending or threatened with respect to the Borrower which is likely to have a material adverse effect on the Borrower (c) No event of default by the Borrower under any Material Agreement is persisting or threatened (d) Accuracy of representations and warranties under the Facility Agreement (e) certificate of incumbency including specimen signatures of authorised signatories of the Borrower.

The Borrower shall be eligible to drawdown from the approved Facility Amount upon provision to and the Lender's satisfactory review of the following:

1. Schedule of valid mortgage applicants including their personal information, financial information relevant to the application and details of the subject property(ies).
2. The qualification criteria for the mortgage applicants.
3. Satisfactory due diligence reports on each mortgage application which shall include credit checks, income verification, asset verification and assessment, property details and title verification, survey search, and valuation report etc.
4. Borrower's credit report from two (2) independent credit bureau agencies licensed by the Central Bank of Nigeria showing a credit score that translates to a minimum of satisfactory and above.
5. The proposed Facility Agreement between the Borrower and the mortgage applicant evincing that the mortgage terms comply with the NMRC Uniform Underwriting Standards, 2014 (as amended from time to time) attached to this Term Sheet as Appendix 1;
6. Any additional information that the Lender may require after reviewing the items in paragraphs 1-5 above.

Conditions Subsequent to Drawdown The Conditions Subsequent to any Drawdowns by the Borrower shall include:

1. delivery of all relevant documents evidencing the perfection of the Security created in favour of the Lender, including the stamping and registration of all relevant documents and do all such things as required by the Lender to ensure the creation of an effective and legally enforceable Security for the Loan.
2. delivery and release into the custody of the Lender, all executed and registered documents (including but not limited to all notices, registered documents, deeds of legal mortgage and title documents); and

3. preparation and delivery of routine report(s) on the application of amount advanced under any prior drawdown of the Facility and the performance of the mortgages created with the Facility.

OTHER TERMS

Representations and Warranties Subject to such qualifiers and exceptions as may be agreed under the Facility Agreement, the Borrower will make each of the representations on the date of the Facility Agreement and in the case of repeating representations (to be specified in the Facility Agreement), on the date of each disbursement request and the first day of each interest period, which shall include the following:

1. status
2. binding obligations
3. non conflict with other obligations
4. power and authority
5. validity and admissibility in evidence
6. governing law and enforcement
7. no deduction of tax
8. no filing or stamp taxes
9. no default
10. no misleading information
11. pari passu ranking
12. no proceedings pending or threatened, subject to material adverse effect
13. no breach of laws, subject to material adverse effect
14. annual budget statement
15. sanctions; anti-bribery and corruption

Financial Covenants To include covenants usual and customary for similar financing such as:

1. Capital Adequacy ratio minimum of 10%
2. Liquid Coverage Ratio (LCR): minimum of 30%

Negative covenants Usual and customary for similar financing and shall include the following -The Borrower shall not:

1. consolidate with or merge with or into, or transfer all or substantially all of its assets (in one transaction or a series of related transactions) without the prior consent of the Lender
2. enter into any agreement or take any action, or enter into any agreement or take any action, which could reasonably be expected to have a material adverse effect on its business; and
3. create or permit to be created or exist any subsequent security interest on or over any interest over any properties mortgaged by any homeowner.

Affirmative covenants Usual and customary for similar financing and may include the following:

1. The Borrower shall maintain its corporate existence, comply with the terms of its Memorandum and Articles of Association and conduct its business consistent with Good Industry Practice.
2. The Borrower shall appoint and maintain a firm of reputable auditors and legal advisers acceptable to the Lender.
3. The Borrower shall, at its own expense, obtain, comply in all material respects with the terms of, and do all that is necessary to obtain, maintain in full force and effect all authorisations required: (a) to enable the Lender to lawfully hold all securities and perform its obligations under the Transaction Agreements; (b) to ensure the legality, validity, enforceability or admissibility in evidence in Nigeria and in its jurisdiction of incorporation of the Transaction Agreements to which the Lender is a party; and (c) at the request of the Lender, supply copies of any such authorisations, in a form acceptable to the Lender.

Information covenants The Borrower shall:

1. provide a quarterly progress report regarding the onlending status of the disbursement indicating therein the status.
2. Audited annual financial statements to be submitted within 90 days from the end of each Financial Year along with a Certificate of compliance with the Financial Ratios (as defined above signed by an authorised signatory of the Borrower)
3. Unaudited quarterly financial statements, within 30 days from the end of each fiscal quarter
4. Compliance certificates in respect of financial statements and Financial Covenants.
5. Details of material litigation, arbitration or administrative proceedings ('material' to constitute any claims or disputes, details of any potential or actual claim or dispute in respect of any finance document).
6. Notification of potential default(s) in connection with any mortgage loan.
7. Any other reasonably requested information regarding the financial condition, assets and operations of the Borrower.

Events of Default Events of Default usual for transactions of this nature relating to the Borrower (subject to certain qualifications, cure regimes and remedy periods) including but not limited to the following:

1. non-payment of principal or interest when due
2. regulatory sanctions
3. breach of Covenants
4. breach of other obligations
5. misrepresentation
6. insolvency/insolvency proceedings
7. creditors' process

8. unlawfulness and invalidity of any of the Finance Documents

9. cessation of business

10. change of ownership without notice to the Lender

11. repudiation and rescission of the Finance Documents

12. material Adverse Change (including government policy)

Taxes and other deductions All payments by the Borrower shall be made free and clear of any present and future taxes, levies, deductions, and withholdings of whatever nature, either present or future. Should such taxes, levies, deductions, or withholdings be required by law, the Borrower will make such additional payments to the Lender that will ensure that the relevant party receives, net of such deduction or withholding, the amounts that party would have received if such taxes, levies, deductions or withholdings had not been required.

Cost and Expenses All costs and expenses (including legal fees) reasonably incurred by the Lender in connection with the preparation, negotiation, printing and execution of the Facility Agreement and any other document referred to in it shall be paid by the Borrower promptly on demand whether or not the Facility Agreement is signed.

Expiration The terms set out in the Term Sheet are available for acceptance by the Borrower until 5 pm local time on November 28, 2025 after which time they will expire.

Assignment and Transfers The Borrower shall not, under any circumstances and without the prior consent of the Lender, assign any of its rights or obligations under the Transaction Agreements. Additionally, the Lender shall retain the rights to assign all or any of its obligations under the Transaction Agreements without the prior consent of or without giving any notice of such assignment to the Borrower.

Confidentiality The Parties undertake to keep strictly confidential, all terms and obligations of either Party outlined or imposed under the Transaction Agreements. The Parties shall also treat all information obtained as a result of agreeing to the terms outlined in this Term Sheet (where applicable) or entering into or executing, performing its obligations or exercising its rights outlined in any of the Transaction Agreements as confidential and not disclose or use any of the information provided other than in the implementation of their obligations outlined in the Transaction Agreements.