

VENDING AGREEMENT

AMONG

C&I LEASING PLC (RC No. 161070)

AND

FSDH MERCHANT BANK (RC No. 199528)

AND

FBN CAPITAL LIMITED (RC No. 446599)

**IN CONNECTION WITH THE ₦600,000,000 FIXED RATE BOND ISSUE DUE 2020 OF
C&I LEASING PLC**

G. ELIAS & Co.

COUNTERPART

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THIS VENDING AGREEMENT is made this 25th day of February, 2016

AMONG

C&I LEASING PLC (RC No. 161070), a public limited liability company duly incorporated in Nigeria and having its registered office at Leasing House, C&I Leasing Drive, Off Bisola Durosinmi Etti Drive, CBD, Lekki Phase 1, Lekki, Lagos (the "**Issuer**" or the "**Company**") of the one part;

AND

FSDH MERCHANT BANK LIMITED (RC No. 199528), a private limited liability company duly incorporated in Nigeria and having its principal place of business at UAC House, 1/5 Odunlami Street, Lagos ("**FSDH**" or the "**Lead Issuing House**") of the second part.

AND

FBN CAPITAL LIMITED (RC No. 446599), a private limited liability company duly incorporated under the laws of Nigeria and having its office at 16 Keffi Street, off Awolowo Road, Ikoyi, Lagos ("**FBN Capital**" or the "**Co-Issuing House**") which expression shall where the context so admits include its successors-in-title and assigns of the third and final part;

(the Lead Issuing House and FBN Capital are collectively referred to as the "**Joint Issuing Houses**" and individually as "**Issuing House**").

WHEREAS:

- (A) The Issuer is desirous of raising capital to (a) finance expansion and business opportunities in the marine services division of the Company (b) refinance credit facilities and (c) finance working capital requirements.
- (B) Pursuant to its Articles of Association and by a resolution passed on February 26, 2015, the Board of Directors of the Company resolved to raise the sum of up to ₦2,000,000,000 by way of a debt issuance (the "**Issue**") which will involve the issuance of Bonds constituting the direct and general obligations of the Company.
- (C) By separate letters, the Issuer appointed FSDH and FBN Capital and each Issuing House has, by letters of various dates, agreed to act as an issuing house for the purpose of managing, effecting, coordinating and marketing the Offer in accordance with the terms of the vending agreement, dated on or about the date hereof between the Issuer and the Joint Issuing Houses.
- (D) In order to fulfil their obligations to the Issuer (as specified in the Vending Agreement), the Joint Issuing Houses have agreed to enter into this Agreement to govern and regulate their relationship, *inter se*, and the performance of

their obligations to the Issuer.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1. Definitions and Interpretation

1.1 Definitions

In this Agreement, unless the context otherwise admits or requires:

"Act or ISA" means the Investments and Securities Act, No. 29 of 2007 and all rules and regulations made pursuant thereto;

"Agreement" means this Vending Agreement as amended or supplemented from time to time by the Parties hereof;

"Allocation Confirmation Notice" means the advice of allocation of Bonds to be sent to successful Bidders after the Book Building Period;

"All Parties' Meeting" means any meeting of the Issuer, the Joint Issuing Houses and Other Parties to the Offer;

"Appointment Letter" means each the letters dated May 12, 2015 appointing FSDH and FBN Capital as the Joint Issuing Houses and Book Runners to the Issue;

"Basis of Allotment" means the basis for the allotment of the Bonds to Eligible Investors;

"Bonds" means the fixed rate bonds issue due 2020, denominated in registered units with a par value of ₦1000 amounting to an aggregate of ₦600,000,000 and issued at a coupon rate of 18.25% *per annum* by the Issuer;

"Bondholder" means a person in whose name a Bond is for the time being registered or in the case of joint holders, the first named thereof and includes their personal representatives, successors and assigns;

"Book Building Period" means the period commencing after the approval of the Prospectus by the Commission and ending no later than 10 Business Days after the book opens;

"Business Day" means any day, other than Saturday, Sunday or public holiday declared by the Federal Government of Nigeria on which banks are open for business in Nigeria;

"Completion" means obtaining the "No Objection" of the SEC to the Basis of Allotment or such other date as may be agreed by the Parties;

“Completion Board Meeting/Signing Ceremony” means the meeting at which the Offer Documents will be executed by all the Parties to the Offer and the allotment of the Bonds shall be approved;

“Confidential Information” means information which is not known to the general public but obtained as a result of entering into or performing this Agreement which is by its very nature confidential including its content and the correspondence, communications and negotiations in relation to it;

“Council of the Exchange” means the governing body of the NSE;

“CSCS” means the Central Securities Clearing Systems Plc;

“Eligible Investors” means high net worth investors and qualified institutional investors as defined under the provisions of Rule 321 of the SEC Rules and Regulations;

“FMDQ” means FMDQ OTC Plc;

“Investments and Securities Tribunal” means the tribunal established by Section 274 of the ISA to determine issues between capital market operators, their clients, investors, securities exchange, settlement and clearing agency, issuer of securities and the Commission;

“Issue Proceeds Account” means the bank account to be opened with the Receiving Bank into which the proceeds of the Offer shall be paid on the Completion Board Meeting/Signing Ceremony date of the Offer;

“Lead Issuing House” means FSDH Merchant Bank;

“Exchange” means FMDQ or any other securities exchange that the Issuer chooses to list the Bonds;

“Offer” means the issuance of the Bonds *via* book building or any other method described in the Prospectus during the Book Building Period;

“Offer Documents” means this Agreement, the Trust Deed, the Prospectus and such other documents as may be designated an Offer Document which will provide the specific terms, conditions and other details of the Offer;

“Official List” means the list of closing prices published by the Exchange daily;

“Other Parties to the Offer” means all parties to the Offer, other than the Joint Issuing Houses, listed in the Prospectus and who have been appointed by the Issuer to render advice in connection with the Offer;

"Prospectus" means the red herring prospectus registered with the SEC in accordance with the SEC Rules and Regulations and in connection with the issuance of the Bonds;

"QIIs" means Qualified Institutional and High Net-Worth Investors;

"Receiving Bank" means First Bank of Nigeria Limited;

"Register" means the register disclosing the names and addresses of the Bondholders and their respective assignees;

"Registrar" means Centurion Registrars Limited;

"Reporting Accountants" means SIAO Partners;

"SEC" or the **"Commission"** means the Securities and Exchange Commission established under the provisions of the Act;

"SEC Rules and Regulations" means the rules and regulations issued by the SEC, pursuant to the provisions of the Act;

"Stockbroker" means WSTC Financial Services Limited;

"VAT" means Value Added Tax; and

"WHT" means Withholding Tax.

1.2 Interpretation

Unless the context otherwise admits or requires:

1.2.1 References to "Party" and "Parties" shall be construed as references to a Party or the Parties to this Agreement and their respective successors and assigns;

1.2.2 References to any document, statute or regulation shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date of this Agreement) from time to time;

1.2.3 Reference to "consent" means any consent, authorization, licence or clearance of any kind; fiscal, statutory or regulatory;

1.2.4 References to any liability shall include actual, contingent, present or future liabilities;

- 1.2.5 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.
- 1.2.6 The expiration or termination of this Agreement shall not affect the provisions of this Agreement which are expressly indicated to operate even after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.
- 1.2.7 The headings are inserted for convenience only and shall not affect the meaning or construction of this Agreement.
- 1.2.8 Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.
- 1.2.9 Words and phrases used in this Agreement, unless otherwise defined in this Agreement, shall have meanings given to them in the Prospectus, the Act and SEC Rules and Regulations;
- 1.2.10 Reference to "days" shall be construed as calendar days unless qualified by the word "business".
- 1.2.11 Unless the context otherwise requires, any reference to a clause, sub-clause or condition shall be a reference to a clause, sub-clause or condition of this Agreement;
- 1.2.12 The Schedule forms part of this Agreement and references to any Schedule is to the Schedule of this Agreement;
- 1.2.13 Words denoting the singular shall include the plural and *vice versa*; words denoting a gender shall include all genders; and words denoting persons shall include firms and corporations and *vice versa*;
- 1.2.14 Reference to costs, charges and expenses shall unless otherwise provided include VAT or similar tax charged or chargeable in respect of such costs, charges and expenses; and

Defined terms appearing in this Agreement in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.

2. **Appointment of the Joint Issuing Houses/Bookrunners**

- 2.1 The Issuer hereby appoints FSDH as the Lead Issuing House and FBN Capital as the Joint Issuing Houses/Bookrunners for the purpose of managing, co-ordinating, offering and marketing the Bonds to Eligible Investors on the terms and conditions set out in this Agreement and the Appointment Letter on behalf of the Issuer.
- 2.2 The Joint Issuing Houses agree that their responsibilities to the Issuer in respect of the Offer shall be consistent with the Offer Documents executed by the Joint Issuing Houses and the Issuer on or about the date of this Agreement.
- 2.3 The Joint Issuing Houses agree to work together and shall co-operate with one another to efficiently coordinate and market the Offer.
- 2.4 **Terms of the relationship between the Joint Issuing Houses:** The Parties agree that, notwithstanding the provisions of clause 5 (*Obligations of the Joint Issuing Houses*), the obligations, duties and liabilities of the Joint Issuing Houses to the Issuer shall be borne by them severally.

3. **Commencement and Duration**

Unless otherwise agreed by the Parties in writing, this Agreement shall commence and become effective on the date hereof, and shall continue in full force and effect until the filing of the post-allotment compliance report with relevant regulatory authorities or the termination of the Agreement in accordance with clause 16 (*Termination*), whichever is sooner.

4. **Offer of the Bonds**

The Joint Issuing Houses shall, on behalf of the Issuer, offer the Bonds to Eligible Investors, at a par value of the Offer Price *per* Bond unit in minimum ₦10,000,000 and subsequent integral multiples of ₦1,000,000 thereof due November 25, 2020 and perform all other obligations, duties and responsibilities specified herein in accordance with the provisions of this Agreement, prevailing best practices, professional ideals, applicable regulatory and statutory provisions and the terms, conditions and procedures specified in the Offer Documents.

5. Obligations of the Joint Issuing Houses

5.1 Obligations of the Lead Issuing House:

The Lead Issuing House undertakes to lead on the following roles:

- 5.1.1 advise on the structure and modalities of the Offer, define the terms of the Offer, prepare or cause to be prepared the Offer Documents and all other documents required by law to be prepared in connection with the Offer;
- 5.1.2 prepare the Prospectus and any other relevant Offer Document with the Offer Price upon its determination;
- 5.1.3 convene and conduct at least two (2) All Parties' Meetings as may be considered appropriate in connection with the Offer and co-ordinate the duties and functions of the other parties to the Offer;
- 5.1.4 undertake the regulatory process for the registration of the Offer as defined under the Act;
- 5.1.5 act as the secretariat for the co-ordination and dissemination of information and retain document and information related to activities in connection with the Offer;
- 5.1.6 pay the fees due in respect of the Offer, after deduction thereof from the Offer proceeds, to itself, the other Parties to the Offer and relevant regulatory authorities;
- 5.1.7 prepare the summary of the cost of the Offer;
- 5.1.8 comply with the requirements of all relevant regulatory authorities (and in particular SEC and the Exchange) for approval and registration of the Bonds;
- 5.1.9 advise the Issuer on the Basis of Allotment of the Bonds among potential Eligible Investors whose applications meet the requirements stipulated in the Offer Documents, particularly the application forms;
- 5.1.10 chair any All Parties' Meetings or any other meetings that might be held in connection with the Offer;
- 5.1.11 offer the Bonds to Eligible Investors upon the terms and conditions set out in the Offer Documents;

- 5.1.12 cause applications to be made to the SEC on behalf of the Issuer in respect of the Offer and use its best endeavour to obtain all requisite approvals and to deal with and secure the approval of the Exchange to the admission for the whole of the Bonds to the Official List of the Exchange;
- 5.1.13 facilitate the dispatch of the Allocation Confirmation Notice;
- 5.1.14 ensure that all proceeds of the Offer are deposited in the Issue Proceeds Account;
- 5.1.15 ensure that copies of the documents stated in the Offer Documents as being available for inspection which are delivered to them by the Issuer are made available for inspection at the places and for the period stated in the Offer Documents;
- 5.1.16 prepare market demand analysis and marketing documents including teaser and roadshow presentations direct the promotion and marketing of the Offer and co-ordinate the activities of other professional advisers to ensure a timely and successful Offer; and
- 5.1.17 within two (2) Business Days after the Completion Board Meeting/Signing Ceremony, pay or procure to be paid to the Issuer the aggregate amount received in respect of all successful applications less the deduction of the agreed fees, costs and expenses hereof (to be referred to as “reasonable costs”) in so far as such fees, costs and expenses shall not have already been paid.

5.2 Obligations of FBN Capital

FBN Capital undertakes to:

- 5.2.1 convene and co-ordinate the Completion Board Meeting/Signing Ceremony and review the draft documents relating to same;
- 5.2.2 liaise with the Stockbroker to the Offer to obtain the approval of the Exchange for the listing and trading of the Bonds on the Exchange;
- 5.2.3 make all statutory publications in relation to the Offer;
- 5.2.4 credit CSCS account of allotted investors;
- 5.2.5 file the allotment proposal with the SEC; and

5.2.6 obtain the allotment clearance.

5.3 Obligations of the Joint Issuing Houses

The Joint Issuing Houses undertake to:

- 5.3.1 review the Vending Agreement and other Offer Documents;
- 5.3.2 cause the Offer Documents and other documents relating to the Offer to be generated, printed, executed and delivered as appropriate and on a timely basis;
- 5.3.3 receive and review the Reporting Accountant's reports that are to be filed with the SEC;
- 5.3.4 represent and assist the Issuer at any meeting that may be convened by any regulatory authorities in connection with the Offer;
- 5.3.5 receive returns from the receiving agents to the Offer; in conjunction with the Issuer, prepare the allotment proposal for the Offer and obtain SEC's required clearance in respect thereof; and
- 5.3.6 conduct a book-building process and obtain during the Book Building Period, bids for the Bonds from various investors at various prices at a range agreed with the Issuer in order to determine the Offer Price.

5.4 Upon completion of the Offer, the Joint Issuing Houses shall:

- 5.4.1 publish the allotment announcement in at least 2 national dailies;
- 5.4.2 jointly file appropriate returns and a summary report of the Offer with the SEC within the timeframe set out in the SEC Rules and Regulations;
- 5.4.3 cause to be registered in the Register, such number of units of the Bonds that have been fully paid and allotted against the names and particulars of the Bondholders and ensure that the CSCS accounts of Bondholders are directly credited with the units of the Bonds allotted to them, in accordance with the approved Basis of Allotment;

- 5.4.4 promptly pay to the Federal Inland Revenue Service all applicable taxes on the fees payable pursuant to the Offer, including VAT and WHT, and promptly hand over the relevant receipts to the Issuer as evidence of such payment;
 - 5.4.5 act with the utmost good faith, confidentiality, professional skill and diligence in the due performance of their obligations; and
 - 5.4.6 do all such things as are ancillary or incidental to their obligations, duties and responsibilities as specified in this Agreement which are necessary for the successful completion of the Offer.
- 5.5 The Joint Issuing Houses undertake to apportion any obligations, responsibilities and duties which are not specifically covered by this Agreement amongst themselves in such manner as they may mutually determine and deem expedient for the timely and successful completion of the Offer.
- 5.6 The Joint Issuing Houses shall have joint responsibility for doing all such things as are ancillary or incidental to their obligations, duties and responsibilities as specified in this Agreement which are deemed necessary for the successful completion of the Offer.
- 5.7 The Joint Issuing Houses undertake to act with utmost good faith, confidentiality, professional skill and diligence in the performance of their joint and several obligations under this Agreement.

6. Obligations of the Issuer

The Issuer hereby undertakes to do the following:

- 6.1 offer to Eligible Investors through the Joint Issuing Houses the Bonds at the agreed offer price to be determined by the Parties after the book building process and any application for the Bonds shall be received on the terms and conditions set forth in the Offer Documents;
- 6.2 promptly provide and deliver or cause to be provided or delivered to each of the Joint Issuing Houses all information, authorisations and documents as the Joint Issuing Houses may reasonably require to comply with the requirements of all relevant regulatory authorities and to promptly communicate in writing to each of the Joint Issuing Houses any material change in the information and documents supplied to it;
- 6.3 bear all costs and expenses of the Offer and pay on demand, fees and charges incidental to the Offer including marketing and contingencies, details of which are set out in the Schedule hereto;

- 6.4 indemnify and keep indemnified each of the Joint Issuing Houses against any liabilities to any third party who alleges that the Offer Documents did not contain all material information about the affairs of the Issuer or that the statements contained therein were false or misleading and against any liabilities for costs, damages and expenses incurred by each of the Joint Issuing Houses in defending any such allegation or claim in so far as such misstatement, omission or misrepresentation was not as a result of the negligence, wilful misconduct, fraud of the Joint Issuing Houses or any of them;
- 6.5 cause to be delivered to each of the Joint Issuing Houses copies of all documents stated in the Offer Documents as being available for inspection by the public;
- 6.6 take all such steps and provide all such information as may be necessary to comply with the requirements of the SEC and the Exchange in connection with the Offer;
- 6.7 procure that the directors or any other authorised official(s) of the Issuer shall sign or cause to be signed on its behalf all documents required to be signed by it for the purpose of or in connection with the Offer;
- 6.8 not to directly or indirectly release, during any conference or at any other time, any material or information which is not contained in the Offer Documents;
- 6.9 obtain approval in respect of all advertisements and publicity materials from the SEC through the Joint Issuing Houses;
- 6.10 immediately notify the Joint Issuing Houses if it comes to its knowledge that any of the representations and warranties set out in clause 7.1 (*Representations and Warranties of the Issuer*) below have become untrue, inaccurate or misleading in any respect, or it becomes aware of any circumstances which would or might cause any of the representations or warranties to become untrue, inaccurate or misleading;
- 6.11 do all such things as may be reasonably required for the Joint Issuing Houses to discharge their duties under this Agreement; and
- 6.12 take all steps and do all such things as are necessary for the successful completion of the Offer.

7. Representations and Warranties

7.1 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Joint Issuing Houses as follows:

- 7.1.1 it is duly established, validly existing under the laws of the Federal Republic of Nigeria and has the power under its Memorandum and Articles of Association to offer the Bonds without any further sanctions or consent of the members of the Issuer or any class of them and all required corporate steps necessary for effecting the Offer have been taken;
- 7.1.2 it has approved the Offer Documents and in the opinion of its directors, the Issuer does not have any contingent or other liability of a material, onerous or unusual nature except those contracted in the ordinary course of business or as disclosed in the Offer Documents;
- 7.1.3 the Offer Documents with respect to the Bonds as approved by the Issuer constitute legal, valid and binding obligations of the Issuer and does not contravene any applicable law;
- 7.1.4 to the best of its knowledge and belief, all statements contained in the Offer Documents are true and correct in all material respects and all expressions of opinions, intention and expectation in the Prospectus, and other Offer Documents (including all estimates, forecasts and expressions of opinion stated in the Prospectus) are honestly and reasonably held by the Issuer and have been made after due and careful consideration; and there are no material omissions which could make any statement in the Offer Documents false or misleading, and there are no other circumstances adversely affecting it which have either not been disclosed or have been misstated in the Offer Documents and which, if disclosed or correctly stated, would materially affect the decision of subscribers to the Bonds;
- 7.1.5 to the best of its knowledge, information and belief (after due and careful inquiry) and having regard to the Bonds that will be issued in connection with the Offer, the Offer Documents contain all information reasonably necessary to enable Investors to the Bonds and their investment advisers make informed assessments of the assets and liabilities, financial position, income, expenditure and the prospects of the Issuer and of the rights attaching to the Bonds and that the Offer

Documents contain all information required to comply with all relevant legal provisions, in particular, the provisions of the Act;

- 7.1.6 to the best of its knowledge, information and belief (after due and careful inquiry), the Offer Documents contain all information with regard to the Issuer which is or might be material for disclosure to investors including, without limitation to, special risk factors and contingent liabilities which are unlikely to be known or anticipated by subscribers to the Bonds and which could materially affect the Issuer's financial position;
- 7.1.7 to the best of its knowledge and belief, it is not engaged in and there exists no pending or threatened litigation or arbitration against it, save as disclosed in the Prospectus which individually or collectively is materially adverse in the context of the Offer; and there are no circumstances known to the Issuer, which are likely to give rise to any such litigation or arbitration;
- 7.1.8 to the best of its knowledge and belief, and save as stated in the Prospectus, it is not a party to any material contract, which individually or collectively will be of material adverse effect in the context of the Offer, other than contracts entered into in the ordinary course of its business of governance, discharge of its constitutional responsibilities and or any other responsibility imposed on it by any law of the House of Assembly;
- 7.1.9 to the best of its knowledge and except as disclosed in the Offer Documents, no circumstances have arisen whereby any person is entitled to require payment or seek redress in respect of any obligation or by reason of any default on the part of the Issuer which is capable of affecting the ability of the Issuer to fulfil its payment obligations under the Offer;
- 7.1.10 to the best of its knowledge and belief, all returns, particularly resolutions and other documents required to be filed or delivered to the SEC pursuant to the Act, in connection with the Offer, have been or will be duly delivered to the Joint Issuing Houses for filing; and
- 7.1.11 since the date of the last audited accounts of the Issuer, its financial affairs have been properly and prudently carried on and that there has been no material adverse change in its financial position, except as disclosed in the Offer Documents.

7.2 Representations and Warranties of the Joint Issuing Houses

Each of the Joint Issuing Houses hereby represents and warrants as follows:

- 7.2.1 It is duly established, validly existing under the laws of Federal Republic of Nigeria and has power under its Memorandum and Articles of Association and is authorized by the regulatory authorities to undertake the Offer in accordance with the provisions of this Agreement;
 - 7.2.2 It has obtained all the necessary corporate sanctions to enable it perform its obligations under this Agreement; and
 - 7.2.3 It has the financial and technical capabilities to perform all of its obligations under this Agreement and its entering into this Agreement will not contravene any applicable law or any other agreement to which it is a party.
- 7.3 Each Party hereby undertakes immediately to notify the others if it comes to its knowledge that any of the representations and warranties set out herein is untrue, inaccurate or misleading in any respect or it becomes aware of any circumstances which would or might cause any of the said representations or warranties to become untrue, inaccurate and/or misleading.
- 7.4 Notwithstanding the completion of the Offer, each of the representations and warranties set out in this clause 7.2 (*Representations and Warranties of the Joint Issuing Houses*) shall remain in force and effect for a period of two (2) years after the completion of the Offer.

8. Covenants by the Issuer

The Issuer hereby covenants as follows:

- 8.1 The Issuer shall immediately notify each of the Joint Issuing Houses if it becomes aware that any of the representations and warranties set out in clause 7.1 (*Representations and Warranties of the Issuer*) above are untrue, inaccurate or misleading in any respect or if it becomes aware of any circumstances which would or might cause any of the representations or warranties to become untrue, inaccurate or misleading.
- 8.2 The Issuer shall bear and pay when due, all agreed costs, fees, and expenses connected with or arising from the Offer, as set out in the Schedule hereto, except in so far as same has already been met and have been incorporated in the estimate of expenses stated in the Offer

Documents and subject always to the Issuer's prior approval of expenses referred to herein.

- 8.3 The Issuer shall, at all times during the continuance of this Agreement, diligently meet all of its obligations and perform its duties as contained in this Agreement.
- 8.4 The Issuer shall, at all times during the subsistence of the Offer, obtain approval in respect of all advertisements and publicity materials from the SEC, through the Joint Issuing Houses.

9. Covenants by the Joint Issuing Houses

Each of the Joint Issuing Houses hereby covenants that at all times during the continuance of this Agreement, it shall:

- 9.1 manage and co-ordinate the Offer in a proper and efficient manner and ensure the due compliance of the Offer with all statutory and regulatory requirements;
- 9.2 exercise due care in the performance of its obligations, in accordance with applicable professional standards. In the event that the services of the Joint Issuing Houses or any part thereof do not comply with this covenant, the Joint Issuing Houses shall, if requested by the Issuer, re-perform the services; PROVIDED THAT if the Issuer rejects the re-performance of the services or any part thereof, the Joint Issuing Houses' maximum liability in respect of the services rendered under this Agreement, shall be limited to the amount of fees paid to the Joint Issuing Houses;
- 9.3 keep and maintain proper books of accounts and other records relating to the Offer as prescribed by the SEC Rules and Regulations and ensure that same will be available, between the opening and closing dates of the Offer, during normal business hours, for inspection as prescribed by regulations, on any Business Day;
- 9.4 act with prudence, diligence and in good faith and utilize their best endeavors to ensure a successful Offer;
- 9.5 furnish or cause to be furnished to the Issuer on receipt of a request in that regard, any and all information reasonably required on any matter relating to the Offer;
- 9.6 at the conclusion of the Offer, provide the Issuer with a summary of the said costs and expenses; as well as receipts and supporting documents for the expenses incurred in relation to the Offer; and

- 9.7 treat all Confidential Information disclosed by the Issuer as confidential, and protect the information using the same standard of care that each party applies to safeguard its own proprietary, secret or confidential information and the information shall be stored and handled in such a way as to prevent any unauthorised disclosure thereof.

10. Indemnities

- 10.1 The Issuer undertakes to fully indemnify each of the Joint Issuing Houses and keep it fully indemnified from and against all or any claims (whether or not successfully compromised or settled), actions, liabilities, demands or proceedings brought or established against the Joint Issuing Houses pursuant to the Offer and against all losses, costs, charges or expenses which the Joint Issuing Houses may suffer or incur (including but not limited to such losses, costs, charges or expenses suffered or incurred in disputing any claim, action, liability, demand or proceedings and or in establishing its right to be indemnified pursuant to any action, liability, demand or proceeding that is in any way related to or connected with this indemnity or the Offer) as a result of any case arising directly or indirectly out of or in connection with:

10.1.1 the Offer Documents not containing or allegedly not containing all the information required to be stated therein or any statement therein being or alleged to be untrue, inaccurate, incomplete, misleading or not based on reasonable grounds, provided that same is not occasioned by the negligence or incompetence or wilful default of any of the Joint Issuing Houses;

10.1.2 any breach by the Issuer of any of its obligations under this Agreement or any of the respective warranties and representations contained herein; or

10.1.3 the performance by the Joint Issuing Houses of their obligations under this Agreement, in connection with the Offer and the preparation and distribution of the Offer Documents; provided that such performance is not carried out negligently or without due care by the Joint Issuing Houses.

PROVIDED HOWEVER that:

- (i) The indemnities provided under this clause 10 shall apply only to the extent that any claim, action, liability, demand or proceeding against the Joint Issuing Houses and or any loss or damage suffered or incurred by the Joint Issuing Houses in

disputing the same or establishing its rights to be indemnified hereunder is not in any way attributable to any professional negligence or other fault on the part of the Joint Issuing Houses; and

- (ii) The Joint Issuing Houses shall, if so required, fully co-operate with the Issuer in the defence of any claim in relation thereto.

10.2 Each of the Joint Issuing Houses hereby severally undertake to fully indemnify the Issuer from and against all or any claims, actions, liabilities, demands or proceedings brought or established against the Issuer; and against all losses, costs, charges or expenses which the Issuer may suffer or incur (including but not limited to such losses, costs, charges or expenses reasonably suffered or incurred in disputing any claim, action, demands or proceedings and or in establishing its right to be indemnified pursuant to any claim, action, liability, demands or proceedings) as a result of any case arising directly or indirectly out of or in connection with the negligence and or incompetence of the Joint Issuing Houses in the performance of their duties and obligations herein specified. The obligation to indemnify the Issuer under this clause shall lie only on the Issuing House or Houses whose acts or omissions were wilfully in default or negligent.

10.3 Subject to the provisions of this Agreement, where any Issuing House defaults in any of its obligation hereunder, the defaulting Issuing House shall indemnify the other Issuing Houses or any of them against all losses, costs, charges or expenses which the other Issuing Houses or any of them may have incurred suffered as a result of such default.

10.4 Each of the indemnities contained herein shall remain in force and in effect for a period of two (2) years after the completion of the Offer or termination of the Agreement, whichever is sooner.

10.5 The indemnities set out in clauses 10.1 and 10.2 above shall be in addition to, and shall not be construed to limit, affect or prejudice any other right or remedy available to the Parties under this Agreement or in law.

11. Remuneration

11.1 In consideration of the Joint Issuing Houses performing their obligations under this Agreement, the Issuer shall pay to the Joint Issuing Houses, a total fee of ~~48,100,000~~ being 1.35% of the gross proceeds of the Offer (the "Joint Issuing Houses Fee").

11.2 The Joint Issuing Houses Fee (and any instalment thereof) shall on receipt be allocated amongst the Joint Issuing Houses in the following manner:

11.2.1 **15%** shall be paid to the Lead Issuing House as secretariat fee;

11.2.2 the remaining **85%** shall be shared by the Joint Issuing Houses in equal proportion.

11.3 The Parties agree that the Joint Issuing Houses Fee shall be shared among the Joint Issuing Houses in the following proportion:

Issuing House	Percentage	Amount ₦
Lead Issuing House	57.5%	4,657,500
FBN Capital	42.5%	3,442,500

11.4 The Joint Issuing Houses Fee shall be paid in full from the proceeds of the Offer.

11.5 The Joint Issuing Houses shall where the Issuer has not already paid the Joint Issuing Houses Fee, be entitled to deduct from the gross proceeds of the Offer, all reasonable costs, expenses, and fees incurred in connection with the Offer (as specified in the Schedule hereof), which shall include but not limited to the Joint Issuing Houses Fee, professional fees of Other Parties to the Offer, registration, advertising and printing costs and expenses.

11.6 In the event that the Offer is stalled or aborted by the Issuer for any reason whatsoever, payment to the Joint Issuing Houses shall be made on the following basis:

11.6.1 where the Joint Issuing Houses have commenced work on, but are yet to submit an application in respect of the Offer to the Commission and the Exchange, they shall be entitled to receive 20% of the Joint Issuing Houses Fee.

11.6.2 where the Joint Issuing Houses have acted up to and submitted applications in respect of the Offer to the Commission and the Exchange, they shall be entitled to receive 30% of the Joint Issuing Houses Fee.

11.6.3 where the Joint Issuing Houses have acted up to the point of securing the approvals for the Offer from the Commission they shall be entitled to receive 60% of the Joint Issuing Houses Fee.

11.6.4 where the Joint Issuing Houses have acted up to the point of submitting the Basis of Allotment to the Commission, they shall be entitled to receive 90% of the Joint Issuing Houses Fee.

11.6.5 where however, the Joint Issuing Houses have acted up to the finalisation of the Offer, they shall be entitled to the entire Joint Issuing Houses Fee.

PROVIDED THAT where the Joint Issuing Houses have received any portion of the Joint Issuing Houses Fee prior to the Offer being stalled or aborted in line with clause 11.5 above, all such amounts previously received by them shall be offset against the amount due to them in accordance with this sub-clause.

12. Tax

12.1 The Joint Issuing Houses Fee and any portion thereof is net of all relevant taxes and accordingly when paying the fee or any instalment thereof, the Issuer will also be required to pay to the Joint Issuing Houses such sum as represents the WHT and VAT or such other applicable taxes as may be due on the fee or such instalments thereof at the applicable rate such that the amount of the payment due from the Issuer shall be increased to an amount which after making any payment of WHT and VAT or such other applicable taxes as may be due on the fee or such instalments thereof leaves an amount equal to the payment which would have been due to the Joint Issuing Houses if such taxes were not payable.

12.2 Where there is any change in any applicable law with respect to taxes that increases the cost of the services rendered by the Joint Issuing Houses, the remuneration and reimbursable expenses otherwise payable to the Joint Issuing Houses under this Agreement shall, subject to mutual agreement by the Parties, be increased accordingly.

13. Costs and Expenses

13.1 The Issuer undertakes to pay all reasonable costs and expenses (including all statutory fees) incidental to the Offer.

13.2 The reasonable costs and expenses referred to in clause 13.1 above shall be agreed to by the Parties and paid by the Issuer on demand by the Joint Issuing Houses.

13.3 The Joint Issuing Houses shall give an account to the Issuer on demand of any expenditure made to the date of such demand.

14. Clear Market

To ensure the successful execution and completion of the Offer, during the period from the date of this Agreement to the date of clearance by the SEC of the Basis of Allotment, the Issuer shall ensure that it shall neither announce, enter into discussions to raise nor attempt to raise any other finance by way of debt or equity or effect any arrangement of any nature in the domestic and/or international (i) loan, (ii) debt, or (iii) bank market(s) (including but not limited to any syndicated facility, bond or note issuance) without the prior written consent of the Joint Issuing Houses and such consent shall not be unreasonably withheld, conditioned, delayed or refused. For the avoidance of doubt, this clause does not include borrowings by the Issuer in the ordinary course of its administration, or renewal of existing credit facilities.

15. Market Flex

If prior to obtaining the approval of the SEC to the Offer, the Joint Issuing Houses determine, having regard to prevailing conditions in the financial markets or a material adverse change in the condition (financial or otherwise) of the Issuer, that a change to the structure or other terms of the Offer would be advisable in order to enhance the prospects of the Offer, the Joint Issuing Houses in consultation with the Issuer shall be entitled to make such a change.

16. Termination

16.1 The Joint Issuing Houses may, having first consulted the Issuer by not less than fourteen (14) days' notice in writing to the Issuer, terminate this Agreement:

16.1.1 if the Issuer shall fail in any material respect to comply with any of the provisions of this Agreement or the terms of the Offer and fails to remedy such breach (if capable of remedy) within two (2) weeks upon due notification of the breach by the Joint Issuing Houses;

16.1.2 if any of the representations and warranties set out in clause 7.1 of this Agreement (*Representation and Warranties by the Issuer*) is found to be untrue or inaccurate in all or any material respect provided that the Joint Issuing Houses can demonstrate that the non-existence, cessation or inaccuracy of the representation or warranty directly renders the Offer impracticable or unattractive to investors; or

16.1.3 if there occurs a change in the financial position of the Issuer, or if any political or other unforeseen circumstances arise, which in the reasonable opinion of the Reporting Accountants and the Joint Issuing Houses, is material and may have a

material adverse effect on the Issuer or the Offer in such a manner as to render the Offer or the terms thereof (as specified in the Offer Documents), impracticable or unadvisable; or

16.1.4 any national or local emergency, including but not limited to civil strife, war, introduction of prohibitive governmental regulations, occurs, which may materially and adversely affect the capability of the Issuer to perform its obligations under this Agreement or as specified in the Prospectus.

16.2 The Issuer may, having first consulted each of the Joint Issuing Houses by not less than fourteen (14) days by notice in writing to each of the Joint Issuing Houses, terminate this Agreement:

16.2.1 upon notifying each of the Joint Issuing Houses of breach hereof or upon reasonable proof of the negligence and/or incompetence of each of the Joint Issuing Houses in the performance of their duties and obligations herein specified; or

16.2.2 upon the occurrence of any event which, in the considered opinion of the Issuer, may be materially adverse to the Offer so as to render the Offer impracticable.

16.3 If this Agreement is terminated pursuant to the provisions of this clause 16 (*Termination*):

16.3.1 the Issuer shall pay all expenses that have up to that time been reasonably incurred and accounted for by the Joint Issuing Houses or by any of the other Parties to the Offer at the date of the termination;

16.3.2 the Issuer shall pay to the Joint Issuing Houses, such fees that may have become due and payable pursuant to clause 11 (*Remuneration*) of this Agreement or in connection with the Offer; provided however that the Issuer shall not be liable to pay any outstanding professional fees to the Joint Issuing Houses if this Agreement is terminated pursuant to clause 16.2.1 hereof;

16.3.3 the Joint Issuing Houses shall if any application monies have already been received return all such monies to the applicants who deposited same;

16.3.4 subject to clause 10.3 (*Indemnities*), the indemnities contained in clause 10 (*Indemnities*) shall continue to apply as specified therein, notwithstanding such termination; and

16.3.5 the Issuer may, at its discretion, subsequently enter into similar agreements with the Joint Issuing Houses, any one of them or any other person whatsoever.

17. Tenor

Time shall be of the essence of this Agreement and all acts and things required to be done by the Parties under this Agreement shall be done promptly and within a reasonable time and in accordance with the Offer timetable or regulatory requirements, or within such other time as may be agreed by the Parties.

18. Assignment of Rights

No party to this Agreement shall assign its rights and obligations herein without the prior written consent of the other Parties, such consent not to be unreasonably withheld.

19. Force Majeure

The Parties shall be released from their obligations under this Agreement if any national or local emergency occurs which affects the Offer including but not limited to civil strife, war, introduction of prohibitive government regulations or other event beyond the control of the Parties which may materially or adversely affect the Issuer's activities and/or capabilities to perform its obligations under this Agreement or as specified in the Offer Documents.

20. Waiver

No failure or delay by the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

21. Variation

It is expressly and unequivocally agreed that the terms and conditions herein shall not be varied, altered and or modified, except with the mutual written consent of all the Parties.

22. Severability

If at any time any part of this Agreement is declared invalid by a court of law or other competent tribunal, such decision shall not affect the validity of any remaining portion which shall remain in full force and effect as if the invalid portion was never part of this Agreement. Should the severance of any such part of this Agreement materially affect any rights and obligations of the

Parties thereto, the Parties will negotiate in good faith amendments which reflect the intention of the Parties under this Agreement.

23. Notices

23.1 All notices required to be given hereunder shall be in writing and may be hand delivered or sent by recorded delivery, courier or facsimile or electronic mail to the Parties at the addresses stated in clause 23.3 or such other address as a Party may otherwise notify the other Parties in writing.

23.2 Any notice given hereunder shall become effective: (a) if hand delivered, immediately upon delivery and an acknowledgement of receipt is furnished; (b) if sent by recorded delivery or courier, three (3) days after delivery to the post office or courier office with prepayment; and (c) if sent by fax or electronic mail, immediately the fax or electronic mail is transmitted and a due record of the transmission is obtained.

23.3 If to the Issuer

C&I Leasing Plc
Leasing House, C&I Leasing Drive
Off Bisola Durosinmi Etti Drive
CBD, Lekki Phase 1
Lekki
Lagos
Attn.: Emeka Ndu
E-mail: emeka.ndu@c-ileasing.com

If to the Joint Issuing Houses

FSDH Merchant Bank Limited
UAC House
1/5 Odunlami Street
Lagos
Attn: Ikponmwosa E. Izedonmwun
E-mail: ijizedonmwun@fsdhgroup.com

FBN Capital Limited
16 Keffi Street
Off Awolowo Road
Ikoyi
Lagos
Attn: Oluseun Olatidoye

24. Counterparts

This Agreement may be executed in any number of counterparts (provided that every Party must execute at least one counterpart) all of which taken together shall constitute one and the same instrument.

25. Governing Law

The validity, construction and performance of this Agreement shall be governed by and interpreted in accordance with the laws of the Federal Republic of Nigeria.

26. Disputes

26.1 If any dispute arises as to the validity, interpretation, rights and or obligations of the Parties under this Agreement, the Parties shall use their best endeavours to reach an amicable settlement of the dispute; provided that notification of any such dispute shall be given to the SEC within five (5) Business Days of its occurrence.

26.2 Where the Parties fail to reach an amicable settlement of such dispute within a period of ten (10) Business Days, the dispute shall be resolved by arbitration, conducted in accordance with the provisions of the Arbitration and Conciliation Act, Cap. A18 Laws of the Federation of Nigeria, 2004.

26.3 The parties shall have a maximum of three (3) Business Days within which to appoint Arbitrators. The Arbitral panel shall consist of three (3) arbitrators, one appointed by the Issuer, a second appointed jointly by the Joint Issuing Houses, and the third arbitrator who shall preside over the panel shall be appointed by the two (2) arbitrators appointed by the Issuer and the Joint Issuing Houses.

26.4 In the event that either the Issuer or the Joint Issuing Houses or both are unable to appoint an arbitrator(s) within the time specified in clause 26.3 above, the appointment of the arbitrator(s) shall be made by the Director-General of the SEC.

26.5 In the event that the 2 (two) arbitrators appointed by the parties are unable to agree on the appointment of the third arbitrator within three (3) Business Days of their first meeting following their respective appointments, the appointment of the third and presiding arbitrator shall, within a further two (2) Business Days thereof, be referred by either arbitrator to the Director-General of the SEC.

- 26.6 The arbitral proceedings shall be held in Lagos, and shall be conducted in the English language.
- 26.7 The Arbitral panel shall have a maximum period of ten (10) Business Days following the parties' exchange of pleadings, to resolve the dispute, failing which the dispute shall be referred to the SEC for resolution.
- 26.8 Any Party aggrieved by the decision of the SEC reached in accordance with clause 26.7 may then refer the matter to the Investment and Securities Tribunal, established in accordance with the provisions of the Act, for final resolution.
- 26.9 Each Party shall bear the costs of its appointed arbitrator while both Parties shall jointly bear the cost (in equal parts) of the third arbitrator. In the case of an appeal to the Investments and Securities Tribunal, each Party shall bear its cost of such appeal.

27. Compliance with the Act

The terms and conditions provided in this Agreement are in conformity with provisions of the Act and the SEC Rules and Regulations made thereunder.

SCHEDULE
Estimated Costs and Expenses

C&I LEASING PLC ₦600,000,000 BOND		
Principal Amount	600,000,000	
	₦	%
Statutory Fees		
Securities & Exchange Commission		
Registration Fee	1,200,000	0.2000%
Filing Fee	10,000	0.0017%
<i>Amount Payable to SEC</i>	1,210,000	0.202%
FMDQ OTC Plc		
Listing Fee	600,000	0.100%
Quotation Fee	850,500	0.142%
<i>Amount payable to FMDQ OTC Plc</i>	1,450,500	0.242%
Central Security Clearing System (CSCS)		
(Eligibility Fee-CSCS 0.0125%)	62,500	0.0104%
Sub Total	2,723,000	0.454%
Professional Fees (inclusive of VAT)		
Issuing House Fee	8,100,000	1.35%
Placement Fee	2,700,000	0.45%
Counsel to the Issue	2,000,000	0.33%
Counsel to the Issuer	1,000,000	0.17%
Solicitor to Trustee	1,000,000	0.17%
Reporting Accountants Fee	2,000,000	0.33%
Auditors	-	0.00%
Registrars	2,000,000	0.33%
Stockbrokers	1,000,000	0.17%
Trustees Fee	2,000,000	0.33%
VAT (5%)	1,090,000	0.18%
	22,890,000	3.82%
Other Costs		
Printing Costs, Stationery and Distribution (Banners etc.) and Advertising	750,000	0.13%
Miscellaneous/Contingency	100,000	0.02%
	850,000	0.14%

IN WITNESS WHEREOF the Parties hereto have each caused their respective common seals to be affixed hereunto the day and year first above written.

THE COMMON SEAL of the within-named
C&I LEASING PLC was hereunto affixed in
the presence of:



DIRECTOR
CHUKWUEMEKA NDU

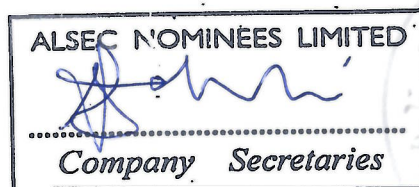


SECRETARY
MBANUGO UDENZE & CO.

THE COMMON SEAL of the within-named
FSDH MERCHANT BANK LIMITED was
hereunto affixed in the presence of:

 HANDA AMBAH

DIRECTOR



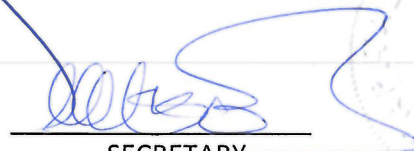
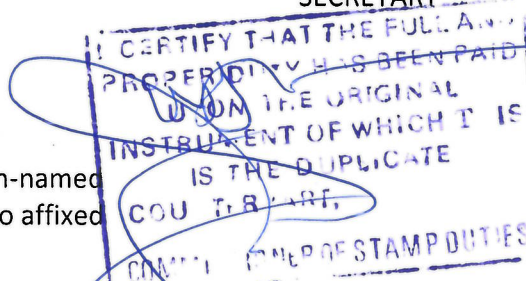
SECRETARY

THE COMMON SEAL of the within-named
FBN CAPITAL LIMITED was hereunto affixed
in the presence of:



DIRECTOR

Taiwo Okeowo



SECRETARY

Irene Otiike-Odibo