

SERIES 1 TRUST DEED

BETWEEN

**THE FEDERAL GOVERNMENT OF NIGERIA
("Issuer")**

AND

**GREENWICH TRUSTEES LIMITED
(RC 180089)
("Trustee")**

IN RESPECT OF THE UP TO US\$500,000,000 (FIVE HUNDRED MILLION UNITED STATES DOLLARS) SERIES 1 9.75% FIXED RATE BONDS DUE 2029 UNDER THE ISSUER'S US\$2,000,000,000.00 (TWO BILLION UNITED STATES DOLLARS) DOMESTIC FGN US DOLLAR BOND ISSUANCE PROGRAMME

Dated this 19th day of August, 2024

G. ELIAS

 **OLANIWUN
AJAYI**

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THIS SERIES 1 TRUST DEED is made this 19th day of August, 2024.

BETWEEN

THE FEDERAL GOVERNMENT OF THE FEDERAL REPUBLIC OF NIGERIA, a **Sovereign State**, acting by and through the **DEBT MANAGEMENT OFFICE** herein represented by the **Director General**, whose office is at NDIC Building (1st Floor) 447/448 Constitution Avenue, Central Business District, Abuja, Nigeria (the “**Issuer**”) of the first part;

AND

GREENWICH TRUSTEES LIMITED, a private limited liability company incorporated under the laws of the Federal Republic of Nigeria with RC No. **180089**, having its principal place of business at 5th Floor, St. Nicholas House, No. 2-10 Hospital Road, Lagos Island, Lagos, Nigeria (“**Trustee**”) of the second part.

(The Issuer and the Trustee are individually referred to as a “**Party**” and collectively as the “**Parties**”).

BACKGROUND

- A. The Issuer is a Sovereign state created by and under the Constitution of the Federal Republic of Nigeria, 1999 as variously amended.
- B. The Trustee is a company duly licensed by the Securities and Exchange Commission to carry on business, *inter alia*, as a trustee in Nigeria.
- C. This Deed is made further to the Programme Trust Deed dated the date of this Deed, between the Issuer and the Trustee constituting the Programme (the “**Programme Trust Deed**”).
- D. By the provisions of the Enabling Laws, and the Presidential Executive Order No. 16 of 2023 titled Foreign Currency Denominated Financial Instrument Local Issuance Programme and Related Matters Order, 2023 (the “**Executive Order**”), the Issuer is duly authorised to establish a US\$2,000,000,000 (Two Billion United States Dollars) domestic FGN US Dollar bond issuance programme (the “**Programme**”).
- E. The Debt Management Office, established pursuant to the Debt Management Office (Establishment, etc.) Act, 2003, issued a framework for the implementation of the Executive Order titled “*Framework for the Implementation of the Foreign Currency Denominated Financial Instrument Local Issuance Programme and Related Matters Order, 2023*” in February 2024 (the “**Framework**”).
- F. In furtherance of Recital C above, the Issuer has further resolved to issue the first series of the Bonds in the Principal Amount under the Programme (the “**Series 1 Bonds**” or the “**Bonds**”).

- G. By the letter of appointment dated August 7, 2024, the Issuer has duly appointed the Trustee, and the Trustee, by the acceptance letter dated August 8, 2024, has agreed to act as such for the benefit of the Bondholders upon and subject to the terms and conditions of this Deed.

IT IS HEREBY AGREED AS FOLLOWS

1. DEFINITIONS, INTERPRETATION, AND INCORPORATION OF TERMS

To the extent to which the same are applicable and unless otherwise defined in this Deed, the definitions contained in clause 1 of the Programme Trust Deed (*Definitions and Interpretations*) shall apply to and be incorporated in this Deed.

1.1 Definitions

In this Deed, the following words and expressions shall have the meanings assigned to them, except where the context otherwise requires:

“Bondholders” means the holders of the Series 1 Bonds;

“Conditions” means the terms and conditions in the form set out in Schedule of this Deed;

“Coupon” means 9.75% interest calculated and payable semi-annually in arrears on the Principal Amount on each Coupon Payment Date till the Maturity Date pursuant to the terms of the Series 1 Pricing Supplement;

“Coupon Amount” means the actual amount in respect of Coupon due and payable on the Bonds on the applicable Coupon Payment Date;

“Coupon Commencement Date” means the Issue Date or such other date from which Coupon begins to accrue as specified in the Series 1 Pricing Supplement;

“Coupon Payment Date” means the date occurring semi-annually from the Coupon Commencement Date up to and including the Maturity Date;

“Coupon Period” means the period between (and including) the Coupon Commencement Date or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date, up to the Maturity Date;

“Coupon Rate” is 9.75%;

“Deed” means this Series 1 Trust Deed;

“Effective Date” means the date of this Deed;

“Events of Default” means the events of default, which are particularly described in Condition 13 of the Schedule of this Deed;

“ISA” means the Investments and Securities Act No. 29 of 2007 as may be amended from time to time;

“Issue Date” means the date on which the Series 1 Bonds are issued and when accrual of Coupon on the Series 1 Bonds commences;

“Issue Documents” means the documents required to be executed and delivered in connection with the issue of the Series 1 Bonds including but not limited to the:

- i. Programme Trust Deed;
- ii. Series 1 Trust Deed;
- iii. Series 1 Vending Agreement;
- iv. Programme Circular; and
- v. Series 1 Pricing Supplement;

“Maturity Date” means the date that is five (5) years from the Issue Date as specified in the Pricing Supplement;

“NGX” means the Nigerian Exchange Limited;

“Par Value” means US\$1,000 (One Thousand United States Dollars) being the nominal value of each Series 1 Bond;

“Paying Agent” means the CBN;

“Payment Date” means the Coupon Payment Date and/or the Maturity Date;

“Pension Reform Act” means the Pension Reform Act 2014 or any amendment thereto;

“Principal Amount” means up to US\$500,000,000 (Five Hundred Million United States Dollars) being the value of the Series 1 Bonds to be issued under the Programme;

“Principal Amount Outstanding” means, on any day in relation to the Series 1 Bonds, the Principal Amount less the aggregate of all principal payments that have become due and payable in respect of that Bond and have been paid on or prior to that day;

“Proceeds” means the proceeds from the issuance of the Series 1 Bonds;

“Purpose” means the purpose to which the Proceeds shall be applied as specified in Clause 6 of this Deed;

“Record Date” means the date falling no later than fifteen (15) Business Days prior to any Payment Date, where the Registrar is to determine Bondholders listed on record as eligible for Coupon payment and/or principal repayment;

“Redemption Amount” means, the principal amount in respect of the Series 1 Bonds payable on the relevant Payment Date;

“Register” means the books or records (physical or electronic) kept by the Registrar as evidence of the ownership, registration, transfers, and/or other disposals of the Bonds;

“Registrar” means the CBN, CSCS or any other person or entity for the time being appointed registrar in respect of the Series 1 Bonds by the Issuer;

“Series 1 Bonds” or **“Bonds”** has the meaning given to the term in paragraph (C) of the Recitals to this Deed;

“Series 1 Bondholders” or **“Bondholders”** means the several persons who are for the time being holders of outstanding Series 1 Bonds and whose names are entered in the Register (and in the case of joint holders, the first named thereof);

“Series 1 Pricing Supplement” means a document specifying the relevant issue details in relation to this Series 1 Bond, setting out such additional and or other terms and conditions;

“Series 1 Trust Deed” means this trust deed made between the Issuer and the Trustee in respect of the Series 1 Bonds; and

“USD” or **“US\$”** means the United States Dollars.

1.2 Interpretation

In this Series 1 Trust Deed:

- 1.2.1 Unless otherwise expressly stated herein, all the provisions of the Programme Trust Deed including schedules attaching thereto shall remain in full force and effect in accordance with their respective terms and shall apply *mutatis mutandis* to this Deed and the Series 1 Bonds and words such as “herein”, “hereof”, “hereunder”, “hereafter”, “hereby” and “hereto”, where they appear in the Programme Trust Deed shall be construed as if such words are used herein.
- 1.2.2 Unless otherwise expressly defined herein or as the context requires, terms and expressions used in this Series 1 Trust Deed, shall have the same definitions given to those terms and expressions in the Programme Trust Deed.
- 1.2.3 Unless the context otherwise requires or the same are otherwise defined, the First Schedule of the Programme Trust Deed is hereby incorporated into this Series 1 Trust Deed and shall apply to the Series 1 Bonds, as modified by the Conditions of this Series 1 Trust Deed and/or the applicable Pricing Supplement.

- 1.2.4 Where there is a conflict between the provisions of the Programme Trust Deed and this Deed, the provisions of this Series 1 Trust Deed shall prevail in regard to the Series 1 Bonds.
- 1.2.5 Where there is a conflict between the terms and conditions in the First Schedule (*Terms and Conditions of the Bond*) of the Programme Trust Deed and the Schedule (*Terms and Conditions of the Series 1 Bonds*) of this Series 1 Trust Deed, and/or the applicable Pricing Supplement, the terms and conditions of the Schedule of this Series 1 Trust Deed will prevail in regard to the Series 1 Bonds.
- 1.2.6 All references to “**Trust Deeds**”, unless the context otherwise requires, shall be taken as references to the Programme Trust Deed and this Series 1 Trust Deed together.

2. **APPOINTMENT OF THE TRUSTEE**

- 2.1 Subject to the terms and conditions of this Deed, the Issuer appoints the Trustee to act on behalf of the Bondholders, to hold the benefit of the covenants and other obligations of the Issuer on behalf of the Bondholders.
- 2.2 By execution of this Deed, the Trustee has accepted and agreed to enforce the powers and perform the duties and obligations of the Trustee specifically set out in this Deed and generally provided for in the Trustee Investment Act. Notwithstanding the foregoing, the Trustee may undertake, the duties and responsibilities of the Trustee as set out/required under the Issue Documents and/or Applicable Law. Nothing, however, in this Clause 2.2 or in this Deed shall be construed as limiting the obligation or liability of the Trustee where any duty, obligation or responsibility of the Trustee under any Issue Document or Applicable Law is not performed in the manner required under such document or Applicable law.

PROVIDED THAT where the non-performance of such duty, obligation or responsibility results in any loss, it shall be the responsibility of the Trustee to make good such loss or cost.

- 2.3 The Trustee shall have no duty, responsibility, or obligation for the issuance of the Series 1 Bonds or the validity or exactness of the Series 1 Bonds, or any documents relating to such issuance.

3. **DECLARATION AND DURATION OF TRUST**

- 3.1 The Trustee hereby declares itself a trustee for the Bondholders with effect from the date of this Deed to hold the Trust Assets including without limitation the benefit of the Issuer’s covenants and the obligations of the Paying Agent in this Deed and the Programme Trust Deed in trust for the Bondholders according to their respective interests and subject to the terms of this Deed.
- 3.2 The trust created by this Deed shall remain in full force and effect until the date all Series 1 Bonds issued pursuant to this Deed are redeemed and the:

3.2.1 Trustee receives an unconditional confirmation in writing from the Registrar that no principal amount or Coupon is outstanding in respect of the Bond; or

3.2.2 Issuer receives an unconditional release in writing from the Trustee from all its obligations under this Deed.

4. **SERIES TRUST DEED BINDING ON ALL PARTIES**

4.1. The provisions of this Deed are binding on the Issuer and its agents, the Trustee and the Bondholders and all persons claiming through them respectively as if such Bondholders and all persons claiming through the Issuer and/or its agents and the Trustee are parties to this Deed.

4.2. Subject to the provisions of this Deed (including but not limited to clause 11.2 (*Enforcement*) of the Programme Trust Deed) and the Conditions (including but not limited to condition 18 (*Proceeding against the Issuer*) of the Programme Trust Deed and notwithstanding the powers of the Trustee to seek redress on its behalf, a Bondholder or a person claiming through a Bondholder shall have the right to sue:

4.2.1. the Issuer for the enforcement of any benefit conferred on the Bondholder by virtue of this Deed;

4.2.2. the Trustee, for any breach of its duties owed to the Bondholders under this Deed.

5. **ISSUANCE OF THE SERIES 1 BONDS**

5.1 The Principal Amount of the Series 1 Bonds is US\$500,000,000 (Five Hundred Million United States Dollars) issued at Par Value.

5.2 The Series 1 Bonds shall be issued in minimum denominations of US\$10,000 (Ten Thousand United States Dollars) and integral multiples of US\$1,000 (One Thousand United States Dollars) in excess thereof.

5.3 The Series 1 Bonds shall be issued for a five (5) year period commencing from the Issue Date to the Maturity Date.

5.4 *Method of Issuance*

The Series 1 Bonds constituted under this Deed shall be issued by way of an offer for subscription at a fixed price.

5.5 *Compliance with Listing Requirements*

The Issuer shall ensure that the Series 1 Bonds are listed on the Exchanges in accordance with the applicable listing requirements and that such listing is maintained until the Maturity Date.

5.6 *Status of the Series 1 Bonds*

- 5.6.1 The Series 1 Bonds constitute direct, unconditional, unsecured, and unsubordinated obligations backed by the full faith and credit of the Issuer and shall at all times rank *pari passu* and rateably without preference among them, with all other present and future unsubordinated, unsecured, and unconditional obligations of the Issuer.
- 5.6.2 The payment obligations of the Issuer in respect of the Series 1 Bonds shall, save for such exceptions as may be provided by Applicable Law, at all times rank *pari passu* with all other unsecured unsubordinated indebtedness of the Issuer, and shall rank equally with all senior obligations of the Issuer both present and future.
- 5.6.3 The Bonds qualify as securities in which trustees and Pension Fund Administrators may invest under the Trustee Investments Act and the Pension Reform Act, respectively.
- 5.6.4 The Bonds qualify as government securities within the meaning of CITA and PITA for tax exemption for Pension Fund Administrators and other investors.

5.7 *Coupon Payment*

Coupon shall be payable on the Series 1 Bonds in accordance with Condition 5 of this Deed.

5.8 *Principal Repayment*

- 5.8.1 The Principal Amount shall be redeemed by a bullet repayment on the Maturity Date.
- 5.8.2 The Issuer shall, to the satisfaction of and with notice to the Trustee, make arrangements for the one lump repayment of the Principal Amount to the Bondholders, at least twenty (20) Business Days prior to the Maturity Date.

5.9 *Currency of Payments of Coupons and Repayment of Principal Amount*

All payments under this Deed relating to the repayment of the Principal Amount and the payment of the Coupon shall be denominated in US\$.

6. **PURPOSE**

- 6.1 The net Proceeds of the Series 1 Bonds shall be invested in selected critical sectors of the Nigerian economy, subject to the approval of the President on the recommendation of the Honourable Minister of Finance and the Coordinating Minister of Economy, and the appropriation by the National Assembly.

- 6.2 As specified in clause 15 (*Powers, Duties and Indemnities of the Trustee*) of the Programme Trust Deed, the Trustee shall undertake a periodic inquiry into the progress of Approved Projects for as long as any portion of the Principal Amount remains outstanding.
- 6.3 The Parties hereto shall adhere to clause 7 (*Covenants Relating to the Funds Release for Approved Projects*) of the Programme Trust Deed with respect to the release of funds and monitoring of funds released towards the Approved Projects.
- 6.4 Notwithstanding the provisions of this clause 6, for the avoidance of doubt, the Trustee is not responsible for the allocation and application of Subscription Amounts to the Approved Projects.

7. COVENANTS OF THE ISSUER

The covenants and obligations of the Issuer in clause 8 (*Covenants of the Issuer*) of the Programme Trust Deed shall be read as part of this Deed and shall apply to the Series 1 Bonds so long as any of the Series 1 Bonds remain outstanding.

8. REPRESENTATIONS AND WARRANTIES

- 8.1 The representations and warranties of the Issuer and the Trustee in clause 10 (*Representations and Warranties*) of the Programme Trust Deed shall be read as part of this Deed and apply to the Series 1 Bonds.
- 8.2 In addition to clause 8.1 above, the Issuer represents and warrants to the Trustee that as at the Issue Date:
- 8.2.1 the execution and delivery of the Issue Documents, the performance of all its obligations thereunder and the issuance of the Series 1 Bonds have been duly authorized; and
 - 8.2.2 none of the Events of Default contained in Condition 13 of the Schedule (*Events of Default*) of this Deed have occurred and/or are continuing.

9. AMENDMENT OF THE DEED

- 9.1 Subject to clause 22 (*Modification of Terms of the Deed*) of the Programme Trust Deed, the Parties may amend, add to, or revoke any provision of this Deed, (including this Clause 9) if the amendment, addition, or revocation in the opinion of the Parties is:
- 9.1.1 necessary or expedient to comply with the provisions of any Applicable Law;
 - 9.1.2 made to correct a manifest error or is of a formal, technical or administrative nature only; or
 - 9.1.3 desirable for any reason.

- 9.2 If in the reasonable opinion of the 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.
- 9.3 No amendment, addition, or revocation of any provision of this Deed shall impose any further payment on the Bondholders in respect of the Series 1 Bonds held by them or any liability in respect thereof.

10. **POWERS, DUTIES, AND INDEMNITIES OF THE TRUSTEE**

This clause 10 amends and supplements clause 15 and other relevant provisions of the Programme Trust Deed.

Additional Duties of the Trustee

- 10.1 The Trustee shall:
- 10.1.1 exercise all of its powers in the best interest of the Bondholders subject to the terms of this Deed and in compliance with Applicable Law;
 - 10.1.2 monitor the application of the Proceeds for the Purpose in accordance with the provisions of the Trust Deeds;
 - 10.1.3 promptly notify the Issuer of any proposed changes in the management of the trust created under this Deed;
 - 10.1.4 not enter into contracts or other arrangements that would amount to a conflict of interest in the performance of its obligations under this Deed or any statutory obligations of the Trustee;
 - 10.1.5 not place itself in a position of conflict of interest with the trust created hereunder to the detriment of the Bondholders;
 - 10.1.6 respond to requests from the Bondholders on the management of the trust created hereunder and keep an account stating the details of the administration of the trust; and
 - 10.1.7 exercise all due care, skill, diligence, and vigilance in conducting its functions and duties as a trustee and in safeguarding the rights and interests of the Bondholders.

11. **INCORPORATION OF THE SCHEDULE**

The provisions contained in the schedule 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 Trustee in the Schedule shall be in addition to any powers which may from time to time be vested in it by Applicable Law or by the Bondholders.

12. COMPLIANCE WITH EXTANT LAWS

The Trustee in exercising the powers and discretions vested in them pursuant to this Deed shall comply with the provisions of the ISA.

13. NOTICES

13.1 All notices shall be effective when received at the addresses specified for the service by the relevant Party or as amended from time to time in writing as set out below:

For the Issuer:

Name: **DEBT MANAGEMENT OFFICE**
Address: NDIC Building (1st Floor)
447/448 Constitution Avenue
Central Business District
Abuja, Nigeria
Attention: The Director General
Telephone: +2348022237679
Email: poniha@dmo.gov.ng

For the Trustee

Name: **GREENWICH TRUSTEES LIMITED**
Address: 5th Floor St. Nicholas House
No. 2-10 Hospital Road
Lagos Island, Lagos
Nigeria
Attention: Bunkaya Gana
Telephone: 08033335436
Email: bunkaya.gana@greenwichtrustees.com

14. ENDORSEMENT OF PROGRAMME TRUST DEED

The Issuer and Trustee shall endorse a memorandum of the execution of this Deed on the Programme Trust Deed.

15. GOVERNING LAW AND JURISDICTION

The provisions of clause 30 (*Governing Law and Jurisdiction*) of the Programme Trust Deed shall apply *mutatis mutandis* to the Series 1 Bonds.

16. **DISPUTE RESOLUTION**

The provisions of clause 31 (*Dispute Resolution*) of the Programme Trust Deed shall apply *mutatis mutandis* to the Series 1 Bonds.

17. **UNDERTAKINGS**

The Issuer undertakes that it shall use all reasonable endeavours to ensure that the Series 1 Bonds are, upon the issue, quoted on the Exchanges and that such quotation is maintained until the Maturity Date.

18. **WAIVER**

No failure or delay by the Trustee in exercising any right or remedy under this Deed shall operate as a waiver of such right or remedy. A partial exercise of any right or remedy shall not preclude the Trustee from further exercising any other right or remedy.

19. **SEVERABILITY**

Where any provision of this Deed is found, by any court or administrative body of competent jurisdiction, to be invalid, unenforceable, or illegal, the other provisions shall remain in force.

20. **COUNTERPARTS**

This Deed may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument.

SCHEDULE

Terms and Conditions of the Series 1 Bonds

*The following is the text of the terms and conditions (the “**Conditions**”) (the “**Final Terms**”) which will be endorsed on the back of each Bond Certificate (if issued).*

By the provisions of the Debt Management Office (Establishment) Act 2003 and the Presidential Executive Order No. 16 of 2023 on Foreign Currency Denominated Financial Instrument Local Issuance Programme and Related Matters Order, 2023, the Federal Government was authorised to raise debt capital of up to US\$2,000,000,000 (Two Billion United States Dollars) from the capital market.

The offering of up to US\$500,000,000 (Five Hundred Million United States Dollars) Fixed Rate senior unsecured Bonds due 2029 (the “**Series 1 Bonds**”) are constituted by a trust deed dated August 19, 2024 (the “**Series 1 Trust Deed**”) between the Federal Government of Nigeria, represented by the Debt Management Office (the “**Issuer**”) and Greenwich Trustees Limited (“**Trustee**”), which expression shall include any person or persons for the time being appointed as the trustee under the Series 1 Trust Deed as trustee for the holders (as defined below) of the Series 1 Bonds (the “**Bondholders**”).

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Series 1 Trust Deed and those applicable to them under the Programme Trust Deed dated August 19, 2024. Copies of the Series 1 Trust Deed are available for inspection at the office of the Trustee: 5th Floor, St. Nicholas House, No. 2-10, Hospital Road, Lagos Island, Lagos, Nigeria.

Words and expressions defined in the Series 1 Trust Deed (as the same has been and may be amended, varied, or supplemented from time to time with the consent of the Parties) are expressly and specifically incorporated to and shall apply to these Conditions.

Unless the context otherwise requires or unless otherwise stated, capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed.

1. **Form, Denomination and Title**

- 1.1. The Series 1 Bonds will be issued in uncertificated (dematerialised or book-entry) form, which shall be registered with a separate securities identification code with the CSD.
- 1.2. The Series 1 Bonds will be listed on the Exchanges.
- 1.3. Title to the Series 1 Bonds shall be effected in accordance with the rules governing the transfer of title in securities held by the CSD. The holder of a Bond will (except as otherwise required by law) be treated as its legal and beneficial owner for all purposes (whether it is overdue and regardless of any notice of ownership, trust or any interest

in it) when such Bondholder is registered in the Register and no person will be liable for so treating the Bondholder.

2. **Redemption**

2.1 The Principal Amount Outstanding of the Series 1 Bonds shall be redeemed in full by a bullet repayment on the Maturity Date.

2.2 Redemption due to material adverse changes

The Issuer will have the option to redeem the Bonds in whole or in part of the Principal Amount Outstanding, together with Coupon accrued thereon on the date fixed for redemption, on giving of no more than sixty (60) days nor less than thirty (30) days written notice to this effect to the Bondholders and the Trustee (which notice shall be irrevocable and shall bind the Issuer to redeem the Bonds on such date), if there is any *Force Majeure* event which adversely affects the ability of the Issuer to perform its obligations under this Deed.

3. **Purchase of Bond by the Issuer**

The Issuer may at any time and from time to time purchase any part of the Series 1 Bonds on any Exchange on which the Series 1 Bonds are listed. Any Bond so purchased will be cancelled and will not be available for re-issue.

4. **Prohibition on Stripping**

The Series 1 Bonds (including rights to the Coupon thereon) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of the Series 1 Bonds may not be stripped and transferred to various transferees at different times.

5. **Coupon**

5.1. The Series 1 Bonds will bear Coupon from and including the Coupon Commencement Date up to but excluding the Maturity Date. The Coupon Rate shall be payable in respect of each Coupon Period on the Principal Amount Outstanding, on the relevant Payment Date.

5.2. Each Series 1 Bond will cease to bear Coupon from and including the Maturity Date unless, upon due presentation, payment of principal is improperly withheld or refused, in which event Coupon will continue to accrue (both before and after any judgment or other order of a court of competent jurisdiction) at the Coupon Rate and in the manner provided in this Condition.

5.3. The Coupon rate payable in respect of each Series 1 Bond shall be the Coupon Rate.

6. **Cancellation of Series 1 Bonds**

Any part of the Series 1 Bonds redeemed or purchased in accordance with the Trust Deed shall be cancelled and the Issuer shall not keep such Bond valid for the purpose of re-issue. For so long as the Bond is admitted to listing and or trading on the Exchanges and the rules of the applicable Exchange requires, the Registrar shall promptly inform the Exchanges of the cancellation of any Series 1 Bonds under this Condition 6.

7. **Trusts**

7.1. The Trustee is the representative of the Bondholders and is authorized to act on behalf of the Bondholders in accordance with these Conditions and Trust Deeds.

7.2. Except as required by law or as ordered by a court of competent jurisdiction, the Issuer will recognise the Bondholder of any Bond as the absolute owner of such Bond and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bond may be subject.

7.3. The receipt by a Bondholder for the time being of any Series 1 Bond (or in the case of joint registered holders, the payment to the joint Bondholder whose name stands first in the Register) or the principal of such Bond or any other money payable in respect of the Bond shall be a good discharge of the Issuer's obligations under the Trust Deeds notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to such principal, coupon or other money. No notice of any trust whether express, implied, or constructive shall (except as provided by statute or as required by a court of competent jurisdiction) be entered on the Register in respect of any Series 1 Bond.

7.4. The Trustee is hereby further authorized to contact the Registrar and/or the CSD for the purposes of obtaining information: (i) on the Principal Amount outstanding on any Series of Bonds; (ii) on the identity of Bondholders; and (iii) for the purposes of giving notices to Bondholders under Condition 14 (*Notices*).

7.5. Bondholders are deemed to have accepted and will be bound by these Conditions and the terms of the Series 1 Trust Deed.

8. **Freedom from Equities**

Every Bondholder will be recognised by the Issuer as entitled to his Bond, free from any equities, set-off or crossclaim on the part of the Issuer against the original or any intermediate holder of the Bond.

9. **Registration and Transfer of Series 1 Bonds**

9.1. *Registration of the Series 1 Bonds*

A Register of the Series 1 Bonds shall be kept by the Registrar at its office, and there shall be entered in such Register:

- i. the names and addresses of the holders for the time being of the Series 1 Bonds;
- ii. the amount of the units of Series 1 Bonds held by every registered holder;
- iii. the bank account details of the Bondholder;
- iv. the securities account number of the Bondholder;
- v. the date at which the names of every registered holder are entered in respect of the Series 1 Bond standing in his name; and
- vi. the serial number of each certificate issued in respect of a Bond and the date of issue thereof.

9.2. Any change of name or address on the part of the Bondholder shall forthwith be notified to the Registrar and thereupon the Register shall be altered accordingly. The Trustee and the Bondholders and any person authorised by any of them shall be entitled at all reasonable times during office hours to inspect the Register and to make copies of or take extracts from the same.

9.3. The entries in the Register shall, in the absence of manifest error, be conclusive evidence of the facts, matters and transactions contained therein.

9.4. *Transfer of the Series 1 Bonds*

9.4.1. The Series 1 Bonds are transferable in whole or in part in denominations of US\$1,000 (One Thousand United States Dollars) at US\$1,000 (One Thousand United States Dollars) per unit and integral multiples of US\$1,000 (One Thousand United States Dollars) and shall be transferred on any of the Exchange in accordance with its rules.

9.4.2. Every instrument of transfer must be signed by or on behalf of both the transferor and transferee. Where either party to the transfer is a corporation, the instrument must be properly executed according to its constitutional documents. The transferor shall be deemed to remain the owner of the Series 1 Bonds until the name of the transferee is entered in the Register.

9.4.3. Every instrument of transfer must be left for registration at the place where the Register is kept, accompanied by such evidence as the Issuer may require to prove the title of the transferor or his right to transfer the Series 1 Bonds

and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.

- 9.4.4. The Issuer and Registrar shall retain all instruments of transfer after registration.
- 9.4.5. Registration of the transfer of any Series 1 Bond shall not be conducted within ten (10) Business Days of the due date for any payment of principal or Coupon on such Series 1 Bond.
- 9.4.6. Subject to the provisions of the Programme Trust Deed, the Registrar may refuse to register any transfer of the Series 1 Bonds where Applicable Law requires the Registrar to do so, or where the transfer is lodged after the Record Date.
- 9.4.7. Where registration of a transfer of the Series 1 Bonds is refused under Condition 9.4.6, the Registrar shall give written notice of the refusal and the precise reasons for the refusal to the party lodging the transfer, if any, within five (5) Business Days after the date on which the transfer was lodged. The failure to give such notice will not invalidate the decision not to register the transfer.
- 9.4.8. Any power of attorney granted by a Series 1 Bondholder empowering his agent to deal with, or transfer any Bond in accordance with the CSD procedures and guidelines and the terms of this Series 1 Trust Deed, which is lodged, produced or exhibited to the Registrar will be deemed to continue and remain in full force and effect as between the Issuer, the Trustee, the Registrar and the grantor of that power, and may be acted on until express notice in writing that it has been revoked or notice of the death of the grantor has been received by the Registrar.

10. Transmission

- 10.1. In the case of the death of a Bondholder, the survivor(s) (where the deceased was a joint holder) and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person(s) recognised by the Issuer as having any title to such Bond.
- 10.2. Any person becoming entitled to any Series 1 Bond in consequence of the death or bankruptcy of any Bondholder or of any other event giving rise to the transmission of such Series 1 Bond by operation of law may upon producing such evidence of his title as the Registrar(s) shall think sufficient, be registered as the holder of the Series 1 Bond or subject to Condition 9 may transfer the Series 1 Bond without being registered as the holder.

11. **Method of Payment of Principal Money, Coupon and Premium**

- 11.1. Payment of the principal, Coupon and premium (if any) due on all or any part of the Series 1 Bonds will be credited to the bank account nominated for this purpose by the Bondholder (or in the case of joint registered Bondholders) by the joint Bondholders.
- 11.2. All payments of principal, Coupon, and any other sum due in respect of the Series 1 Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria.
- 11.3. Whenever any part of the Series 1 Bond is redeemed prior to the Maturity Date, a proportionate part of each holding of the Bond shall be repaid to the Bondholders.
- 11.4. The Registrar shall give to the Bondholders not less than one (1) month's notice in writing of the time and mode for repayment of that portion of the Series 1 Bonds to be redeemed and such notice shall state the amount of the Bond for redemption.
- 11.5. On the Payment Date, the Issuer shall procure that the Paying Agent shall pay, each Bondholder whose name appears in the Register at the relevant Record Date the amount payable to him in respect of such redemption, together with all accrued and unpaid Coupons. Thereupon, the Bonds held by each such Bondholder shall be cancelled in accordance with the procedures of the CSD.

12. **Receipts for Money Paid**

If several persons are entered in the Register as joint holders of any Series 1 Bond, then the receipt of such persons for any Coupon or principal or other money payable on or in respect of such Series 1 Bond shall be as effective a discharge to the Issuer as if the person signing such receipt was the sole registered holder of such Series 1 Bond.

13. **Events of Default**

- 13.1. If any of the following events stated in this Condition 13 ("**Events of Default**") has occurred and is continuing in accordance with the period set out below, the Trustee may at its discretion or shall,

13.1.1. if so, requested in writing by the Majority Bondholders; or

13.1.2. if so, directed by an Extraordinary Resolution of the Bondholders;

give written notice to the Issuer that the Bonds are immediately repayable, after which, the Principal Amount outstanding on the Bonds shall become immediately due and repayable.

13.2. **Non-Payment**

If the Issuer fails to pay in US\$ any sums representing principal, coupon and premium (if any) on the Series 1 Bonds or any fees or other sums (or seeks to pay such amounts in any currency other than US\$) within fifteen (15) Business Days of its due date (the “**Grace Period**”) provided, however, that where such non-payment is due to a *Force Majeure* Event, the Trustee may in its discretion (after consultation with the Issuer) determine that such *Force Majeure* event can be remedied within a reasonable period no greater than ten (10) Business Day after the Grace Period referred to above in this Condition and extend the Grace Period.

13.3. **Cross Default**

If any Financial Indebtedness of the Issuer of a value exceeding USD25,000,000 (Twenty-Five Million United States Dollars) (or its equivalent in any other currency) in aggregate (for the avoidance of doubt, any amounts being contested in good faith shall not be counted towards such value) is not paid when due or within fifteen (15) Business Days of: (i) its due date; or (ii) the end of any applicable period of grace, whichever is later, if a Material Adverse Effect has occurred.

13.4. **Breach of Other Obligations**

If the Issuer defaults in the performance or observance of any covenant, condition, provision or agreement including the representations and warranties, (other than any covenant for the payment of any sum owing on any part of the Series 1 Bond) binding on it under this Deed, or required by the Issue Documents to which it is a party or any other document delivered in connection with the Series 1 Bonds, and the Issuer fails to perform fully or make good the breach of such covenant, condition, provision or agreement within thirty (30) days from receipt of notice in writing by a Trustee.

14. **Notices**

14.1. Any notice or other document may be given to or served on any Bondholder either personally or by sending it by electronic mail or by post in a prepaid envelope or delivering it (addressed to such Bondholder) at the Bondholder’s registered address or (if the Bondholder desires that notices shall be sent to some other persons or address) to the person at the address supplied by the Bondholder to the Issuer for giving of notice to such Bondholder. In addition to the provisions of this Condition 14.1, notices may also be publicised in any widely read newspaper.

14.2. In the case of joint registered holders of any Series 1 Bond, a notice given to the Bondholder whose name stands first in the Register shall be sufficient notice to all the joint holders.

14.3. Any notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the

death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Series 1 Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document the Bondholder's name has been removed from the Register as the holder of the Series 1 Bond and such service or delivery shall for all purposes be deemed sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under such Bondholder) in the Series 1 Bond.

- 14.4. Any notice shall be deemed to have been served on the 5th day following the day which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped, and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

15. Prescription

Claims against the Issuer in respect of the Series 1 Bonds shall be void unless presented for payment as required by Condition 12 within ten (10) years (in the case of principal) and five (5) years (in the case of coupon), from the due date for payment of any amount due on the Series 1 Bonds.

16. Meetings of Bondholders

The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in the Schedule (*Provisions for Meetings of Bondholders*) of the Programme Trust Deed. Decisions taken at Bondholders' meetings may only be exercised by the Trustee in accordance with the Programme Trust Deed or under these Conditions.

17. Taxation

- 17.1. In accordance with the provisions of the relevant tax legislation, payments in respect of the Series 1 Bonds shall be made without withholding or deduction of any Taxes of whatever nature imposed or levied by or in the Federal Republic of Nigeria.
- 17.2. The CITA Order and PITA Order exclude holders of bonds issued by the Issuer (without any time bound) from payment of companies' income tax and personal income tax on income derived and interest earned by corporate and individuals, respectively.
- 17.3. The VAT Act excludes securities from the definition of "goods and services", therefore the proceeds realized from a disposal of the Series 1 Bonds will not be liable to VAT.
- 17.4. The CGTA exempts every disposal of any Nigerian government securities from the payment of capital gains tax.

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IN WITNESS WHEREOF the Parties have executed and delivered this Deed as a deed on the day and year first above written.

SIGNED, SEALED AND DELIVERED FOR AND ON BEHALF OF
THE FEDERAL REPUBLIC OF NIGERIA
BY:



Name: **PATIENCE ONIHA**
Designation: **Director General, Debt Management Office**

In the presence of:

Name: Paul Ogbu

Signature: 

Designation: **Director, Legal Services, Debt Management Office**

The Common Seal of the within-named Trustee
GREENWICH TRUSTEES LIMITED
was hereunto affixed in the presence of:

DIRECTOR
Name:

DIRECTOR/SECRETARY
Name:

IN WITNESS WHEREOF the Parties have executed and delivered this Deed as a deed on the day and year first above written.

SIGNED, SEALED AND DELIVERED FOR AND ON BEHALF OF
THE FEDERAL REPUBLIC OF NIGERIA

BY:

Name: PATIENCE ONIHA

Designation: Director General, Debt Management Office

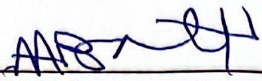
In the presence of:

Name: _____


Signature: _____

Designation: Director, Legal Services, Debt Management Office

The Common Seal of the within-named Trustee
GREENWICH TRUSTEES LIMITED
was hereunto affixed in the presence of:



DIRECTOR
Name: Bunkepo Gana



DIRECTOR/SECRETARY
Name: Karam O. Kaku