US MENA Smart Capital
IFE Founding Investor Term Sheet

1. Overview

This Term Sheet summarizes the principal terms for founding investors participating through the US MENA Smart Capital SPV (ADGM) to capitalize and launch the US–MENA Smart Capital Bank IFE (Puerto Rico) under Act 273 / Act 60.

2. Parties

• Issuer: US MENA Smart Capital SPV Ltd (ADGM)
• Bank: US MENA Smart Capital International (Puerto Rico)
• Investors: Qualified founding investors subscribing via the ADGM SPV.

3. Capital Structure

• Target Raise: USD 15,000,000
• Minimum Commitment: USD 250,000
• Paid-in Schedule: 10% upfront (Permit to Organize), 90% upon request during OCIF review within 9–12 months.
• Capital Use: Paid-in capital for IFE license, regulatory capitalization, and AI credit deployment.

4. Investor Securities

Investors will receive Founding Equity Interests in the IFE via the SPV, proportional to their committed capital.

5. Rights & Governance

• Board Representation: Up to 2 investor board seats.
• Voting Rights: Pro-rata.
• Information Rights: Quarterly reports, audited annual statements (KPMG PR).

6. Investment Strategy

• AI infrastructure credit financing (HydraCap GPU compute facilities, ~20% IRR loans).
• Structured credit in AI, compute, data centers.
• Treasury deployment (gold, U.S. T-bills) for collateral leverage.
• Regulated financial services under Act 273.

7. Expected Returns

- Equity Upside: Appreciation of IFE charter value.
- Credit Yield: Participation in structured AI credit yields.
- Distributions: To be paid from net profits after regulatory reserves.

8. Fees & Expenses

- Management Fee: 1.5% annually (IFE operations & compliance).
- Performance Participation: 10% of net profits.
- Organizational Expenses: To be borne by the SPV and IFE.

9. Compliance & Regulation

- OCIF supervision, AML/BSA, KYC, OFAC.
- Independent audit by KPMG Puerto Rico.

10. Risk Factors

- Regulatory approval risk.
- AI infrastructure market volatility.
- Credit exposure to counterparties.
- Operational risks inherent to financial institutions.

11. Transfer Restrictions

- Transfers require Board approval.
- No secondary sales during OCIF review.

12. Closing Timeline

- 0–3 Months: SPV commitments & 10% contributions.
- 3–12 Months: Permit to Organize (OCIF) & 90% call.
- 12+ Months: IFE licensing & operational launch.

13. Confidentiality

All discussions and documents are confidential and may not be disclosed without consent.

14. Governing Law

ADGM law for SPV; Puerto Rico law for IFE.