

NIGERIA's PROPOSED USD DENOMINATED ICM OFFER:

QUERIES FROM VARIOUS PARTIES ON THE BOOKRUNNERS RFP AND RESPONSES

1. A. Query: Please could you confirm what is the appropriate form of evidence required to show registration with the relevant regulatory authorities in the International Capital Markets that would suffice for meeting the eligibility criteria?

B. Response: Whatever evidence, e.g. certificates/licences, etc. given by the relevant regulatory authorities applicable to the prospective Bookrunner, would suffice.

2. A. Query: It is noted that there is only a General Requirements section to the RFP but then the submission requires General Requirements, Technical Bid and Financial Bid. Clarify what each submission must set out in order that we can be compliant with the bid criteria. In particular, please refer us to the formal technical and financial bid requirements together with any prescribed submission format.

B. Response: In addition to the General Requirements, the Technical Requirements are embedded and derived from the Introduction, Scope of Work and the General Requirements, while the Financial Requirements relate to fees and expenses, including cost of engaging third party professionals such as the Bookrunners' counsel, for performing the Bookrunner role. More specific requirements are set forth below.

I. The Technical Bid requires the following:

The Bookrunners should demonstrate the following:

A. Organisational Experience and Capabilities

- (i) The volume of issues for which your institution has acted as Bookrunner since the start of 2010, and over the past 5 years, for each of the following categories:
 - all international bonds
 - all Emerging Markets sovereign bonds
 - all African bond issues

B. Indicative Pricing and Rationale

- (i) Based upon the structure and term that you recommended above, please specify the indicative pricing (re-offer yield to investors, expressed in relation to their specific benchmark) at which you believe your institution could place the Bonds based on current market conditions.
- (ii) Please discuss the basis for your indicative pricing and the key factors that could affect the pricing, either positively or negatively. Include both factors relating to the Offering (e.g., size, terms, etc.) and external factors.

- (iii) The Bookrunner should provide the secondary trading levels off which the indicative pricing is based.

C. Distribution & Roadshow

- (i) The Bookrunner should indicate where it plans to distribute the Bonds and the type of investors to be targeted.
- (ii) The Bookrunner should make a recommendation for a Roadshow appropriate to marketing the proposed transaction.
- (iii) The Bookrunner should propose how to market the credit of Nigeria, including the strengths to be highlighted, and identify any potential credit weaknesses together with suggested mitigants.

D. After-Market Support

- (i) The Bookrunner should provide evidence of its market-making capabilities in sovereign debt securities and discuss its plans for maintaining a secondary market for the Securities.
- (ii) The Bookrunner should indicate its secondary trading activity in recently placed bond issues in which it participated as lead-manager or bookrunner.
- (iii) A description of your institution's commitment to the Country, knowledge of the Country and support in funding development projects including investments in the Country.
- (iv) Experience of personnel assigned to the Bond Issue including key sales and distribution personnel, to be assigned, with a description of each individual's role.

II. The Financial Bid requires the following:

- A. The Bookrunner should specify the fees that would be charged to arrange the Offering. Include an itemization of management fees, underwriting fees, selling concession and cost of issuance.
- B. Provide an itemized breakdown of the expenses you estimate would be incurred in connection with the Offering, including all underwriters' legal fees, costs of printing, any registration fees, and all other out-of-pocket expenses. Identify the party expected to bear each expense item.
- C. Provide anticipated expenses for marketing and "roadshows". The breakdown should differentiate between expenses being paid out of the proceeds of the Offering and those directly charged to the DMO.
- D. Please indicate if you are willing to negotiate a maximum limit for all expenses paid by the DMO for the Offering.
- E. It should also be indicated whether the fees and expenses are final or negotiable and how they are to be paid e.g. bullet back end or in instalments.

3. A. Query: Please confirm the form of submission is in hard copy with 7 (seven) copies of each relevant section submitted in each of 2 (two) envelopes to be delivered in physical copy to the given DMO address. To be clear, this therefore, means two (2) envelopes each containing seven copies of the General Requirements and the Technical Bid submission and two envelopes each containing seven copies of the financial Bid.

B. Response: Seven hard copies of the General Requirements and the Technical Bid are to be submitted in one sealed envelope while seven hard copies of the Financial Bid are to be submitted in another sealed envelope.

4. A. Query: The RFP states that “joint bids would not be allowed”. Does this also mean that an international bank may not submit a proposal in partnership with a local Nigerian bank (their role would not be as a Bookrunner but potentially as a co-manager)?

B. Response: Each institution must submit its own response to the RFP. If an institution intends to partner with one or more other institution(s) for some other role, that should be a separate arrangement between the relevant institutions, to be discussed with the DMO.