

# RED HERRING PRICING SUPPLEMENT / SUPPLEMENTAL SHELF PROSPECTUS

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GEL UTILITY FUNDING SPV PLC  
RC 1527166

**OFFER FOR SUBSCRIPTION (BY WAY OF BOOK BUILDING)**

OF

**₦13,000,000,000.00**

**SERIES 1: 15-YEAR 15.15% SENIOR GUARANTEED FIXED RATE INFRASTRUCTURE BONDS DUE 2034  
UNDER A ₦50,000,000,000.00 BOND ISSUANCE PROGRAMME**

**Issue Price: ₦1,000 per unit  
Payable in full on Application**

Application List Opens: 5<sup>th</sup> August, 2019

Application List Closes: 19<sup>th</sup> August, 2019

**GUARANTOR**



RC: 1368639

This Pricing Supplement is prepared for the purpose of Rule 279(3) of the Rules and Regulation of the Securities & Exchange Commission ("the Commission" or SEC) in connection with the ₦50,000,000,000.00 Medium Term Note Programme established by GEL Utility Funding SPV PLC ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated 28 August 2019 and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing House.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No Securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than two years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 1 Bonds" or "Bonds"). Application will be made to the Council of the Exchange for the admission of the Bonds to the Daily Official List of the Exchange. The Bonds now being issued will upon admission to the Daily Official List qualify as a security in which Trustee may invest under the Trustee Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004.

The Issuer accepts responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that, save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

**ISSUING HOUSE**



RC: 444999

**THIS SUPPLEMENTARY PROSPECTUS IS DATED 28 AUGUST 2019**

[www.gelutilitylimited.com](http://www.gelutilitylimited.com)

[www.sec.gov.ng](http://www.sec.gov.ng)

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## INDICATIVE TIMETABLE

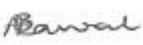
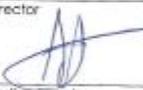
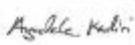
Date	Activity	Responsibility
31 <sup>st</sup> July, 2019	Receive the SEC's approval of Red Herring Prospectus; and approval to commence Book Building	Issuing House
5 <sup>th</sup> August, 2019	Commence Book Building	Issuing House/Bookrunner
19 <sup>th</sup> August, 2019	Conclude Book Building/Determine Clearing Price and Allocate Bonds	Issuing House/Bookrunner
20 <sup>th</sup> August, 2019	Dispatch Allocation Confirmation Letters to Investors	Issuing House/Bookrunner
20 <sup>th</sup> August, 2019	Update Transaction Documents and file same with the SEC	Issuing House/Bookrunner
[Day][Month], 2019	Effect Payment of allotted Bonds to the Receiving Banks	Successful Applicants
[Day][Month], 2019	Hold Signing Ceremony	All Parties
[Day][Month], 2019	Transfer Net Issue Proceeds To The Issuer	Receiving Banks
[Day][Month], 2019	File Executed Transaction Documents, Allotment Proposal and draft newspaper announcement with the SEC	Issuing House/Bookrunner
[Day][Month], 2019	Receive SEC Clearance of Allotment and draft newspaper announcement	Issuing House/Bookrunner
[Day][Month], 2019	Announce Allotment in at least two (2) national dailies	Issuing House/Bookrunner
[Day][Month], 2019	File Declaration of Compliance, Expression of Interest, Indemnity Letter and General Undertaking with FMDQ	FMDQ Listing Agent (Issuing House)
[Day][Month], 2019	Credit CSCS Accounts of Allottees/dispatch Bond Certificates	Registrar
[Day][Month], 2019	Listing Of Bonds on FMDQ trading platform	FMDQ listing Agent
[Day][Month], 2019	Post Offer Compliance Report Filing	Issuing House/Bookrunner

Important Notice: The dates given above are indicative only. Events in the timetable may be subject to adjustment

## **PARTIES TO THE ISSUE**

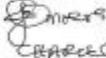
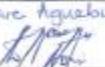
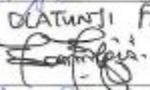
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## PARTIES TO THE ISSUE

PARTIES TO THE ISSUE	
The Issuer	<p><b>GEL Utility Funding SPV PLC</b>                      48, Anthony Enahoro Street                      Utako, Abuja                      Nigeria  <a href="mailto:simon@gelutilitylimited.com">simon@gelutilitylimited.com</a>                      Contact Number: 0807 779 0415</p> 
Issuer's Directors	<p><b>Mr. James Fasaye</b> - (Representing Genesis Power &amp; Energy Solutions Nigeria Limited)                      48, Anthony Enahoro Street                      Utako, Abuja                      Nigeria</p> 
	<p><b>Mr. Simon Shaibu</b> - (Representing GEL Utility Limited)                      48, Anthony Enahoro Street                      Utako, Abuja                      Nigeria</p> 
Issuer's Company Secretary	<p><b>Ms. Amina Onifade</b>                      48, Anthony Enahoro Street                      Utako, Abuja                      Nigeria</p> 
The Sponsor	<p><b>GEL Utility Limited</b>                      48, Anthony Enahoro Street                      Utako, Abuja                      Nigeria  <a href="http://www.gelutilitylimited.com">www.gelutilitylimited.com</a> Contact Number: 0807 779 0415</p> 
Sponsor's Board of Directors	<p><b>Mr. Akinwale Omobolowo</b> - Chairman                      48, Anthony Enahoro Street                      Utako, Abuja                      Nigeria</p> 
	<p><b>Mr. Simon Shaibu</b> - Executive Director                      48, Anthony Enahoro Street                      Utako, Abuja                      Nigeria</p> 
	<p><b>Mr. Ahsan Zafar Syed</b> - Non Executive Director                      4<sup>th</sup> Floor Harbour Front Building, HC                      No. 3, Marine Drive, Karachi                      Pakistan</p>
	<p><b>Mr. Felix Achibiri</b> - Non Executive Director                      48, Anthony Enahoro Street                      Utako, Abuja                      Nigeria</p> 
	<p><b>Mr. Shahab Qader Khan</b> - Non Executive Director                      4<sup>th</sup> Floor, The Harbour Front Building                      HC 3, Marine Drive                      Block 4, Clifton Karachi                      South Sindh                      Pakistan</p>
Sponsor's Company Secretary	<p><b>G. Elias &amp; Co</b>                      6, Broad Street                      Lagos</p>  

GEL UTILITY FUNDING SPV PLC ₦13.0 BILLION SERIES 1 SENIOR GUARANTEED FIXED RATE INFRASTRUCTURE BONDS - SUPPLEMENTARY PROSPECTUS

## PARTIES TO THE ISSUE

PARTIES TO THE ISSUE	
Issuing House	<b>United Capital Plc</b> 12 <sup>th</sup> Floor, UBA House 57 Marina Lagos 
Trustees	<b>Stanbic ITC Trustees Limited</b> The Wealth House Plot 1678 Olakunle Bakare Close off Sanusi Fafunwa Street Victoria Island Lagos  CHARLES ONOJA
Solicitors to the Issue	<b>F.O Akintola &amp; Co</b> 188 Awolowo Road, S.W Ikoyi, Lagos. CHIDOMA NIGRAM Ceneleke
Solicitors to the Issuer	<b>G.Elias &amp; Co</b> 6, Broad Street Lagos Hosakire Aguebur 
Stockbrokers	<b>Meristem Securities Limited</b> 124 Norman Williams Street Ikoyi Lagos OLATUNJI FAMILY 
Auditors	<b>PricewaterhouseCoopers</b> Landmark Towers 5B, Water Corporation Road Victoria Island Lagos Pedro Oluwalanlehin 
Reporting Accountants:	<b>Deloitte &amp; Touche</b> Civic Towers, Plot GA 1, Ozumba Mbadawe Avenue, Victoria Island, Lagos. TEMITOPÉ ODUJOYA Oluwalanlehin
Registrars to the Issue	<b>Africa Prudential Plc</b> 220B, Ikorodu Road Palmgrove Lagos Catherine Akpan 
Receiving Bank	<b>First Bank of Nigeria Limited</b> Samuel Asabia House, 35 Marina Lagos Victoria Adesigbenle 
Rating Agency	<b>Agusto &amp; Co. Limited</b> 5 <sup>th</sup> floor, UBA House 57, Marina Lagos ADEBISI OLUKUN Oluwalanlehin

## SUMMARY OF THE OFFER

The following Summary does not purport to be complete and is qualified in its entirety by the remainder of this Pricing Supplement as a whole, the Shelf Prospectus and other documents, if any, incorporated by reference into this Pricing Supplement.

FINAL TERMS OF THE SERIES 1 BONDS		
1.	Issuer	GEL Utility Funding SPV Plc
2.	Sponsor	GEL Utility Limited
3.	Co-Obligor	GEL Utility Limited
4.	Description of the Bonds	15-Year 15.15 % Senior Guaranteed Fixed Rate Infrastructure Bonds Due 2034
5.	Bond Classification/Type	Infrastructure Bonds
6.	Series Number:	1
7.	Specified Currency	Nigerian Naira (₦)
8.	Aggregate Principal Amount of Series:	₦13,000,000,000.00
9.	Issue Price	Par – ₦1,000 per unit of the Bonds
10.	Coupon Rate	15.15%
11.	Gross Proceeds	₦13,000,000,000.00
12.	Denomination(s) /Subscription:	Minimum of ₦10,000,000.00 and multiples of ₦1,000,000.00 thereafter
13.	Source of Repayment	The Issuer shall pay the Coupon and repay the Principal Amount Outstanding from the Payment Account
14.	Issue Date:	28 <sup>th</sup> August 2019
15.	Interest Commencement Date	28 <sup>th</sup> August 2019
16.	Maturity Date:	28 <sup>th</sup> August 2034
17.	Tenor	15 years
18.	Principal Moratorium:	Two (2) years Principal Moratorium Only
19.	Interest Basis:	Fixed Rate
20.	Redemption/Payment Basis:	Amortised
21.	Liability of Co-Obligor(s)	The Co-Obligor, jointly and severally, irrevocably and unconditionally undertakes to perform the payment obligations of the Issuer as primary obligor

## SUMMARY OF OFFER

<p><b>22.</b> Guarantors</p>	<p>Infrastructure Credit Guarantee Company Limited ("InfraCredit"), a private company limited by shares and incorporated under the laws of Nigeria with registration number 1368639</p> <p>InfraCredit has been assigned a AAA long-term Naira currency national scale rating by Agosto &amp; Co. and GCR.</p> <p>United States Agency for International Development, an agency of the Government of the United States of America ("<b>USAID</b>")</p>								
<p><b>23.</b> Status:</p>	<p>The Series 1 Bonds shall constitute senior direct obligations of the Issuer and shall at all times rank pari passu and rateably without any preference or priority among themselves</p>								
<p><b>24.</b> Guarantee</p>	<p>The Bonds are backed by way of a specific guarantee by the Guarantors, of the due and punctual observance by the Issuer of all of its payment obligations in respect of all scheduled principal amounts and coupon due and payable by the Issuer in accordance with the terms of the deeds of guarantee entered into with USAID and InfraCredit respectively (the <b>Deeds of Guarantee</b>).</p> <p>In the case a claim is submitted under each of the Guarantees, payment of the scheduled principal and coupon due and payable under the Bonds shall be made by the Guarantor(s) (in accordance with their respective Deeds of Guarantee) no later than the applicable scheduled payment date and in any case, no later than the last day of any grace period granted to the Issuer, and only in the scheduled repayment instalments specified in the Coupon and Principal Payment Schedule on page 19.</p> <p>In the event of a default on the Bonds, the Guarantees cannot be accelerated unless the Guarantors in their sole discretion elect to do so by notice in writing to the Note Trustee. If no such election is made, the Guarantors will continue to be liable to make timely payments of the Guaranteed Amounts in accordance with the Coupon and Principal Payment Schedule.</p>								
<p><b>25.</b> Use of Proceeds</p>	<p>After the deduction of the costs and expenses of the Issue, which are estimated at ₦236,944,500 representing 1.82% of the gross issue proceed, the net proceeds will be utilized as follows:</p> <table border="1" data-bbox="762 2018 1412 2096"> <thead> <tr> <th>Purpose</th> <th>Amount (₦'Millions)</th> <th>% of Net proceeds</th> <th>Estimated completion period</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Purpose	Amount (₦'Millions)	% of Net proceeds	Estimated completion period				
Purpose	Amount (₦'Millions)	% of Net proceeds	Estimated completion period						

## SUMMARY OF OFFER

Refinancing of Loans <sup>#</sup>	9,837	75.67%	Immediately after Issue date
Capital Expenditure	1,941	14.93%	12 months
Funding of reserve account	985	7.58%	Immediately after Issue date
Cost of Offer	237	1.82%	Immediately after Issue date
<b>Total</b>	<b>13,000</b>	<b>100%</b>	

The proceeds of the bond issuance shall be transferred by the Issuer to the Sponsor for utilization as detailed and stated above.

<b>26.</b> Listing(s):	An application to list the Bonds will be made to FMDQ OTC Securities Exchange PLC and/or the Nigerian Stock Exchange
<b>27.</b> Method of Distribution:	By way of book building to Qualified Institutional Investors and High Net-worth Individuals as defined by Rule 321 of the SEC Rules and Regulations, 2013 (and as amended)
<b>28.</b> Offer Period	As indicated in the Indicative Timetable on page 3
<b>29.</b> Event of Default	The events of default under the Bonds are as specified within Condition 15 of the Programme Trust Deed and as modified by the Series 1 Trust Deed. The Note Trustees shall notify the Commission of such event(s) of default as required by the Rules and Regulation of the Commission.
<b>30.</b> PENCOM Compliance	The Bond qualifies as securities in which Pension Fund Assets can be invested under the Pensions Reforms Act 2014 and also qualifies as securities in which Trustees may invest under the Trustees Investment Act, Cap T22, LFN, 2004.

### Provisions Relating To Interest (If Any) Payable

<b>31.</b> Fixed Rate Note Provisions	
- Interest Rate:	15.15%
- Coupon Payment Date(s) /Payment Dates:	Semi-annual, and payable in arrears on 28, February and 28, August of each year, commencing on 28, August, 2019 up to and including the Maturity Date
- Interest Amount(s):	See 'Amortisation Schedule' on page 19
- Day Count Fraction:	30/360

## SUMMARY OF OFFER

- Business Day Convention:	Following Business Day: Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on or by the next succeeding Business Day.
- Business Day:	Any day (other than a Saturday, Sunday or a Federal Government of Nigeria declared public holiday) on which commercial banks are open for general business in Lagos, Nigeria.
- Other terms relating to method of calculating interest for Fixed Rate Bonds:	N/A

### Provisions Relating To Redemption

<b>32.</b> Optional Early Redemption (Call Option):	Early redemption option from Year 4 to Year 15
<b>33.</b> Optional Early Redemption (Put Option):	Not Applicable
<b>34.</b> Scheduled Redemption/Amortization:	Amortized redemption of Principal as shown in the Coupon and Principal Payment Schedule on page 19
<b>35.</b> Redemption Amount(s):	<del>₦</del> 500,000,000 on each Payment Date as shown in the Coupon and Principal Payment Schedule on page 19
<b>36.</b> Scheduled Redemption Dates:	Semi-annually each year commencing on 28 <sup>th</sup> February 2020 until the Maturity Date (each a "Redemption Date") as shown in the Coupon and Principal Payment Schedule on page 19
<b>37.</b> Final Redemption Amount:	Not Applicable

### General Provisions Applicable to the Bonds

<b>38.</b> Form of Bonds:	Dematerialised Bonds
<b>39.</b> Form of Dematerialised Bonds:	Electronic registration on the CSCS Platform
<b>40.</b> Registrar:	Africa Prudential Plc
<b>41.</b> Trustee(s):	Stanbic IBTC Trustees Limited
<b>42.</b> Record Date:	No Bondholder may require the transfer of a bond to be registered during the period of fifteen (15) days prior to a Coupon Payment Date or the Redemption Date

### Distribution, Clearing and Settlement Provisions

<b>43.</b> Names of Issuing House/Book Runner	<ul style="list-style-type: none"> <li>United Capital Plc</li> </ul>
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## SUMMARY OF OFFER

44. Underwriting	At the instance of the Issuer, this Series 1 Bond issuance will not be underwritten
45. Clearing System:	Central Securities Clearing System Plc
<b>General</b>	
46. Rating:	
(i) Co-Obligor	" <b>Bbb+</b> " (Agusto & Co.)
(ii) Issue	" <b>AAA</b> " (Agusto & Co.)
47. Taxation:	The Series 1 Bonds are exempt from taxation in Nigeria in accordance with the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order 2011 ("CIT Order"), the Value-Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities ("VAT Order")) Order 2011, the Personal Income Tax (Amendment) Act 2011 (PITA), and Value-Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order 2014. As such, all payments made to Bondholders shall be free and clear of Withholding, State and Federal Income and Capital Gains Taxes <sup>1</sup> with no deductions whatsoever being made at source. For avoidance of doubt, the CIT Order and VAT Order has a lifespan of 10 years commencing on the effective date of 2nd January 2012. The exemption under PITA is indefinite. Accordingly, commissions payable to the SEC, NSE and CSCS will not be subject to value added tax until July 24, 2019
48. Governing Law	The Series 1 Bonds will be governed by, and construed in all respects in accordance with the Investments and Securities Act No. 29, 2007 and the laws of the Federal Republic of Nigeria.

### Material Adverse Change Statement

Except as disclosed in this document and in the Shelf Prospectus dated 28 August 2019, there has been no significant change in the financial or trading position of the Issuer since the date of the issuers last audited financial statement and no material adverse change in the financial position or prospects of the Issuer since the end of the financial year 2018.

### Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds.

<sup>1</sup> The waiver on Capital Gains Tax has been issued, but the legislative and administrative processes of implementing this have not been finalised

## DESCRIPTION OF THE CO-OBLIGOR

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GEL Utility Limited ("GELUL" or the Company") is a Special Project Company incorporated for the purpose of executing a 20-year Power Purchase Agreement (PPA) signed with the Nigerian National Petroleum Corporation (NNPC) to provide uninterrupted power supply to the Port Harcourt Refining Company (PHRC), a wholly owned subsidiary of the Nigerian National Petroleum Corporation (NNPC) based in Onne, Rivers State.

The Company, a joint venture (JV) between Genesis Energy Group (55%) and Engro of Pakistan (45%), was incorporated in September 2012 to develop, operate and provide either grid-connected or off-grid electric power. GEL's business model is hinged on building modular, industrial-style power plants while offering fuel efficient solutions across the generation and distribution value chain of the power sector. Based on the terms of the JV, Genesis Energy is primarily responsible for managing the administrative, finance and business development side of the business while Engro is responsible for carrying out day-to-day operations and maintenance of the plant.

In executing its mandate under the PPA with NNPC, GEL Utility procured three (3) TM2500 Dual-Fired-Gas Turbine from General Electric (GE) with an installed capacity of 84MW (the "Plant") for performance under the agreement. Under the PPA, NNPC contracted for 24MW that must be generated and/or made available (every hour) to Port Harcourt Refinery from the date on which the plant was are fully installed, tested, and commissioned. The Company currently carries out operations and maintenance and according to representations from the technical partners, the Plant has been operated and maintained to achieve over 99% up-time since the commercial operations date with positive feedback from NNPC (the sole off-taker).

The Plant site is situated within the refinery complex and spans about an acre, with the three (3) turbines situated at the southwest corner of the site. The control room is located at the south of the site while other offices and stores are located close to the fence towards the east of the plant. The black start generator is located towards the south of the power plant along the fence line within the plant site. Each turbine has an installed capacity of 28MW with the turbines capable of running either on Piped Natural Gas or Diesel. The Company is currently exploring the possibility of including Liquefied Petroleum Gas (LPG) to its possible fuel source

### **GEL Utility Funding SPV Plc**

GEL Utility Funding SPV Plc ("GEL-SPV") was incorporated in Nigeria on 21st of September 2018 (with Registration Number 1527166) as a public limited company under the name "GEL Utility Funding SPV PLC" and with Registered Address at No 48. Anthony Enahoro Street, Utako, Abuja. The Issuer has no subsidiaries and has been established as a special purpose vehicle for the purpose of passing through funds to, and receiving funds from GEL Utility Limited.

GEL Utility Funding SPV Plc has an authorised and issued share capital of ₦2,000,000.00 divided into 2,000,000.00 ordinary shares of ₦1.00 each with 1,999,000 ordinary shares held by Simon Shaibu (representing GEL Utility Limited) and 1,000 ordinary shares held by James Fasaye (representing Genesis Power & Energy Solutions Nigeria Limited).

As set out in Clause 3 of its Memorandum and Articles of Association, the principal objectives of the Issuer, amongst other things, is to secure repayment of any monies borrowed, raised or owing the company by mortgage, charge or lien upon all or part of the company's property or assets and obtain guarantees from third parties for the performance by the company of any obligation or liability it may undertake.

### **Principal Activities**

The principal activities of the Issuer are to borrow or raise money in such manner as the Issuer shall think fit and where applicable grant any security over its assets for such purposes subject to and in accordance with the terms of the Transaction Documents. The applicable assets include the Issuer's rights, title, benefits and interest present and future, which have been granted to the Issuer pursuant to the terms of the Trust Deed Agreement and all the other Transaction Documents to which the Issuer is a party.

Copies of the Memorandum and Articles of Association of the Issuer may be inspected at the specified offices of the Issuer.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public limited company, the authorisation and issue of the Bonds and of the other documents and matters referred to or contemplated in this document to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

The Issuer's activities are restricted by the terms of the Trust Deed, and other related Transaction Documents.

### **Guarantee**

The Series 1 Bonds are backed by way of a specific guarantee by the Guarantors, of the due and punctual observance by the Issuer of all of its payment obligations in respect of all scheduled principal amounts and scheduled coupon due and payable by the Issuer under the terms of their respective Deeds of Guarantee (the "Guarantee").

### **Structure of the Issue**

Key features of the transaction structure include:

- GEL Utility Funding SPV Plc shall issue the Series 1 Bonds fully guaranteed by InfraCredit and USAID to Qualified Institutional Investors and High Net Worth Individuals.
- Proceeds from the Bonds will be passed-through to the Co-Obligor under the terms of the Series 1 Trust Deed; in accordance with the Use of Proceeds
- The Co-Obligor shall have a joint and several obligation to repay the aggregate principal amount outstanding and coupon payable on the Series 1 Bonds, and will directly, on a joint and several basis, fund the Payment Account
- The Note Trustees pay the bond obligation (Interest and principal) to the Bondholders
- The Guarantors collectively, pursuant to the terms of their respective Deeds of Guarantee, provide an irrevocable and unconditional guarantee to the Note Trustee,

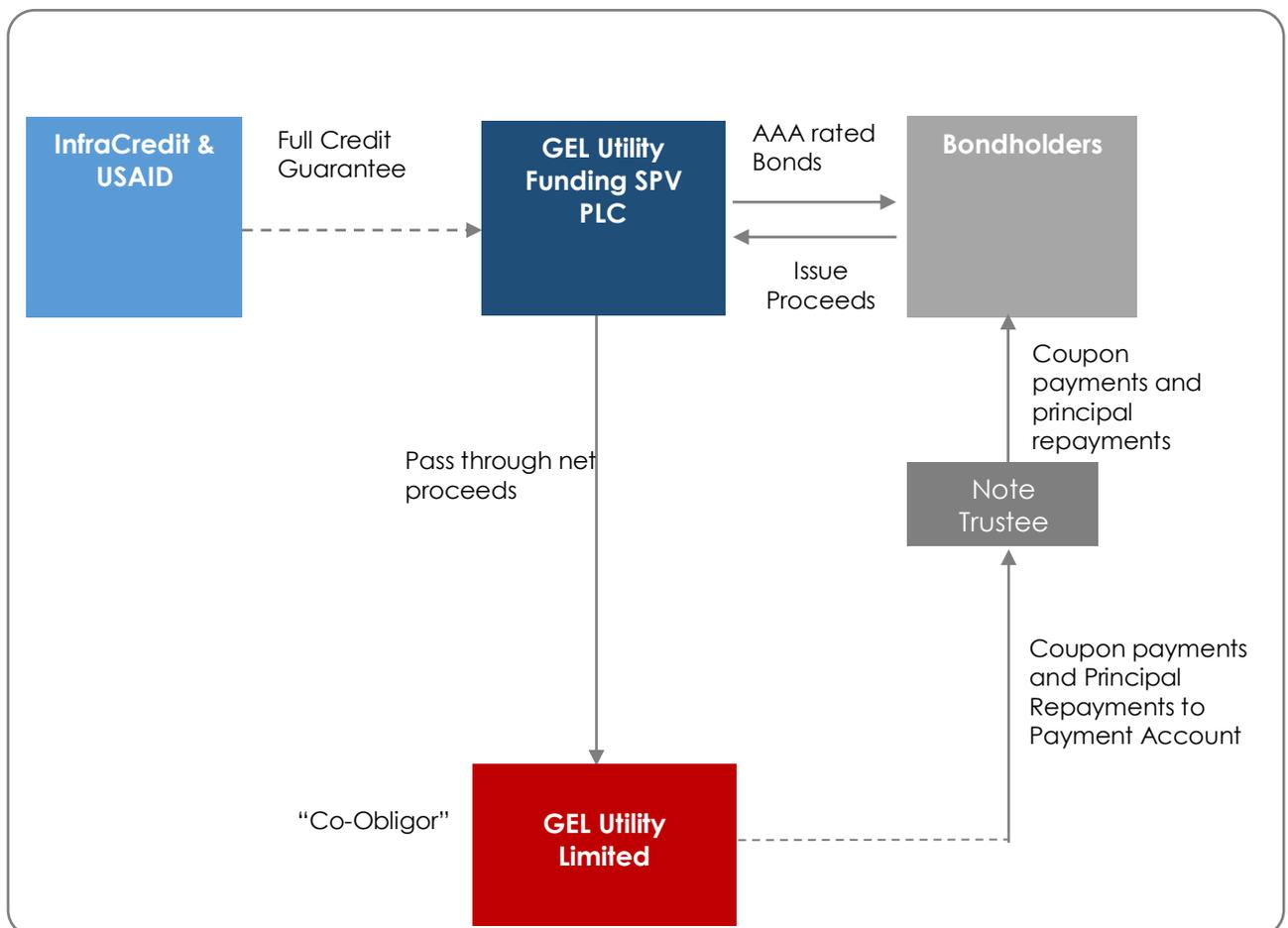
## DESCRIPTION OF THE ISSUE

for and on behalf of the Bondholders, by way of a specific guarantee of the due and punctual observance by the Issuer of its payment obligations in respect of all scheduled principal and/or coupon payable on the Series 1 Bonds

- The intent and purpose of the Guarantee is to ensure that the Bondholders, under all circumstances and regardless of any factual and legal circumstances, motivations and considerations on the basis of which the Issuer may fail to effect payment, shall receive the scheduled principal and coupon payable pursuant to the terms and conditions of the Bonds on the due dates in accordance with the Coupon and Principal Payment Schedule

The Note Trustee shall have the sole right to require performance of the obligations undertaken by each Guarantor and to enforce such obligations against the Guarantors. Accordingly, at any time upon first written demand by the Note Trustee, all amounts required under the Guarantee shall be paid without any restrictions if the Issuer for any reason, fails to pay the amounts due and payable in respect of the Series 1 Bonds.

Provided always that the Guarantors shall not make any payments to and the Note Trustee shall ensure that no payment is made to a Bondholder who is currently on the SDN Lists or is otherwise subject to sanctions by OFAC regardless of any claim that such Bondholder may have.



## DESCRIPTION OF THE GUARANTORS

### INFRASTRUCTURE CREDIT GUARANTEE COMPANY LIMITED

#### Introduction

Infrastructure Credit Guarantee Company Limited ("InfraCredit" or the "Co-Guarantor") was incorporated in Nigeria on the 20<sup>th</sup> of October 2016 (RC. No. 1368639) as a private limited company trading under the business name and style of "InfraCredit" (registered no. 2455187) with the Corporate Affairs Commission. The registered office is at 17 Sanusi Fafunwa Street, Victoria Island, Lagos, Nigeria.

InfraCredit is a specialized credit enhancement facility established to support long term local currency infrastructure financing by providing guarantees to enhance the credit quality of local currency debt instruments issued to finance eligible infrastructure related assets in Nigeria. Its guarantees act as a catalyst to attract the investment interest from pension funds, insurance firms and other long-term investors, thereby deepening the Nigerian debt capital markets. InfraCredit was established by the Nigeria Sovereign Investment Authority ("NSIA"), an independent agency responsible for the management of Nigeria's sovereign wealth fund, in collaboration with GuarantCo, a supranational funded by five G12 countries: the UK (DFID), Switzerland (SECO), Sweden (SIDA), the Netherlands (DGIS through FMO) and Australia (DFAT).

InfraCredit's authorised share capital is ₦50,000,000,000 divided into 50,000,000,000 ordinary shares of ₦1.00 each. Its issued share capital is 21,529,000,002 ordinary shares of ₦1.00 each. An overview of InfraCredit's capital structure, credit ratings and board of directors is provided below:

#### Capital Providers

In December 2016, InfraCredit signed a Callable Capital Funding Facility Agreement with GuarantCo (the "Callable Capital") under the terms of which GuarantCo commits to support any guarantees issued by InfraCredit, up to a maximum value of US\$50 Million, of which US\$25 Million is being utilised by InfraCredit. GuarantCo is owned by the UK government and four G12 governments. The Callable Capital is an unfunded "second loss" component of InfraCredit's capital structure and acts as a liquid credit backstop to InfraCredit's paid in equity (the "Core Capital"). The Core Capital is a highly liquid funded component of the paid in share capital and acts as a "first loss" protection to the beneficiaries of credit guarantees. NSIA has subscribed and fully paid US\$25 Million of the Core Capital and is the initial shareholder of InfraCredit. In 2018, AFC, the leading infrastructure development finance institution in Africa, invested US\$25 million equity in InfraCredit and became a shareholder in the company alongside the NSIA. InfraCredit plans to increase its Total Capital to up to US\$200 Million (Naira Equivalent) to support its guarantee issuing capacity. In furtherance to this objective, in November 2018, InfraCredit announced the successful closing of a US\$35 Million subordinated capital investment by a new investor, KfW Development Bank ("KfW"). The subordinated unsecured long-term capital ranks as qualifying capital for financial leverage purposes.

Capital Providers	Status	Initial Capital	Int'l Rating
	Sovereign Authority	US\$25 Million Core Capital	N/A
	Multilateral Development Finance Institution	US\$25 Million Core Capital	AAA
	Supranational	US\$25 Million Callable Capital	AA- /Stable

## DESCRIPTION OF THE GUARANTORS

			
	Supranational	US\$35 Million Subordinated Capital	AAA

### Credit Ratings

InfraCredit has been accorded a 'AAA' national scale credit rating, which is the highest credit quality, by the two major domestic rating agencies, thereby reinforcing InfraCredit's credit strength as a financial guarantor. The credit ratings were assigned following a rigorous process of assessment and risk analysis which tested InfraCredit's robust capital structure, corporate governance and a claims-paying ability.

Rating Agency	Assigned Rating	Rating Scale	Rating Class
	AAA (Stable)	National	Long Term
	AAA (Stable)	National	Long Term

### Board Of Directors

InfraCredit's Board is composed of the following initial members:

Name	Position	Address
Uche Orji	Chairman	4th Floor, Clans Place, 1386A Tigris Crescent, Maitama, Abuja
Chinua Azubike	Chief Executive Officer	17 Sanusi Fafunwa Street, Victoria Island, Lagos, Nigeria
Chris Vermont	Independent Director	Hunserdowns Lane, Ardleigh, Colchester, CO7 7LZ, UK
Stella Ojekwe-Onyejeli	Non-Executive Director	4th Floor, Clans Place, 1386A Tigris Crescent, Maitama, Abuja
Sanjeev Gupta	Non-Executive Director	3a Osborne Road, Ikoyi, Lagos
Banji Fehintola	Non-Executive Director	3a Osborne Road, Ikoyi, Lagos

### UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

The United States Agency for International Development (**USAID**) is an overseas development agency of the United States (**U.S.**) Government with the primary purpose of administering foreign aid and development assistance. USAID is charged with the responsibility of carrying out the foreign economic development and technical assistance programs of the U.S. Government. As one of the world's premier international development agencies, USAID seeks to promote economic prosperity amongst developing countries.

## **DESCRIPTION OF THE GUARANTORS**

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As a way of fostering its purpose, USAID has partnered with InfraCredit to provide specific guarantees to eligible companies looking to raise capital in order to develop the infrastructure sector in Nigeria.



November 5, 2018

**DECLARATION BY GEL UTILITY FUNDING SPV PLC**

This prospectus has been prepared by the Issuing Houses on behalf of the Issuer for the purpose of providing information to prospective investors on relevant aspects of the Company in connection with the issue and the investment in securities issued therein. On behalf of the Board of Directors, we hereby make the following declarations:

1. We confirm that information contained in this prospectus is, to the best of our knowledge and belief, in accordance with the facts and contains no omission likely to affect its import;
2. There has been no significant change in financial condition or material adverse change in the prospects of the company since the date of this document;
3. The company has not, during the 12 calendar months immediately preceding the date of application to the SEC for registration of this Prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an immediate recall for such borrowed monies.

SIGNED for and on behalf of  
GEL Utility Funding SPV PLC

By its duly authorised representatives:

Handwritten signature of Simon Shaibu in black ink.

Simon Shaibu  
Managing Director

Handwritten signature of James Fasaye in black ink.

James Fasaye  
Director

Handwritten signature of Amina Onifade in black ink.

Amina Onifade  
Company Secretary



GEL Utility Funding SPV PLC | 48 Anthony Enahoro  
Utako | Abuja | FCT  
Tel: +234 817 273 8053 | +234 802 121 4135



## USE OF PROCEEDS

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### Use of Proceeds

The net proceeds will be deployed to as follows:

Purpose	AMOUNT (NGN MILLION) Amount (₦)	% of Net proceeds	Estimated completion period
Refinancing of Loans <sup>#</sup>	9,837	75.67%	Immediately after Issue date
Capital Expenditure	1,941	14.93%	12 months
Funding of reserve account	985	7.58%	Immediately after Issue date
Cost of Offer <sup>*</sup>	237	1.82%	Immediately after Issue date
<b>Total</b>	<b>13,000</b>	<b>100%</b>	

<sup>#</sup> Amounts required to fully repay bank loans may vary based on full and final amounts due to the banks as at the Issue Date

<sup>\*</sup> The amount of Transaction Expenses may vary based on actual expenses incurred

## AMORTISATION SCHEDULE

The following table indicates the semi-annual amortising repayment of the Principal Amount and Coupon until maturity. The table reflects the coupon rate of 15.15%.

Period	Bond Obligation Repayment Date	Principal Repayment (R'000)	Interest Payment (R'000)	Total Instalment Amount (N'000)	Principal Obligation Outstanding (R'000)
Interval 1	28-Feb-20	0.00	984,750,000.00	984,750,000.00	13,000,000,000.00
Interval 2	28-Aug-20	0.00	975,355,263.43	975,355,263.43	13,000,000,000.00
Interval 3	28-Feb-21	0.00	965,248,875.56	965,248,875.56	13,000,000,000.00
Interval 4	28-Aug-21	0.00	954,376,928.82	954,376,928.82	13,000,000,000.00
Interval 5	28-Feb-22	500,000,000.00	942,681,432.10	1,442,681,432.10	12,500,000,000.00
Interval 6	28-Aug-22	500,000,000.00	930,100,001.51	1,430,100,001.51	12,000,000,000.00
Interval 7	28-Feb-23	500,000,000.00	916,565,527.56	1,416,565,527.56	11,500,000,000.00
Interval 8	28-Aug-23	500,000,000.00	902,005,817.20	1,402,005,817.20	11,000,000,000.00
Interval 9	28-Feb-24	500,000,000.00	886,343,208.78	1,386,343,208.78	10,500,000,000.00
Interval 10	28-Aug-24	500,000,000.00	869,494,157.78	1,369,494,157.78	10,000,000,000.00
Interval 11	28-Feb-25	500,000,000.00	851,368,791.16	1,351,368,791.16	9,500,000,000.00
Interval 12	28-Aug-25	500,000,000.00	831,870,428.02	1,331,870,428.02	9,000,000,000.00
Interval 13	28-Feb-26	500,000,000.00	810,895,063.87	1,310,895,063.87	8,500,000,000.00
Interval 14	28-Aug-26	500,000,000.00	788,330,815.88	1,288,330,815.88	8,000,000,000.00
Interval 15	28-Feb-27	500,000,000.00	764,057,326.12	1,264,057,326.12	7,500,000,000.00
Interval 16	28-Aug-27	500,000,000.00	737,945,119.50	1,237,945,119.50	7,000,000,000.00
Interval 17	28-Feb-28	500,000,000.00	709,854,913.23	1,209,854,913.23	6,500,000,000.00
Interval 18	28-Aug-28	500,000,000.00	679,636,873.84	1,179,636,873.84	6,000,000,000.00
Interval 19	28-Feb-29	500,000,000.00	647,129,817.96	1,147,129,817.96	5,500,000,000.00
Interval 20	28-Aug-29	500,000,000.00	612,160,352.60	1,112,160,352.60	5,000,000,000.00
Interval 21	28-Feb-30	500,000,000.00	574,541,950.24	1,074,541,950.24	4,500,000,000.00
Interval 22	28-Aug-30	500,000,000.00	534,073,953.90	1,034,073,953.90	4,000,000,000.00
Interval 23	28-Feb-31	500,000,000.00	490,540,506.83	990,540,506.83	3,500,000,000.00
Interval 24	28-Aug-31	500,000,000.00	443,709,401.15	943,709,401.15	3,000,000,000.00
Interval 25	28-Feb-32	500,000,000.00	393,330,839.22	893,330,839.22	2,500,000,000.00
Interval 26	28-Aug-32	500,000,000.00	339,136,101.22	839,136,101.22	2,000,000,000.00
Interval 27	28-Feb-33	500,000,000.00	280,836,111.82	780,836,111.82	1,500,000,000.00
Interval 28	28-Aug-33	500,000,000.00	218,119,898.22	718,119,898.22	1,000,000,000.00
Interval 29	28-Feb-34	500,000,000.00	150,652,931.44	650,652,931.44	500,000,000.00
Interval 30	28-Aug-34	500,000,000.00	78,075,341.92	578,075,341.92	0.00

## GEL Utility Funding SPV Plc.

Up to ₦15.5 Billion 15-year Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond Due 2033 under a ₦50 Billion Bond Issuance Programme

Issue Rating:

### Aaa

Highest quality debt issue with minimal credit risk; strongest capacity to pay returns and principal on local currency debt in a timely manner

**Outlook:** Stable

**Issuer Rating:** Bbb+

**Issue Date:** 29 November 2018

**Expiry Date:** December 2033

(Subject to annual review)

*\*This Issue rating is indicative and a final rating will be based on receipt of all duly executed contractual agreements and receipt of an unqualified legal opinion.*

**Guarantor's Rating:** Aaa

**Expiry Date:** 30 June 2019

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## RATING RATIONALE

- Agusto & Co. hereby assigns an indicative rating of 'Aaa' to GEL Utility Funding SPV Plc's ₦15.5 Billion 15-year Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond Due 2033 ("Series 1", "the Issue" or "the Bond") on the strength of the credit enhancement provided by Infrastructure Credit Guarantee Company Limited ('InfraCredit' or 'the Guarantor'). The Bond is supported by the unconditional and irrevocable guarantee of all principal and coupon payment obligations to bondholders by InfraCredit. The Issue rating reflects the "Aaa" rating assigned to the Guarantor by Agusto & Co. in July 2018.
- InfraCredit is a specialised credit guarantee institution sponsored by Nigeria Sovereign Investment Authority (NSIA) and GuarantCo Management Company Limited ('GuarantCo') with the core objective of guaranteeing obligations to enhance the credit quality of long-term infrastructure debt finance instruments issued by corporates and government entities to finance eligible infrastructure projects across Nigeria. The Guarantor has a core capital of \$25 million and a callable capital (contingent) of \$25 million from GuarantCo. InfraCredit will draw on contingent capital, should qualified core capital dip by 20%. In November 2018, KfW Development Bank provided \$35 million subordinated capital investment to enhance the Guarantor's capital base.
- GEL Utility Funding SPV Plc. ('GEL-SPV' or 'the Issuer') is a special purpose vehicle incorporated by GEL Utility Limited ('the Co-Obligor') with the aim of providing debt finance to Co-Obligor, which has an 84 megawatts (MW) dual-fired gas turbines and has entered into a 20-year power purchase agreement (PPA) with the off-taker–Nigerian National Petroleum Corporation (NNPC) to provide uninterrupted 24 MW power to the Port Harcourt Refinery Company Limited (PHRC) in Rivers State.
- GEL-SPV intends to issue a ₦15.5 billion 15-year Series 1 Senior Guaranteed Fixed Rate Infrastructure Bond Due 2033 under the ₦50

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## APPENDIX 1: EXTRACT FROM THE SERIES 1 TRUST DEED

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### 5. ISSUANCE OF THE SERIES 1 BONDS

5.1 The aggregate principal amount of the Series 1 Bonds is ₦13,000,000,000.00 (Fifteen Billion, Five Hundred Million Naira) issued at par.

5.2 The Series 1 Bonds shall be issued in minimum denominations of ₦10,000,000.00 (Ten Million Naira) and integral multiples of ₦1,000,000.00 (One Million Naira) thereof.

5.3 The Series 1 Bonds shall have a tenor of fifteen (15) years.

#### 5.4 *Status of the Series 1 Bonds*

5.4.1. The Series 1 Bonds constitute senior direct and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and rateably without preference among them and at least *pari passu* with all other claims of all other.

5.4.2. The payment obligations of the Issuer in respect of the Bonds and of the Guarantors under each of the Deeds of Guarantee shall, save for such exceptions as may be provided by Applicable Law, at all times rank at least *pari passu* with all other unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantors respectively, both present and future.

5.4.3. The Bonds qualify as securities in which trustees, insurance companies, and pension fund administrators may invest under the Trustees Investment Act, the Insurance Act, and the Pension Reform Act respectively.

5.4.4. The due payment of the outstanding principal and coupon amount expressed to be payable by the Issuer under this Deed up to the Guaranteed Amount has been unconditionally and irrevocably guaranteed under and in accordance with the terms of the Deeds of Guarantee dated on or about the date of this Deed.

#### 5.5 *Coupon Payment*

Coupon shall be payable on the Series 1 Bonds in accordance with Condition 6 of this Deed.

#### 5.6 *Principal Repayment*

The Series 1 Bonds shall be repaid in instalments and at the intervals on each Scheduled Redemption Date specified in the First Schedule. The scheduled Redemption Amount shall be allocated on a pro rata basis amongst the Bondholders on the relevant Scheduled Redemption Date. The first Scheduled Redemption Date shall be the next Payment Date occurring at the end of the Moratorium Period. The Bond Trustee shall maintain a repayment schedule in the form set out in the Second Schedule.

#### 5.7 *Source of Payment/Repayment*

The Issuer shall pay the Coupon and repay the Principal Amount Outstanding from the Payment Account.

#### 5.8 *Guarantee*

## APPENDIX 1: EXTRACT FROM SERIES 1 TRUST DEED

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Each Guarantor has, in accordance with the terms of their respective Deeds of Guarantee, guaranteed to the Bond Trustee, for and on behalf of the Bondholders, by way of a specific guarantee, the due and punctual observance and performance by the Issuer of the payment obligations in respect of all scheduled principal and coupon due and payable by the Issuer under or in relation to the Series 1 Bonds.

In the case of a claim under the Guarantee in respect of the Bonds, payment of all scheduled principal and coupon due and payable by the Issuer shall be paid to the Payment Account for the benefit of the Bond Trustee no later than the next due Payment Date(s), and only in the scheduled repayment instalments specified in the Second Schedule.

### 6. APPLICATION OF THE PROCEEDS OF THE SERIES 1 BONDS

- 6.1 The proceeds of the Series 1 Bonds will be passed-through by the Issuer to the Co-Obligors pursuant to this Deed and utilised in the manner disclosed in the Pricing Supplement.
- 6.2 Without prejudice to the generality of the provisions of this Deed, the Bond Trustee shall not be bound to enquire as to the application of the Proceeds.

### 7. USE OF THE PROCEEDS OF THE SERIES 1 BONDS BY THE CO-OBLIGOR

The Co-Obligor jointly and severally acknowledge receipt of the proceeds of the Series 1 Bonds in the manner specified in the Pricing Supplement. Each Co-Obligor jointly and severally undertakes to the Bond Trustee that it shall utilise the issue proceeds of the Series 1 Bonds in accordance with the Pricing Supplement, and Second Schedule to this Deed.

### 8. COVENANTS OF THE ISSUER

- 8.1 The covenants and obligations of the Issuer in Clause 7 (*Covenants of the Issuer*) of the Programme Trust Deed shall be read as part of this Deed and apply to the Series 1 Bonds.
- 8.2 The Issuer further covenants with the Bond Trustee that until such time when all outstanding Bonds have been fully redeemed and the Issuer's liability has been discharged, the Issuer shall:
  - 8.2.1 lend, advance or pass through the proceeds of all Bonds issued under the Series 1 Trust Deed, exclusively for the benefit of the Co-Obligor.
  - 8.2.2 not borrow or raise funds or procure any person to borrow or raise funds on its behalf, by any means whatsoever except by the issuance of bonds under the Programme Trust Deed.

### 9. LIABILITY OF THE CO-OBLIGOR

- 9.1 The Parties agree that all the obligations of the Co-Obligor in this Deed shall be the joint and several obligations of each of the Co-Obligor without preferences or distinction among them (**the "Obligations"**).
- 9.2 Each Co-Obligor, jointly and severally, irrevocably and unconditionally accepts as primary obligor and co-debtor, joint and several liability with the Issuer to the Bond Trustee, in respect of:
  - 9.2.1 the due and punctual payment of the principal and coupon on the Series 1 Bonds and of any other amount payable by the Issuer under this Deed (in immediately available funds, without any deduction, set-off, counterclaim

## APPENDIX 1: EXTRACT FROM SERIES 1 TRUST DEED

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or withholding of any kind (including without limitation, on account of taxes); and

9.2.2 the due and punctual performance and observance by the Issuer of its obligations which it may from time to time be obliged to perform under or pursuant to this Deed.

9.3 The obligations of the Co-Obligor shall include monetary damages arising out of any failure by the Issuer to perform its obligations under this Deed or any other Issue Document, to the extent that any failure to perform such obligations gives rise to monetary damages.

9.4 Where any of the Co-Obligor fails to make any payment with respect to any of the Obligations as and when due, or to perform any of the Obligations in accordance with the terms of this Deed, then, in each case the other Co-Obligor will make such payment with respect to, or perform, such Obligation.

9.5 The Obligations of each of the Co-Obligor under the provisions of this Clause 7 constitute the full Obligations of each Co-Obligor and is enforceable against each Co-Obligor to the full extent of its properties and assets, irrespective of the reliability or enforceability of this Deed or any other Issue Document, or any other circumstance whatsoever.

9.6 The Obligations of each Co-Obligor under this Deed are continuing obligations and shall extend to the balance of all sums payable by the Issuer under this Deed and the Series 1 Bonds, regardless of any intermediate payment or discharge in whole or in part.

### 9.7 **Payments**

9.7.1 Any payment made by any Co-Obligor pursuant to this Deed shall be in satisfaction of the relevant covenant to pay by the Issuer pursuant to Condition 12. Coupon shall accrue on any payment made after the due date, up to and including the date payment is made. All payments made by any of the Co-Obligor under this Deed shall be subject to Condition 12.

9.7.2 Each Co-Obligor agrees that the payment of any amounts due with respect to any indebtedness owed by the Issuer or any Co-Obligor to any other Co-Obligor is hereby subordinated to the prior payment of the Obligations in full.

9.7.3 Each Co-Obligor agrees that after an Event of Default has occurred and during its continuance, such Co-Obligor will not demand, sue for or otherwise attempt to collect any indebtedness of any other Co-Obligor or the Issuer, owed to such Co-Obligor until the Obligations shall have been paid in full in cash. Where, notwithstanding the above, any Co-Obligor collects, enforces or receives any amounts in respect of such indebtedness, such amounts collected, enforced and or received by such Co-Obligor would have been collected, enforced or received as trustee for the Bond Trustee and be paid over to the Bond Trustee to be applied to repay the Obligations.

### 9.8 **Indemnity**

As an independent and primary obligation, each Co-Obligor unconditionally and irrevocably agrees to indemnify, and keep the Bond Trustee indemnified, from and against all and any cost and liabilities suffered or incurred by it arising from any failure of the Issuer to pay any sum due and payable by it on the due date and in the manner prescribed in this Deed, or through any payment obligation of the Issuer becoming

## APPENDIX 1: EXTRACT FROM SERIES 1 TRUST DEED

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unenforceable, invalid or illegal on any grounds, whether known to the Bond Trustee or not.

### 9.9 **Waiver of Defenses**

- 9.9.1 Each Co-Obligor waives all defences that may be available to it by virtue of any valuation, stay, moratorium law or other similar law now or effective in the future, any right to require the ranking of assets of the Co-Obligor and any other entity or person primarily or secondarily liable with respect to any of the Obligations, and all suretyship defences generally.
- 9.9.2 Each Co-Obligor agrees that its Obligations shall not be released or discharged, in whole or in part, or otherwise affected by, the adequacy of any rights which the Bond Trustee may have against any security or other means of obtaining repayment of any of the Obligations.
- 9.9.3 The Obligations of each Co-Obligor under this Clause 8 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding regarding any reconstruction or similar proceeding with respect to any other Co-Obligor. The joint and several liability of the Co-Obligor shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, ownership, membership, constitution of any Co-Obligor, the Issuer or the Bond Trustee.
- 9.9.4 The provisions of this Clause 9 are made for the benefit of the Bond Trustee and its respective permitted successors and assigns, and may be enforced by it or them from time to time against any or all of the Co-Obligor and without requirement on the part of the Bond Trustee or any of its agents first to exercise any of its rights against the other Co-Obligor or to exhaust any remedies available to it against any other Co-Obligor or to resort to any other source or means of obtaining payment of any of the Obligations or to elect any other remedy.
- 9.9.5 The provisions of this Clause 9 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied.

## 10. **CANCELLATION OF THE GUARANTEE**

### 10.1 *Cancellation of Guarantee*

The Issuer shall not be entitled to cancel and/or reduce the Guarantors' liability under each Deed of Guarantee unless (i) the prior written consent of the Bond Trustee is obtained; (ii) a replacement guarantor acceptable to the Rating Agency is appointed on or before such date, (iii) written confirmation is received from the Rating Agency confirming that such cancellation shall not result in a withdrawal or downgrade of the credit rating of the Series 1 Bonds.

### 10.2 *Cash Advance Deposit Upon Cancellation of Guarantee*

The Issuer undertakes that in the event that no replacement guarantor would be appointed upon the cancellation of the Guarantee, the full cash amount of the Guarantee payable under each of the Deeds of Guarantee shall be funded in the Payment Account no later than two (2) Business Days prior to such cancellation date.

## **APPENDIX 1: EXTRACT FROM SERIES 1 TRUST DEED**

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### **11. ESTABLISHMENT AND FUNDING OF PAYMENT ACCOUNT**

#### *11.1 Payment Account*

11.1.1 The Issuer shall on or before the Issue Date of the Series 1 Bonds, maintain a Payment Account in the name and under the exclusive control of the Bond Trustee with the Account Bank.

11.1.2 The Issuer shall pay or cause to be paid into the Payment Account such amounts equal in aggregate to the next scheduled Coupon and/or Redemption Amount such that the Payment Account shall be funded with:

(i) 50% of next scheduled Coupon and/or Redemption Amount due payable on the Series 1 Bonds not later than one (1) month before the next Payment Date, and

(ii) 50% of next scheduled Coupon and/or Redemption Amount due payable on the Series 1 Bonds (less coupon accrued on the Payment Account since the last Payment Date) not later than ten (10) Business Days before the next Payment Date, bringing total funding to not less than 100% of the scheduled Coupon and/or Redemption Amount due payable on the Series 1 Bonds on such Payment Date.

#### *11.2 Trust of Payment Account*

The Issuer irrevocably acknowledges and accepts that the monies in the Payment Account, and any other account opened by the Issuer (or the Bond Trustee as the case may be), either in addition or replacement of the Payment Account from time to time in accordance with the terms of this Deed, shall be held by, or assigned by way of security to the Bond Trustee, for itself and the Bondholders, upon similar trusts to those held by the Bond Trustee under this Deed.

### **12. AMENDMENT OF THE DEED**

12.1 Subject to Clause 24 (Modification of Terms) of the Programme Trust Deed, the Parties may amend, add to or revoke any provision of this Deed, (including this clause 12) if the amendment, addition, revocation in the opinion of the Parties is:

12.1.1 necessary or expedient to comply with the provisions of any Applicable Law;

12.1.2 made to correct a manifest error or is of a formal, technical or administrative nature only;

12.1.3 desirable for any reason.

12.2 If in the reasonable opinion of the Bond Trustee, any amendment, addition or revocation is likely to be prejudicial to the interests of all Bondholders, the amendment, addition or revocation may only be effected if the Bondholders pass an Extraordinary Resolution approving such amendment, addition or revocation PROVIDED THAT where the Guarantors have given their consent to an amendment, waiver or revocation of this Deed and confirmed that the amendment, waiver or revocation will not have any effect on the validity or bindingness of the Guarantee, such amendment, waiver or revocation shall be deemed to not be prejudicial to the interests of the Bondholders.

12.3 The Parties will not amend, add or revoke any provision of this Deed unless, (except in relation to Sub Clause 12.1.2.):

12.3.1 ten (10) Business Days prior written notice was given to the Rating Agency in relation to the Series 1 Bonds to be affected by the amendment, addition or revocation;

12.3.2 at the expiration of the above mentioned notice period, the Rating Agency has not advised the Bond Trustee that the amendment, addition or revocation if executed will cause the then credit rating assigned to the Series 1 Bonds to be withdrawn or downgraded; and

12.3.3 the prior written consent of the Guarantors and the approval of the commission has been obtained for the proposed amendment, addition or revocation.

**13. BOND TRUSTEE TO ACT ON INSTRUCTIONS OF BONDHOLDERS**

The Bond Trustee is not bound to take any proceedings or any other action in relation to this Deed, the Series 1 Bonds or any documents executed pursuant to the Deed or any of the other Issue Documents to which the Bond Trustee is a party unless:

13.1 it is so directed by an Extraordinary Resolution of the Bondholders; or

13.2 it is requested to do so in writing by the Majority Bondholders; and

13.3 in either case, the Bond Trustee (and every attorney, delegate, manager, agent or other person appointed by the Bond Trustee) shall be entitled to be indemnified by the Bondholders and or secured to its satisfaction in respect of all liabilities, proceedings, claims, demands, costs, charges and expenses to which the Bond Trustee may become liable or which may be incurred by it (or any of the above mentioned parties so appointed by the Bond Trustee) in connection with this Deed, provided that the Bond Trustee shall not be held liable for the consequence of taking any such action.

**14. EXCLUSIVE RIGHT OF THE BOND TRUSTEE**

None of the Bondholders shall have any independent power to enforce any right or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to this Deed. Any power or right of the Bondholders under this Deed may be exercised only by the Bond Trustee or any delegate appointed by the Bond Trustee in accordance with the terms of this Deed. This right conferred is however without prejudice to the provisions of Section 224(8) of the ISA

**15. INCORPORATION OF SCHEDULES**

The provisions contained in the schedules to this Deed shall have full effect in the same manner as if such provisions were set forth in the body of this Deed. The powers conferred upon the Bond Trustee in the Schedules shall be in addition to any powers which may from time to time be vested in it by Applicable Law or by the Bondholders.

**16. NOTICE OF BREACH TO THE COMMISSION**

The Bond Trustee shall inform the Commission whenever it becomes necessary to enforce the terms of this Deed and of any breach of the terms and conditions of the Deed, not later than ten (10) Business Days after the Bond Trustee has actual knowledge of the breach.

**17. COMPLIANCE WITH THE ISA**

The Bond Trustee in exercise of the powers and discretions vested in it pursuant to this Deed shall comply with the provisions of the ISA.

**18. NOTICES**

18.1 All notices required to be given in connection with this Deed shall be in writing, either delivered by hand, pre-paid post or courier to the respective Parties' registered address, or by electronic mail transmission, provided that in each case, any notice

## APPENDIX 1: EXTRACT FROM SERIES 1 TRUST DEED

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- given to any Series 1 Bondholder in accordance with this clause 18.1, and without limiting the minimum timeline requirements under this Deed , shall be served by personally delivering the same by hand to the registered office or to the address of the person to be served as specified in this Deed or previously notified for this purpose, or by sending the same by post or a reputable courier service to such address or by dispatching the same by electronic mail transmission or other means of communication in permanent written form.
- 18.2 Service shall be deemed to have been made at the time of actual receipt, except in the case of any electronic mail transmission sent after 4.30 pm, which shall be deemed to have been served at 9.00 am on the next Business Day.
- 18.3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice.
- 18.4 Registered address means, in the case of a Bondholder, an address supplied by him to the Issuer or Bond Trustee for the purpose of giving notice to him.
- 18.5 A notice may be given by the Bond Trustee to the persons entitled to the interest of a Bondholder in consequence of the death of such Bondholder by sending it through the post in a prepaid letter to representatives of the deceased, or by any like description, at the address, if any within Nigeria supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death had not occurred.
- 18.6 In the case of joint registered Bondholders, a notice given to the holder whose name stands first in the Register in respect of such Bond shall be sufficient notice to all the joint holders of the Bond.

## **APPENDIX 2: PROCEDURE FOR APPLICATION AND ALLOTMENT**

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### **INVITATION FOR PARTICIPATION**

1. Qualified Institutional Investors are hereby invited to apply for Units of the Bond through the Bookrunners.

Bookrunner: United Capital Plc

The Bookrunner would make up the Selling Member Group.

2. Application/Bids for the Bonds now being offered must be made in accordance with the instructions set out on the Commitment Form. Care must be taken to follow these instructions, as applications which do not comply may be rejected.
3. The Book Building Period opens on 5<sup>th</sup> August, 2019 and closes on 19<sup>th</sup> August, 2019
4. The subscription currency for the Issue is the Nigerian Naira (₦).
5. Applications/Bids must be for a minimum of 10,000 Units and in multiples of 1,000 units thereafter. The Participation Amount(s) and the Bid Coupon Rates must be entered on the Commitment Form.
6. The completion and subsequent submission of an Commitment Form is a confirmation that each Participant is in agreement that the Order (or Bid) is irrevocable and creates a binding obligation on the Participant which, to the fullest extent of the law, shall not be capable of termination by any Participant.
7. An applicant should make only one application, whether in his/her name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
8. A single applicant should sign the declaration and write his/her full name, address, daytime telephone number and occupation on the Application/Commitment Form. Joint applicants must all sign the Application/Commitment Form. A corporate applicant should affix its seal in the box and state its Incorporation (RC) Number or in the case of a corporate foreign subscriber its appropriate identification number in the jurisdiction in which it was constituted.
9. Upon the completion and submission of the Commitment Form, the Bidder/Participant is deemed to have authorised the Issuer and the Issuing House/Bookrunner to effect the necessary changes in the Red Herring Prospectus as would be required for the purposes of filing the Final Prospectus with the SEC, without prior or subsequent notice of such changes to the Bidder. The Commitment Form shall be considered as the Application Form for the purposes of registration of the Final Prospectus with the SEC.
10. The Commitment Form presents the Bidder/Participant with the opportunity of indicating three (3) Bid Coupon Rates within the Coupon Band and Participation Amounts for each option. These shall be subject to the minimum Participation Amount and the terms and conditions stated on the Commitment Form.
11. Following the determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocations of Bonds and all other order(s), irrespective of the corresponding Bid Coupon Rate(s), will automatically become invalid.

## APPENDIX 2: PROCEDURE FOR APPLICATION AND ALLOTMENT

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12. The Issuer and the Co-obligor in consultation with the Bookrunners reserves the right not to proceed with the Issue at any time including after the Issue Opening Date but before the Allotment Date without assigning any reason thereof.
13. Successful Participants must ensure that payment of the Participation Amount is received by 28 August 2019 (the Completion Meeting Date) via electronic funds transfers, either through CBN Inter-Bank Funds Transfer System ("CIBFTS)", National Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS") in the designated Issue Proceeds Account domiciled with the receiving banks.

### 1. PAYMENT INSTRUCTIONS

Successful participants should ensure that payment of the participation amounts is received within 24 hours of receipt of Allocation Confirmation Notice, via the CBN Real Time Gross Settlement System ("RTGS") or the Nigerian Inter-bank System Electronic Funds Transfer ("NEFT") or into the following designated issue proceeds accounts domiciled with the Receiving Banks:

Bank	Account Name	Account No.	Sort Code
First Bank of Nigeria Limited	GEL Utility Funding SPV PLC BOND Issue Proceed Account	2034475418	011152303

### 2. ALLOCATION/ALLOTMENT

1. On the Pricing Date, the Issuing House/Bookrunner will analyse the demand of submitted bids and in consultation with the Issuer, the Coupon Rate will be determined and an allocation of Bonds made to each applicant whose bid is accepted. Allocation Confirmation Notices will be sent to successful participants.
2. The Co-obligor and the Issuing House/Bookrunner reserve the right to accept or reject any application in whole or in part for having not complied with the terms and conditions of the Issue.
3. Allotment of the Bonds will be effected only upon clearance of the Final Prospectus by the Securities and Exchange Commission. Allotment will be effected in a dematerialized (uncertificated) form. Participants are mandatorily required to specify their CSCS Account Numbers and their Clearing House Numbers (CHN) in the spaces provided on the Commitment Form. Allotment of Bonds shall be effected not later than fifteen (15) Business Days from the Allotment date.

### 3. BANK ACCOUNT DETAILS

1. Participants are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of payments of coupon and amortised Principal Amount.
2. Participants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in 1 above in connection with the Bonds.
3. Failure to provide correct bank account details could result in delays in credit of such payments or issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, the Co-obligor, the Issuing House, the Receiving Banks, the Trustee and the Registrar shall not have any responsibility nor will any of these specified parties undertake any liability for the same.

**APPENDIX 3: COMMITMENT FORM**

**Application List  
Opening Date**  
5<sup>th</sup> August 2019



**Application List  
Closing Date**  
19<sup>th</sup> August, 2019

**GEL UTILITY FUNDING SPV PLC**

RC 1527166

**Offers for Subscription by way of Book Building**

**₦13,000,000,000.00 SERIES 1: 15-YEAR 15.15% SENIOR GUARANTEED FIXED RATE INFRASTRUCTURE BONDS  
DUE 2034**

**UNDER A ₦50 BILLION BOND ISSUANCE PROGRAMME  
ISSUED AT PAR AT ₦1,000 PER UNIT  
PAYABLE IN FULL ON APPLICATION**

**ISSUING HOUSE**



RC: 444999

**GUARANTOR**



RC: 1368639

Please complete all relevant sections of this Form USING BLOCK LETTERS WHERE APPLICABLE												
PARTICIPANT STATUS (PLEASE TICK <input type="checkbox"/> )			DATE (DD/MM/YYYY)					CONTROL NO. (FOR REGISTRARS' USE ONLY)				
<input type="checkbox"/>	High Net worth Investors											
<input type="checkbox"/>	Fund Managers											
<input type="checkbox"/>	Pension Fund Administrators											
<input type="checkbox"/>	Insurance Companies	<b>DECLARATION</b> I/We hereby confirm that I am/we are qualified persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations.					I/We authorise the Issuer to make the necessary changes in the Prospectus for filing of the Final Prospectus with the SEC without intimation to me/us and use this Commitment Form as the Application Form for the purpose of this Issue.					
<input type="checkbox"/>	Investment/Unit Trusts											
<input type="checkbox"/>	Multilateral/Bilateral Inst.	I/We confirm that I/we have read the Prospectus dated [Day] [Month], 2019 and that my/our Order(s) is/are made on the terms set therein					I/We note that the Issuer and the Issuing House are entitled in their absolute discretion to accept or reject this Order.					
<input type="checkbox"/>	Market Makers											
<input type="checkbox"/>	Staff Schemes	I/we hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount(s) set out below at the fixed Coupon Rate					I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms in this Prospectus					
<input type="checkbox"/>	Trustees/Custodians											
<input type="checkbox"/>	Stock-broking Firms	I/We authorise you to enter my/our name on the Register of Bondholders as holder(s) of the Bonds that may be allotted to me/us and to register my/our address as given below										
<input type="checkbox"/>	Resident Corporate Investors											
<input type="checkbox"/>	Non-Resident Investors											
<input type="checkbox"/>	Hedge Funds											
<input type="checkbox"/>	Banks											

**PARTICIPANT DETAILS (INDIVIDUAL/CORPORATE/JOINT) (Please use one box for one alphabet leaving one box blank between first word and second)**

Participants have to make orders on the Commitment Form and such orders shall not be considered as multiple applications. All orders must be for a minimum amount of ₦10,000,000.00 and in multiples of ₦1,000,000.00 thereafter.

**ORDER 1**

PARTICIPATION AMOUNT (minimum amount of ₦10,000,000.00 and in multiples of ₦ 1,000,000.00)											COUPON RATE	
<b>IN FIGURES</b>	₦											
<b>IN WORDS</b>												



