

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ CAREFULLY. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION TO BE TAKEN, PLEASE CONSULT YOUR BANKER, STOCKBROKER, ACCOUNTANT, SOLICITOR OR ANY OTHER PROFESSIONAL ADVISER FOR GUIDANCE IMMEDIATELY. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGES 66 TO 68 THEREOF.



FAMILY HOMES SUKUK ISSUANCE PROGRAM PLC

(A SPECIAL PURPOSE VEHICLE INCORPORATED AS A PUBLIC LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

RC: 1724561

₦30,000,000,000

SUKUK ISSUANCE PROGRAMME

THIS SHELF PROSPECTUS AND SECURITIES WHICH IT OFFERS HAVE BEEN REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION (THE "SEC" OR THE "COMMISSION"). IT IS A CIVIL WRONG AND A CRIMINAL OFFENCE UNDER THE INVESTMENTS AND SECURITIES ACT (NO. 29) 2007 (THE "ISA" OR THE "ACT") TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. CLEARANCE AND REGISTRATION OF THIS SHELF PROSPECTUS AND THE SECURITIES WHICH CAN BE ISSUED UNDER THE PROGRAMME DO NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE AND MISLEADING STATEMENTS CONTAINED HEREIN OR FOR ANY OMISSION OF A MATERIAL FACT. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS PROVIDED IN SECTIONS 85 AND 86 OF THE ISA.

THIS SHELF PROSPECTUS HAS BEEN ISSUED IN COMPLIANCE WITH PART IX OF THE ACT, THE RULES AND REGULATIONS OF THE COMMISSION AND THE LISTING REQUIREMENTS OF THE NIGERIAN EXCHANGE LIMITED (THE "NGX") AND FMDQ SECURITIES EXCHANGE LIMITED ("FMDQ") AND CONTAINS PARTICULARS WHICH ARE IN COMPLIANCE WITH THE REQUIREMENTS OF THE COMMISSION FOR THE PURPOSE OF GIVING INFORMATION WITH REGARD TO THE ₦30,000,000,000.00 SUKUK ISSUANCE PROGRAMME (THE "PROGRAMME").

THE MAXIMUM AGGREGATE NOMINAL AMOUNT OF ALL SUKUK SECURITIES ISSUED FROM TIME TO TIME AND OUTSTANDING UNDER THE PROGRAMME SHALL NOT EXCEED ₦30,000,000,000.00 OVER THE THREE (3) YEARS THAT THIS SHELF PROSPECTUS, INCLUDING ANY AMENDMENTS THERETO, REMAINS VALID. THIS SHELF PROSPECTUS IS TO BE READ AND CONSTRUED IN CONJUNCTION WITH ANY SUPPLEMENT HERETO AND ALL DOCUMENTS WHICH ARE INCORPORATED HEREIN BY REFERENCE AND, IN RELATION TO ANY SERIES OF THE PROGRAMME, TOGETHER WITH THE APPLICABLE SUPPLEMENTARY PROSPECTUS.

THE REGISTRATION OF THIS SHELF PROSPECTUS AND ANY SUPPLEMENTARY PROSPECTUS SHALL NOT BE TAKEN TO INDICATE THAT THE COMMISSION ENDORSES OR RECOMMENDS THE SUKUK OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS SHELF PROSPECTUS OR ANY SUPPLEMENTARY PROSPECTUS.

THIS SHELF PROSPECTUS IS TO BE READ AND CONSTRUED IN CONJUNCTION WITH ANY SUPPLEMENT, HERETO AND ALL DOCUMENTS INCORPORATED BY REFERENCE AS A WHOLE AND, IN RELATION TO ANY SERIES OF THE PROGRAMME, TOGETHER WITH THE RELEVANT PRICING SUPPLEMENT. AN INVESTMENT IN CERTAIN SUKUK MAY ENTAIL A RISK OF LOSS OF ALL OR A PORTION OF THE PRINCIPAL AMOUNT OF THE SUKUK WHICH IS DIRECTLY CAUSED BY DEVALUATION OF THE CURRENCY OF ISSUE; VALUE OF SECURITIES AT A SECURITIES MARKET; OR OTHER INDICES OR BY A CHANGE IN THE CONDITION OF BUSINESS OR ASSETS OF THE PARTY SELLING THE SECURITIES OR OTHER PARTIES. ALSO, AN EXERCISE OF AN OPTION OR OTHER RIGHT ASSOCIATED WITH CERTAIN SECURITIES OR CANCELLATION OF A CONTRACT FOR SALE OF CERTAIN SECURITIES MAY BE SUBJECT TO CERTAIN TIME LIMITATIONS. INVESTMENT IN THE SECURITIES IS STRICTLY FOR ELIGIBLE INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUALS AS DEFINED UNDER RULE 321 OF THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION.

FOR INFORMATION ABOUT RISKS FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO RISK FACTORS ON PAGES 66 TO 68.

INVESTORS MAY CONFIRM THE CLEARANCE OF THIS SHELF PROSPECTUS AND REGISTRATION OF THE SECURITIES WITH THE SECURITIES AND EXCHANGE COMMISSION BY CONTACTING THE COMMISSION ON SEC@SEC.GOV.NG OR +234(0)94621100; +234(0) 94621168.

LEAD ISSUING HOUSE



JOINT ISSUING HOUSES



RC 1452741



RC 189502

SHARI'AH ADVISER



RC 1153581

THIS SHELF PROSPECTUS IS DATED THIS 15TH DAY OF JULY 2021

This Shelf Prospectus will be available on the following websites

www.fhfl.com.ng

www.sec.gov.ng

This Shelf Prospectus is valid until July 15, 2024

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1. IMPORTANT NOTICE

This Shelf Prospectus is made in accordance with the provisions of the Act, SEC Rules and Regulations, the listing and quotation requirements of the FMDQ and the NGX, for the purpose of giving information with regard to the Issuer, the Sponsor and the Securities which, according to the particular nature of the Issuer and Sponsor, is necessary to enable investors make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Sponsor.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Shelf Prospectus or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorised by either the Issuer or the Sponsor, or any of the parties to the Programme.

Neither this Shelf Prospectus nor any other information supplied in connection with the Programme or the Securities: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by either the Issuer or the Sponsor or any of the Parties to the Programme that any recipient of this Shelf Prospectus or any other information supplied in connection with the Programme should purchase any Securities. Each Investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer or the Sponsor.

This Shelf Prospectus has been issued in compliance with Part IX of the Act, the Rules and Regulations of the commission and listing requirements of the Nigerian Exchange Limited (“The NGX”) and FMDQ Securities Exchange Limited (“FMDQ”) and contains particulars which are in compliance with the requirements of the Commission for the purpose of giving information with regards to the ₦30,000,000,000 Sukuk Issuance Programme.

2. INFORMATION RELATING TO THIS SHELF PROSPECTUS

2.1 PRESENTATION OF INFORMATION

The information in this Shelf Prospectus has been obtained from official sources that are believed to be reliable, but is not guaranteed to be accurate, reliable or complete. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Shelf Prospectus nor any issue made hereunder or any future use of this Shelf Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer and Bank since the date hereof.

All financial and other information presented or incorporated by reference in this Shelf Prospectus have been provided by the Issuer and the Sponsor from their records, except for information expressly attributed to other sources. The presentation of certain information is intended to show recent historic financial information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer and the Bank. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

A wide variety of other information concerning the Sponsor, including financial information, are available from the Sponsor's website – <https://fhfl.com.ng/> – and other authorised publicly available Company publications. Any such information that is inconsistent with the information set forth in this Shelf Prospectus should be disregarded. No such information is a part of or incorporated into this Shelf Prospectus.

2.2 FINANCIAL INFORMATION

Unless otherwise indicated, the financial information regarding the Sponsor indicated in this Shelf Prospectus has been derived from the Reporting Accountants' Report on the Sponsor's Audited Financial Statements for the years ended December 31st 2017 – December 31st 2019. The Sponsor's audited financial statements have been prepared in accordance with (a) International Financial Reporting Standards; (b) the requirements of the CAMA, (c) the Financial Reporting Council of Nigeria Act 2011, and are presented in Naira, the reporting currency of the Sponsor.

2.3 ROUNDING

Unless otherwise indicated, certain numerical figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown in totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

2.4 FORWARD LOOKING STATEMENTS

Certain statements included herein and in any Pricing Supplement may constitute forward looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward looking statements can be identified by the use of forward looking terminology such as "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would be", "seeks", "approximately" "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Issuer and Sponsor's intentions, beliefs or current expectations concerning, amongst other things, the Issuer and Sponsor's operating results, financial condition, liquidity, prospects, growth, strategies and the industry in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward looking statements are not guarantees of future development of the industry in which the Company operates, as this may differ materially from those made

in or suggested by the forward-looking statements contained in this Shelf Prospectus. In addition, even if the Company's results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking statements contained in this Shelf Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Factors that could cause actual results to differ materially from the Company's expectations are contained in the cautionary statements in this Shelf Prospectus.

The sections of this Shelf Prospectus titled "Risk Factors", "Description of Family Homes Sukuk Issuance Program Plc" and "Statutory and General Information" contain a more detailed discussion of the factors that could affect the Company's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

The Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Shelf Prospectus.

2.5 STATEMENTS IN THE PRICING SUPPLEMENT

Following the publication of this Shelf Prospectus, Pricing Supplement(s) will be issued in relation to each issuance of a Series or Tranche of Securities that are offered for subscription from time to time by the Company under the Programme. Each applicable Pricing Supplement will be cleared and approved by the SEC.

Specific statements on a Security as contained in the relevant Pricing Supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statements so modified shall not, except as modified or superseded, constitute a part of this Shelf Prospectus.

2.6 AMENDMENTS TO THE SHELF PROSPECTUS

In the event of any significant change, material mistake or inaccuracy relating to information included in this Shelf Prospectus, which is capable of affecting the assessment of the Securities, the Issuer shall prepare an addendum to this Shelf Prospectus. The addendum shall also be subject to the clearance and approval of the Commission.

3. DEFINITION OF TERMS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

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| “Agusto & Co” | Agusto & Co Limited |
| “Allotment Date” | The date on which Sukuk is allotted to successful bidders |
| “Allotment” | The issue of Sukuk to successful bidders pursuant to the relevant Pricing Supplement |
| “Apel Capital and Trust” | Apel Capital and Trust Limited |
| “APT Securities” | APT Securities and Funds Limited |
| “Bidder” | Any Qualified Investor, as defined by SEC Rules, who makes a bid pursuant to the terms of a Pricing Supplement |
| “Board”, “Directors” or “Board of Directors” | The Board of Directors of the Issuer |
| “Book” | The "Book" is the off-market collation of investor demand by the Book Runner(s) and is confidential to the Book Runner(s) and Issuer |
| “Book Runner(s)” | The Issuing House(s) duly appointed by the Issuer to maintain the Book in respect of the Sukuk being sold by way of Book Building |
| “Book Building” | A process of price and demand discovery through which the Book Runner(s) seek(s) to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investors and High Net-Worth Investors |
| “Buraq Capital” | Buraq Capital Limited |
| “Business Day” | Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria |
| “CAC” | Corporate Affairs Commission |
| “CAGR” | Compound Annual Growth Rate |
| “CAMA” | Companies and Allied Matters Act Cap C20, LFN, 2004 |
| “CBN” | Central Bank of Nigeria |
| “Certificates or Sukuk Certificates” | The investment certificates of equal value issued by the Issuer/Trustee, representing the undivided ownership of the Sukukholder in the Lease Assets and/or usufruct and/or rights to the rental receivables from the Lease Assets subject to the terms of the Deed of Declaration of Trust |

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| “Chapel Hill Denham” | Chapel Hill Denham Advisory Limited |
| “Credent Capital” | Credent Capital and Advisory Limited |
| “CSCS” or the “Clearing System” | Central Securities Clearing Systems Plc |
| “Daily Official List” | The publication of The Nigerian Exchange Limited, published daily, detailing price movements and information on all securities quoted on the Exchange |
| “Daily Quotations List” | The publication of FMDQ Securities Exchange Limited published daily, detailing price movements and information on all securities quoted on FMDQ’s platform |
| “Dealers” | All Broker/Dealers and Primary Dealers/Market Makers with substantive registrations with the SEC and the NGX/FMDQ, who may be appointed by the Company to facilitate liquidity in the instruments to be issued under the Programme |
| “Dissolution Date” | Means the date on which FHF would have purchased the Assets in accordance with the Purchase Undertaking, subject to the payment of the purchase price, which will be applied to redeem the Sukuk Certificates at the Dissolution Amount” |
| “Dissolution Distribution Amount” | Means the purchase price for the Houses payable upon the maturity of the Sukuk thereof as specified in the Purchase Undertaking or such relevant Transaction Document as the Parties may agree. |
| “EAC Trustees” | EAC Trustees Limited |
| “Events of Default” | All such events as are defined under the Programme Trust Deed |
| “Exchange” | The Nigerian Exchange Limited, FMDQ , or any other SEC approved securities exchange that the Issuer elects to list the Sukuk (collectively the “Exchanges”) |
| “FGN” or “Federal Government” | Federal Government of Nigeria |
| “Family Homes Funds” or “FHF” or “Company” | Family Homes Funds Limited |
| “Final Terms” | means the document specifying the final terms applicable to a Series |
| “FMDQ” | FMDQ Securities Exchange Limited |
| “GCR” | Global Credit Ratings Company |
| “Greenwich Trust” | Greenwich Trust Limited |
| “Houses” | Means the Allocated Houses, each of which have been developed by the Obligor, particulars of which are set out in detail in Schedule 2 of the Trust Deed and any other House which the |

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| | Parties may jointly agree to include as a Trust Asser from time to time |
| “High Net-Worth Investors or “HNI” | As defined in the SEC Rules 321 |
| “IFRS” | International Financial Reporting Standards |
| “ISA” | Investments and Securities Act (No. 29 of 2007) |
| “Issue Date” | In respect of any particular Series or Tranche, the date on which a Sukuk is issued and when accrual of the rental rate on the Sukuk commences as specified in the applicable Pricing Supplement |
| “Issue Price” | The price at which a Sukuk is issued as specified in the applicable Pricing Supplement |
| “Issue Proceeds Account” | The non-interest account with the receiving banks into which the Subscription Amount received from the Sukukholders shall be deposited |
| “Issuer” | Family Homes Sukuk Issuance Program Plc |
| “Issuing Houses” | The Lead Issuing House and the Joint Issuing Houses |
| “Joint Issuing House” | Credent Capital & Advisory Limited and Greenwich Trust Limited and any other Issuing House that may be appointed from time to time for a series of Sukuk to be issued under the programme |
| “Lead Issuing House” | Chapel Hill Denham and any other Issuing House that may be appointed from time to time as Lead adviser for a series of Sukuk to be issued under the programme |
| “Jaiz Bank” | Jaiz Bank Plc |
| “Lease” | Means the Ijara Lease Agreements to be entered into between the Obligor as Lessor, and Issuer as Lessee respectively |
| “Lease Assets” | Means the assets sought to be leased by the Lessee from the Lessor pursuant to the Ijara Agreement |
| “Lease Commencement Date” | The date of the delivery of the first Certificate of Completion by the Lessor to the Lessee in accordance with the provisions of the Ijara Agreement |
| “Lease Period” | The term of the lease of the Lease Assets by the Lessee from the Lessor, as set out in the Forward Ijara Agreement |
| “Lease Rental” or “Rental” | The rent payable by the Lessee to the Lessor in respect of the lease of the Lease Assets |
| “Lessee” | Family Homes Funds Limited |
| “Lessor” | Family Homes Sukuk Issuance Program Plc |
| “LFN” | Laws of the Federation of Nigeria 2004 |

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| “The Metropolitan Law” | The Metropolitan Law Firm |
| “Muhtari Dangana” | Muhtari Dangana and Co |
| “Naira or “N” or NGN” | Means the Nigerian Naira, the lawful currency of the Federal Republic of Nigeria |
| “Nigeria” | The Federal Republic of Nigeria, and the term “Nigeria” shall be construed accordingly |
| “Originator” | Family Homes Funds Limited |
| “Obligor” | Family Homes Funds Limited |
| “Participant(s)” | Investors who intend to, and have the capacity to purchase the Sukuk, and who submit the duly completed application form during the offer period |
| “Participation Amount” | Subscription amount indicated on the application form of interested investor |
| “Paying Agent” | Means the Registrar or such other agents through whom payments due on the Sukuk shall be made as and when due |
| “Payment” | Payments made or to be made by the Lessee to the Lessor pursuant to the Ijara Agreement (and the Purchase Undertaking, including Lease Rentals and Dissolution Distribution Amount, as applicable) |
| “Payment Account” | Means, in relation to a Series, an account established by the Issuer with the Account Bank under control of the Trustee which shall be funded by the Issuer with instalments to be determined in accordance with the applicable Final Terms; |
| “Periodic Distribution Amount” | The amount to be paid to the Sukukholders every 6 months commencing from the date of the Ijarah Agreement |
| “Periodic Distribution Date” | Means the date on which the Rental is payable to the Sukukholders through the Paying Agent |
| “PITA” | Personal Income Tax Act Cap, P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011) |
| “Pricing Supplement” or “Supplementary Shelf Prospectus” | The document(s) with respect to the Sukuk to be issued pursuant to the Shelf Prospectus which shall provide final terms and conditions of a specific Series or Tranche of Sukuk under the Programme and read in conjunction with the Shelf Prospectus |
| “Programme Trust Deed” | The Trust Deed between the Issuer, the Co-obligors and the Trustees dated on or about the date of this Shelf Prospectus as may be amended, supplemented or restated from time to time |
| “Programme Document” | All the agreements and documents, which relate to the Programme |
| “United Capital” | United Capital Trustees Limited |

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| “Qualified Institutional Investor” | As defined in the SEC Rules, institutional purchasers of securities, including Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable PE funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, and Stock Broking Firms |
| “Qualified Investors” | Qualified Institutional Investors and High Net-Worth Investors |
| “Receiving Banks” | Jaiz Bank, Taj Bank, or any other bank appointed by the Sponsor under the programme, or subsequent issuances |
| “Register” | The record maintained by the Registrar detailing the particulars of Sukukholders, respective Sukuk held by each Sukukholder and the particulars, transfers and redemption of Sukuk held by each Sukukholder |
| “Registrar” | Africa Prudential Registrars Plc or any other person so appointed by the Issuer |
| “Rental Commencement Date” | The date on which the Issuer or Sponsor clears the allotment returns in respect of the Sukuk and on which the Sukuk are deemed issued to the identified subscribers; also construed as the Issue Date |
| “Rental Payment Date” | The last day of a Rental Period, i.e., sixth and twelfth month of each year |
| “Rental Period” | Each period beginning on (and including) the Rental Commencement Date and ending six months after the Rental Commencement Date and every six months thereafter up to and including the Maturity Date |
| “Rental Rate” | Agreed fixed rate per annum to be distributed every 6 months to the Sukukholders, expressed as a percentage of the Sukuk Size |
| “SEC” or “The Commission” | Securities & Exchange Commission |
| “SEC Rules” | The Rules and Regulations of the Securities & Exchange Commission issued pursuant to the ISA |
| “Security” or “Securities” | Sukuk notes being issued under the programme |
| “Series Trust Deed” | A deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustees with regards to a specific Series under the Programme and empowering the Trustee to hold, administer and manage the applicable assets |
| “Service Agency Agreement” | Means the agreement between the Issuer and FHF, granting FHF the power to act as a Facility Manager in managing the entire affairs of the assets |

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| “Shari’ah Adviser” | Buraq Capital limited |
| “Shelf Prospectus” or “Prospectus” | This document issued in accordance with the SEC Rules, which details the aggregate size and broad terms and conditions of the Programme |
| “Sukukholder” or “Holder” | Any registered owner or beneficial owner of Sukuk units to be issued under the Programme |
| “Sukuk Issuance Programme” or the “Programme” | The ₦30,000,000,000 Sukuk Issuance Programme being undertaken by Family Homes Sukuk Issuance Programme 1 Plc as described in this Shelf Prospectus and each other Pricing Supplement, pursuant to which the Issuer may issue several Series or Tranches from time to time with varying maturities, terms and conditions and variable rental rates provided however that the aggregate value does not exceed ₦30,000,000,000 |
| “Sukuk Proceeds” | Means the unit of each series of Sukuk multiplied by the Issue price of the Series |
| “Sponsor” | Family Homes Funds Limited |
| “STL Trustees” | STL Trustees Limited |
| “Taj Bank” | Taj Bank Limited |
| “The Constitution” | The Constitution of the Federal Republic of Nigeria 1999 (as amended) |
| “The NGX” | The Nigerian Exchange Limited |
| “Tranche” | Sukuk which are identical in all respects (including as to listing) |
| “Transaction Documents” | Means all the agreements and documents which are to be prepared or executed in connection with the Sukuk, including but not limited to: <ol style="list-style-type: none"> 1. The Programme Trust Deed; 2. The Ijara Agreement; 3. The Deed of Guarantee; 4. The Deed of Sale; 5. The Sale Undertaking; 6. The Purchase Undertaking; 7. The Service Agency Agreement; and 8. The Prospectus. |
| “Trustees” | United Capital, STL Trustees, EAC Trustees, Apel Capital or any other Trustee that may be appointed from time to time for a series of Sukuk to be issued under the Programme |
| “Trustee Investment Act” | Means CAP T.22 Laws of the Federation of Nigeria 2004 |

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| “Trust Assets” | <p>Means:</p> <ol style="list-style-type: none"> 1. The interest, rights, title, benefits and entitlements, present and future, of the Sukukholders represented by the Issuer/Trustee in, to and under the Lands, Homes and any assets related to the Sukuk issuance; 2. The interest, rights, benefits and entitlements, present and future, of the Sukukholders represented by the Issuer/Trustee in, to and under the Transaction Documents; 3. All moneys standing to the credit of the Issue Proceeds Account from time to time; and 4. All proceeds of the foregoing. |
| “Trust Deed” | The Programme Trust Deed by which the Sukuk Issuance Programme is constituted |
| “United Capital” | United Capital Trustees Limited |
| “Validity Period” | A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus |
| “VAT” | Value Added Tax |

4. DECLARATION BY THE ISSUER

FAMILY HOMES SUKUK ISSUANCE PROGRAM PLC RC:1724561

28th December 2020

The Director General,
Securities and Exchange Commission,

ISSUER: Family Homes Sukuk Issuance Program Plc

DECLARATION UNDER THE SUKUK RULES

1. We, **FAMILY HOMES SUKUK ISSUANCE PROGRAM PLC** (hereinafter referred to as the "Company" or "Issuer") are proposing to undertake the following proposals:
 - a. The Company is desirous of raising capital of up to ₦30,000,000,000.00 (Thirty Billion Naira only) through the issuance of notes of equal value (hereinafter referred to as "Sukuk") in compliance with Shari'ah principles, for the finance, development and/or management of affordable homes for low income household in Nigeria whether by way of public offering or any other method, and in such tranches, series or proportions and at such dates or within such maturity periods and on such terms, conditions and price as may be approved by the Family Homes Funds Limited subject to obtaining all requisite approvals from applicable regulatory authorities; and
 - b. The Sukuk will constitute a direct and general obligation of the Issuer and may be issued only on an unsubordinated basis.(hereinafter referred to as "the Proposal").
1. We confirm that having made all reasonable enquiries, and to the best of our knowledge and belief, there is no false or misleading statement contained in, or material omission from, the information that is provided to the adviser(s)/expert(s) or to the Commission in relation to the above Proposal.
2. We declare that we are satisfied that after having made all reasonable enquiries that the Proposal is in full compliance with the following:
 - a. The Sukuk rules;
 - b. The SEC rules and regulations; and
 - c. The trust deeds.
3. The Company has not been:
 - a. convicted or charged with any offence under the securities laws, or other laws involving fraud or dishonesty in a court of law, since incorporation; or
 - b. subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five (5) years proper to submission.
4. We declare the following in accordance with the sukuk rules:
 - a. The Proposal does not result in a significant change in the business direction or policy of the company; and
 - b. The Proposal is not a related-party transaction
5. We declare that we will ensure continuous compliance with the requirements and conditions imposed by the Commission in relation to the above proposal and agree that we will continuously submit annual audited financial statements and other documents required by the Commission under the sukuk rules.
6. We undertake to provide to the Commission all such information as the Commission may require in relation to the Proposal from time to time.

The above declaration has been signed by Directors of the Issuer under the authority granted by a resolution of the Board of Directors on **October 26th, 2020**.

Yours faithfully,


Mr. Sani Yakuba
Director
Family Homes Sukuk Issuance Program Plc


Ekundayo Funmilayo Tomilola
Director
Family Homes Sukuk Issuance Program Plc



5. DECLARATION BY THE SPONSOR

The Director General,
Securities and Exchange Commission,

SPONSOR: Family Homes Funds Limited

DECLARATION UNDER THE SUKUK RULES

1. We, **FAMILY HOMES FUNDS LIMITED** (hereinafter referred to as the "Company" or "Sponsor") are proposing to undertake the following proposals:

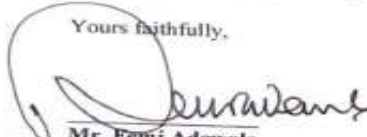
- a. The Company is desirous of raising capital of up to ₦30,000,000,000.00 (Thirty Billion Naira only) through the issuance of notes of equal value hereinafter referred to as "Sukuk") in compliance with Shari'ah principles, for the finance, development and/or management of affordable homes for low income household in Nigeria whether by way of public offering or any other method, and in such tranches, series or proportions and at such dates or within such maturity periods and on such terms, conditions and price, subject to obtaining all requisite approvals from applicable regulatory authorities, through Family Homes Sukuk Issuance Program Plc as the Issuer.

(hereinafter referred to as "the Proposal").

1. We confirm that having made all reasonable enquiries, and to the best of our knowledge and belief, there is no false or misleading statement contained in, or materiel omission from, the information that is provided to the adviser(s)/expert(s) or to the Commission in relation to the above Proposal.
2. We declare that we are satisfied that after having made all reasonable enquiries that the Proposal is in full compliance with the following:
 - a. The Sukuk rules;
 - b. The SEC rules and regulations; and
 - c. The trust deeds.
3. The Company has not been:
 - a. convicted or charged with any offence under the securities laws, or other laws involving fraud or dishonesty in a court of law, since incorporation; or
 - b. subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five (5) years proper to submission.
4. We declare the following in accordance with the sukuk rules:
 - a. The Proposal does not result in a significant change in the business direction or policy of the company; and
 - b. The Proposal is not a related-party transaction.
5. We declare that we will ensure continuous compliance with the requirements and conditions imposed by the Commission in relation to the above proposal and agree that we will continuously submit annual audited financial statements and other documents required by the Commission under the sukuk rules.
6. We undertake to provide to the Commission all such information as the Commission may require in relation to the Proposal from time to time.

The above declaration has been signed by the Managing Director and a Director of the Sponsor under the authority granted by a resolution of the Board of Directors on 25th June 2020.

Yours faithfully,


Mr. Femi Adewole
Managing Director
Family Homes Funds Limited


Mr Suleiman Barau
Director
Family Homes Funds Limited

THIS DOCUMENT WAS
DULY SIGNED BEFORE
ME

6. PARTIES TO THE PROGRAMME

PARTIES TO THE ISSUE

The Issuer

Family Homes Sukuk Issuance Program Plc
Sinoki House, 3rd Floor
Central Business District
Abuja
E-mail: info@fhfi.com.ng
Tel: +234 9060008041

Issuer's Board of Directors

Mr. Sani Yakubu

(Family Homes Funds)

Mrs. Ajayi Adenike Olatokunbo
(United Capital Trustees Limited)

Mr. Ayokunle Olubunmi Oluwatosin Toyin
(Apel Capital and Trust Limited)

Mrs. Ekundayo Funmilayo Tomilola
(STL Trustees Limited)

Mr. Adeniyi Adetuyi Oluwabusayo
(EAC Trustees Limited)

The Metropolitan Law Firm
Company Secretary

Francis I. Igboanugo

The Sponsor

Family Homes Funds Limited
Sinoki House, 3rd Floor
Central Business District
Abuja
E-mail: info@fhft.com.ng
Tel: +234 9060008041

Sponsor's Board of Directors

Mr. Suleiman Barau
(Chairman)

Mr. Femi Adewole
(Managing Director)

Mr. Edinoh Uwodi Ebune
(Non-Executive Director)

Mr. Uche Orji
(Non-Executive Director)

Ms. Aisha Omar
(Non-Executive Director)

Mr. Mohammed Rashid Umar
(Independent Director)

Ambassador (Arc) Muhammadu Adamu Jumba
(Independent Director)

Mr. Chiweze Allen Ukwuoma
(Director)

Mr. Franklin Eseagwu
(Company Secretary)

PROFESSIONAL PARTIES TO THE PROGRAMME

Shari'ah Adviser:

Buraq Capital Limited
Muktar El-Yakub Place, 3rd Floor
Plot 1129 Zakaria Maimalari Street
Central Business District, Abuja

Mustapha M.M. BINTUBE

Lead Issuing House:

Chapel Hill Denham Advisory Limited
10 Bankole Oki Street
Ikoyi
Lagos

Kemi Awodeen

Joint Issuing House:

Credent Capital & Advisory Limited
5 Amazon River Close
off Amazon Street
Maitama, Abuja

Mimi U. B.

Joint Issuing House:

Greenwich Trust Limited
1698A Oyin Jolayemi Street
Victoria Island
Lagos

Baydote BAYO ROTIMI

Solicitors to the Offer:

Metropolitan Law Firm
11 Zangon Daura Estate
Kado District
Abuja

Francisca I. Igboanugo

Stockbrokers

APT Securities and Funds Limited
Church House, 3rd Floor
29 Marina Street
Lagos

Samira Kabir

Rating Agency:

Agusto & Co Limited
UBA House, 5th Floor
57 Marina
Lagos

Olusegun Awadokun

Rating Agency:

Global Credit Rating Co.
11th Floor, New Africa House
31 Marina
Lagos

Hafeez Okunola

Registrar:

Africa Prudential Registrars Plc
220b Ikorodu Road
Palmgrove
Lagos
Website: www.africaprudentia.com
Email: cxc@afriapru.com
Tel: +234 700 237 47783

Veronica Eseliga

Reporting Accountant

Muhtari Dangana and Co
19 Araromi Street
Onikan
Lagos

Abel A. A. A.

Joint Trustees

STL Trustees Limited
30 Marina
Lagos

Funmi Ekundayo

Joint Trustees

United Capital Trustees Limited
Afriland Towers - 3rd & 4th Floors
97/105 Broad Street
Lagos

Bunmi Ikotunye

Joint Trustees

EAC Trustees Limited
13 Maitama Sule Street
South West Ikoyi
Lagos

Toyin F. SANMI

Joint Trustees

Apel Capital and Trust Limited
8 Alhaji Bashorun Street
South-West Ikoyi
Lagos

Omohola Iyotakan

Auditors:
Ernst & Young
UBA House, 10th Floor
57 Marina
Lagos

[Signature]
Funmi Ojokoro

Receiving Bank:
Taj Bank Limited
Plot 72 Ahmadu Bello Way
Central Business District
Abuja, Nigeria

[Signature]
Michael Odim

Receiving Bank:
Jaiz Bank Plc
39 Awolowo Road
Ikoyi
Lagos

~~Sadiq Abdullahi~~
Sadiq Abdullahi

7. THE PROGRAMME

A copy of this Shelf Prospectus and the documents specified herein have been delivered to the SEC for clearance and registration. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Sukuk to be issued under the Programme or assumes responsibility for the correctness of any statements made or opinions or reports expressed herein.

This Shelf Prospectus is being issued in compliance with the provisions of ISA, the Rules and Regulations of the Commission and the listing requirements of the relevant Exchanges and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regards to the Programme. In the event that any issue under the Programme is to be listed, an application will be made to either the Governing Council of The NGX for the admission of such Securities to its Daily Official List or to the FMDQ to its Daily Quotation List, or any other SEC approved Exchange (as determined by the Issuer).

The Directors of the Issuer and Sponsor have taken all reasonable care to ensure that the information concerning FHFL and the Issuer contained in this Shelf Prospectus are true and accurate in all material respects on the date of this Shelf Prospectus and that as of the date hereof there are no other material facts in relation to the Sponsor and Issuer, the omission of which would make misleading any statement herein.

LEAD ISSUING HOUSE



JOINT ISSUING HOUSES



RC 1451741



RC 189502

SHARI'AH ADVISER



RC 1153581

On Behalf of



FAMILY HOMES SUKUK ISSUANCE PROGRAM PLC

Are authorize to issue this Shelf Prospectus in respect of the ₦30,000,000,000 Sukuk Issuance Programme

This Shelf Prospectus must be read in conjunction with any Pricing Supplement to be issued by the Issuer from time to time within its Validity Period. No Sukuk will be issued on the basis of this Shelf Prospectus, read together with any Pricing Supplement, later than three (3) years after the issue date indicated on the cover of this Shelf Prospectus.

This Shelf Prospectus contains:

1. on pages 25 – 35, the Terms & Conditions of the Programme;
2. on page 58 – 59, an extract of the Rating Reports prepared by Agosto & Co
3. on page 60 – 64, the Reporting Accountant's Report on the Sponsor's historical financial information, prepared by Ernst & Young; and
4. on page 69, details of claims and litigation prepared by Metropolitan Law Firm

This Shelf Prospectus and the documents referred to herein can be obtained free of charge from the offices of the Commission, the Issuer and the Issuing Houses.

8. SUKUK STRUCTURES

The Issuer may adopt any of the following Sukuk structure depending on the funding objectives for the respective Series. Each structure may be used singly or combined with another in line with the underlying commercial and contractual basis for the particular Series.

8.1 IJARAH (LEASE) SUKUK

Ijarah Sukuk is the most commonly used sukuk structure. It involves the transfer of ownership or benefit/usufruct of tangible assets such as real estate, aircraft or ships from an originator to an SPV, which then issues to investors sukuk certificates representing undivided ownership interests in such assets.

The asset is then leased back to the originator by the SPV for a specified term, which is typically commensurate with the term of the certificates.

8.2 MURABAHA (COST-PLUS-PROFIT MARGIN SALE) SUKUK

Murabaha Sukuk is used where the issuer of the sukuk will utilise the proceeds of the sukuk issuance to purchase commodities from a commodity supplier. The trustee will then on-sell the commodities to the originator of the sukuk at a deferred price, which reflects the purchase price plus profit for the trustee as compensation for its involvement in the transaction.

8.3 ISTINA (CONSTRUCTION/ MANUFACTURING FINANCING) SUKUK

Istisna Sukuk is a contract of sale of specified items to be manufactured or constructed, with an obligation on the part of the manufacturer or builder (contractor) to deliver them to the customer upon completion.

8.4 SALAM (SALE WITH SPOT PAYMENT BUT DEFERRED DELIVERY) SUKUK

Salam Sukuk refers to the purchase of a commodity for deferred delivery in exchange for immediate payment according to specified conditions or sale of a commodity for deferred delivery in exchange for immediate payment.

8.5 WAKALA (AGENCY) SUKUK

Wakala Sukuk is an agreement between two parties whereby one party agrees to act on the other party's behalf, in a manner akin to an agency arrangement. The principal (investor) appoints an agent (the wakeel) to invest funds in a pool of investments or assets that are purchased by the wakeel as agent and trustee of the sukukholders.

8.6 MUDARABA (PROFIT & LOSS BEARING PARTNERSHIP) SUKUK

Mudaraba Sukuk refers to a form of equity-based partnership in which one party (the rab al-maal) provides the other party (the mudarib) with capital and the mudarib uses its expertise and labour to invest the capital in return for a pre-agreed share of the profit generated.

8.7 MUSHARAKA (PROFIT & LOSS SHARING PARTNERSHIP) SUKUK

Musharaka Sukuk is a form of partnership between the Islamic bank and its clients whereby each party contributes to the capital of the partnership in equal or varying degrees to establish a new project or share in an existing one, and whereby each of the parties becomes an owner of the capital on a permanent or declining basis and shall have his due share of profits.

9. SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and qualified in its entirety by the remainder of this Shelf Prospectus and, in relation to the terms and conditions of any particular Series, the applicable Pricing Supplement. Words and expressions defined in “Form of the Sukuk” and “Terms and Conditions of the Sukuk” shall have the same meaning in this summary:

| | |
|------------------------------|---|
| Issuer: | Family Homes Sukuk Issuance Program Plc |
| Sponsor: | Family Homes Fund Limited |
| Shari’ah Advisers: | Buraq Capital Limited |
| Lead Issuing House: | Chapel Hill Denham Advisory Limited |
| Joint Issuing Houses: | Credent Capital & Advisory Limited Greenwich Trust Limited |
| Methods of Issue: | The Securities under this Programme may be issued by way of a public offer, private placement, book build process, or any other method permitted by the SEC and as specified in the Applicable Pricing Supplement |
| Use of Proceeds: | The proceeds of the Sukuk Issuance Programme will be utilized as stated in the Applicable Pricing Supplement |
| Description: | ₦30 billion Sukuk Issuance Programme |
| Trustee: | STL Trustees Limited, EAC Trustees Limited, United Capital Trustees Limited and Apel and Capital Trust Limited |
| Specified Currency: | Naira (“₦”) |
| Trust Assets: | The Trust Assets are: <ul style="list-style-type: none"> ✓ the interest, rights, title, benefits and entitlements, present and future, of the Sukukholders represented by the Issuer/Trustee in, to and under the Lands, Homes and any assets related to the Sukuk issuance; ✓ the interest, rights, benefits and entitlements, present and future, of the Sukukholders represented by the Issuer/Trustee in, to and under the Transaction Documents; ✓ all moneys standing to the credit of the Issue Proceeds Account from time to time; and ✓ all proceeds of the foregoing. |
| Use of Proceeds: | The proceeds of the Sukuk Issuance Programme will be utilized as stated in the Applicable Pricing Supplement |
| Status of the Sukuk: | The Securities are direct and unsubordinated obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Sukuk shall at all times rank at least equally with all unsecured obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally |
| Events of Default: | The events of default under the Sukuk are as specified within the Programme Trust Deed and as modified in respect of any Series by the |

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| | applicable Supplemental Trust Deed. The Trustees shall notify the Commission of such event(s) of default as required by the SEC Rules and Regulation |
| Form of the Sukuk: | The Sukuk shall be issued in registered form and shall be transferable. The issue and ownership of the Sukuk will be effected and evidenced by the Particulars of the Sukuk being entered in the register by the Registrar and the Sukuk being electronically registered in the CSCS account of the Sukukholder. |
| Issuance in Series and Tranches: | Sukuk will be issued in series (each a "Series"). The Sukuk of each Series will all be subject to identical terms, whether as to currency or maturity or otherwise, or terms which are identical except that the issue date, the amount of the first payment of rentals and/or the denomination thereof may be different. Each Series may comprise of one or more tranches issued on different issue dates. A Series may only be comprised of Sukuk in registered form |
| Maturity Date | The Sukuk may be issued with such maturity periods as may be agreed between the Issuer and the Issuing Houses and as indicated in the Applicable Pricing Supplement, subject to such minimum or maximum maturity period as may be allowed or required from time to time by the Issuer or any laws or regulations applicable to the Issuer or the relevant specified currency |
| Oversubscription: | In the event of an oversubscription, the Issuer may issue up to an additional 15% of the proposed issuances; and reserves the right to do so Family Homes Funds Limited (FHFL) shall provide additional assets to absorb any oversubscription amount |
| Closing Date: | The Closing Date of a specific Series shall be stated in the Applicable Pricing Supplement |
| Opening Date: | The Opening Date of a specific Series shall be stated in the Applicable Pricing Supplement |
| Periodic Distribution Dates: | Rentals shall accrue for the use of the Lease Assets, from the Issue Date and is payable semi-annually in arrears in the form of a rental payment from the Issuer |
| Periodic Distributions: | On each Periodic Distribution Date, Sukukholders will receive a Periodic Distribution Amount at the Rental Rate agreed per annum of the initial Sukuk Amount |
| Day Count Fraction: | Actual/Actual |
| Business Day Convention: | Where a Rental Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a business day |
| Early Redemption: | Not Applicable |
| Principal Redemption: | Sukuk will be redeemed on the dates specified in the Applicable Pricing Supplement |

| | |
|---|--|
| Rating: | The Sukuk issued under this Programme will be rated by at least two rating agencies duly registered with the SEC and such rating shall be reviewed annually in accordance with the Rules and Regulations of the Commission |
| Form and Delivery of the Sukuk Certificates: | The Sukuk Certificates will be dematerialized and delivered via e-allotment to the CSCS and/or FMDQ-Depository accounts of the Sukukholders |
| Clearing System: | Central Securities Clearing System PLC (CSCS) and or FMDQ Depository |
| Listing: | Each Series of the Sukuk issuance will be listed on the FMDQ and/or the NGX and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the Issuing Houses |
| Terms and Conditions: | The terms and conditions applicable to each Series (the “Terms and Conditions”) will be agreed between the Issuer, the Sponsor and the Issuing Houses at or prior to the time of issuance of such Tranche or Series and will be specified in the Applicable Pricing Supplement. The Terms and Conditions applicable to each Tranche or Series will therefore be those set out on pages 25 – 35 hereof as supplemented, modified or replaced by the Applicable Pricing Supplement |
| Taxation: | Please refer to the section “Tax Considerations” on page 65 for a detailed description of the tax considerations |
| Governing Law: | The Sukuk will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria as well as relevant sections in the Islamic law of commercial transactions (Mu’amalat) |

10. TERMS AND CONDITIONS OF THE PROGRAMME

The provisions of the terms and conditions set out below (the “Conditions”) apply to the Sukuk issued pursuant to the Declaration of Trust (defined below). All provisions of these Conditions which are inapplicable to the Sukuk shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Prospectus.

Each of the Sukuk due is issued by the Issuer, on behalf of Family Homes Funds, and represents an undivided ownership interest in the Trust Assets (defined below) held in trust (the “Trust”) by the Issuer (in its capacity as trustee) for the benefit of the Sukukholders pursuant to a declaration of trust (the “Declaration of Trust” or “Trust Deed” or “Deed”) dated on or around the date of the Prospectus (the “Effective Date”) made by and between the Issuer (in its capacity as the Issuer), Family Homes Funds Limited (in its capacity as the obligor and the Originator) and the Delegate Trustees.

The statements in these Conditions include summaries of and are subject to, the detailed provisions of the Declaration of Trust and the other Transaction Documents. In these Conditions, words, expressions and rules of construction and interpretation set out in the Declaration of Trust shall, unless otherwise defined herein or the context otherwise requires, have the same meanings herein. Copies of the Transaction Documents are available for inspection from 8:00 am to 5:00 pm on any Business Day at the specified office of the Delegate Trustees for the time being. The Sukukholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Each initial Sukukholder, by its acquisition and holding of its interest in the Sukuk, shall be deemed to authorize and direct the Delegate Trustees, on behalf of the Sukukholder, to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions.

1. FORM, DENOMINATION AND TITLE

1.1. Form and Denomination

Sukuk Certificates are issued in registered form in Naira.

The Sukuk Certificates shall be issued only as fully paid.

The Sukuk Certificates shall be issued in the uncertificated (dematerialized, electronic or book-entry) form and registered in the Register. Each Certificate shall be registered with a separate securities identification code with the CSCS or any other custodian that may be appointed for that purpose.

1.2. Title

The registered Holder of any Sukuk Certificate will (except as otherwise required by law) be treated as the absolute owner of the Sukuk Certificates represented by the Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate) and no person will be liable for so treating the Holder of any Sukuk Certificate. The registered Holder of a Sukuk Certificate will be recognized by the Trustees as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the SPV/ Issuer against the original or any intermediate Holder of such Certificate.

2. TRANSFERS OF SUKUK CERTIFICATES

2.1. Transfer of Sukuk Certificates

Title to Sukuk which will be issued in the uncertificated form shall be effected in accordance with the rules governing the transfer of title in securities held by the CSCS and/or any Exchange upon which the Certificate is listed.

2.2. Delivery of New Sukuk Certificates

Upon allotment, the Sukukholders will receive an e-allotment statement issued by the Registrars/CSCS/Custodian confirming the Sukukholder's aggregate interests in the Sukuk Assets. In the case of joint Sukukholders, the joint Sukukholders shall be entitled to only one E-allotment statement for Certificates held jointly by them. Such a statement shall be issued in the names of the joint and the delivery of a statement to one of the joint Sukukholders shall be sufficient delivery to all such Sukukholders.

2.3. Closed Periods

No Sukukholder may require the transfer of a Certificate to be registered during 2 (two) days ending on (and including) the due date for any payment of any Periodic Distribution Amount.

2.4. Formalities Free of Charge

Registration of any transfer of the Sukuk will be effected without charge by or on behalf of the Issuer/Trustee or the Registrar but upon payment (or the giving of such indemnity as the Issuer/Trustee or the Registrar may reasonably require) by the transferee in respect of charges which may be imposed by the CSCS/Custodian in relation to such transfer.

3. STATUS AND LIMITED RECOURSE

3.1. Status

Each Sukuk Certificate represents an undivided ownership interest in the Trust Asset and will rank pari passu, without any preference, with the other Sukuk Certificates.

The Sukuk Certificates are direct, unconditional, unsubordinated unsecured obligations of the Family Homes Funds and rank and will at all times rank at least pari passu, without any preference among themselves, with all other present and future direct, unconditional, unsubordinated and unsecured indebtedness.

3.2. Limited Recourse

Proceeds of the Trust Assets are the sole source of payments on the Sukuk. The Sukuk does not represent an interest in or obligation of any other asset of the Issuer, the Delegate Trustees, the Originator, the Paying Agent or their respective affiliates. Accordingly, the Sukukholders, by subscribing for or acquiring the Sukuk, acknowledge that they will have no recourse to any other assets of the Issuer or Delegate Trustees (other than the Trust Assets).

The FHFL in its respective capacity as Obligor and the Lessee, is obliged to make certain payments under the Transaction Documents to the Issuer/Trustee. The Delegate Trustees as agents of the Issuer/Trustee will have direct recourse against the FHFL in its capacity as Obligor and the Lessee to recover such payments. The net proceeds of realization of, or enforcement of, the Leased Trust Assets may not be sufficient to make

all payments due in respect of the Sukuk. If following the distribution of such proceeds, there remains a shortfall in payments due under the Sukuk, no Sukukholder will have any claim against the Issuer/Trustee (to the extent that the Trust Assets have been exhausted); the Obligor, the Lessee or the Delegate Trustees (to the extent that each fulfils all of its obligations under the Transaction Documents to which it is a party) or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall, and any unsatisfied claims of the Sukukholders shall be extinguished. The Issuer, the Delegate Trustees and the Sukukholders shall only be entitled to deal with the Trust Assets as expressly permitted by the Transaction Documents and the sole right of the Delegate Trustees and the Sukukholders against the Lessee or the Obligor shall be to enforce their obligations in their respective capacities under the Transaction Documents.

3.3. Agreement of Sukukholders

By purchasing the Sukuk Certificates, each Sukukholder is deemed to have agreed that notwithstanding anything to the contrary contained in the Declaration of Trust, the Conditions, or any Transaction Document that:

1. no payment of any amount whatsoever shall be made by or due on the Sukuk Certificates, except the Trust Assets;
2. all payments due under the Conditions shall be made by the Paying Agent as a direct obligation of the FHFL, from the proceeds of the Trust Assets.
3. no recourse shall be had to the Delegate Trustees for the payment of any amount owing hereunder or under any Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against any of the Issuer, the Delegate Trustees or the Obligor (to the extent that the Trust Assets have been exhausted following which all obligations of the Issuer, the Delegate Trustees and the Obligor shall be extinguished); and
4. it will not institute, or join any other person in instituting, against the Issuer or the Delegate Trustees, any bankruptcy, reorganization, arrangement or liquidation proceedings or other similar proceedings under any bankruptcy or similar law.

4. THE TRUST

4.1 The Trust Assets:

Pursuant to the Declaration of Trust (and subject to the provisions thereof), the Trustees hold the Trust Assets in trust absolutely for and on behalf of the Sukukholders pro-rata according to the face amount of each Sukuk Certificate held by each Holder. The term "Trust Assets" means:

5. the interest, rights, benefits and entitlements, present and future, of the Sukukholders represented by the Issuer/Trustee in, to and under the Houses and any proceeds from the Houses;
6. the interest, rights, benefits and entitlements, present and future, of the Sukukholders represented by the Issuer/Trustee in, to and under the Transaction Documents;
7. all sums of money standing to the credit of the Issue Proceeds Account from time to time;
8. all sums of money standing to the credit of the sinking fund; and
9. all proceeds of the foregoing.

Application of Proceeds from Trust Assets: each Periodic Distribution Date and on the Dissolution Date, the Obligor shall pay the Rental Rate, through the Paying Agent, in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

- a. first, towards payment to Sukukholders of all Periodic Distribution Amounts due but unpaid, pro rata to their respective holdings; and
- b. second (only if such payment is due on a Dissolution Date), to the Sukukholders of the Dissolution Distribution Amount, pro rata to their respective holdings.

5. RIGHTS OF SUKUKHOLDERS

- 5.1 Each Sukukholder shall have an undivided ownership interest in the Trust Assets and no Sukuk Certificate shall confer any interest or share in any particular part of the Trust Assets. No Sukukholder shall have a right to call for any partition or division of any portion of the Trust Assets by virtue of his/its ownership interest in the Trust Assets.
- 5.2 The Sukukholders shall not have any right against the Delegate Trustees in respect of their investments except such rights as are expressly conferred upon them by the Declaration of Trust, the Conditions, or by any law, subsidiary legislation, regulation or any order of a court.
- 5.3 A Sukukholder shall have the right to share in the benefits from the Trust Assets proportionate to the number of his/its ownership interests in the Trust Assets.
- 5.4 Only persons who have been duly registered in the Register maintained by the Registrar as Sukukholders shall have the right to be recognized as such.
- 5.5 A Sukukholder shall have the right to pledge, charge, mortgage, or otherwise offer his Sukuk Certificate as security for a debt, a loan or an obligation and in any such case, the Sukukholder shall notify the Delegate Trustees, the Registrar and the CSCS, in writing, of the pledge, charge, mortgage or obligation.

6. FUNCTIONS OF THE DELEGATE TRUSTEES

The Delegate Trustees will, in relation to the Sukuk Certificates, inter alia:

- 6.1 ensure that beneficial title to all the Trust Assets is vested in the Issuer/Trustee;
- 6.2 ensure that the timely payment of the Periodic Distribution Amount and/or the Dissolution Distribution Amount to Sukukholders;
- 6.3 enforce the Trust Assets;
- 6.4 ensure the collection and distribution of the proceeds of the Trust Assets in accordance with the terms of the Declaration of Trust and the Conditions;
- 6.5 distribute the proceeds of any enforcement of the Trust Assets;
- 6.6 take such other steps as are reasonably necessary to ensure that the Sukukholders receive the distributions to be made to them in accordance with the Transaction Documents and the Terms and Conditions;
- 6.7 carry out all periodic and statutory filings required to be filed by the Issuer/Trustee with any relevant authority;
- 6.8 ensure the proper administration and management of the Issuer/Trustee;
- 6.9 to ensure that the FHFL effectively performs its duties as a Facility Manager to manage the entire affairs of the asset under the Service Agency Agreement.
- 6.10 do all such things that are incidental to their powers and functions under this Declaration of Trust.

7. SPV/ ISSUER'S COVENANTS

The Issuer/Trustee, in its capacity as trustee under this Declaration of Trust hereby covenants that it shall NOT:

- 7.1 do anything or carry out any activity not expressly permitted by its memorandum and articles of association;
- 7.2 redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders (excluding, for the avoidance of doubt, any consideration payable by the Issuer/Trustee to the FHFL as contemplated by the Transaction Documents and/or the Terms and Conditions);
- 7.3 use the proceeds of the issue of the Sukuk for any purpose other than as stated in the Transaction Documents;
- 7.4 put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it;
- 7.5 enter into any contract, transaction, amendment, obligation or liability that may be detrimental to the interest of the Sukukholders;
- 7.6 co-mingle the Trust Assets with its assets or any other assets which it holds in trust for any person other than the Sukukholders;
- 7.7 incur any indebtedness whatsoever, or give any guarantee in respect of any obligation of any person or issue any securities (or rights, warrants or options) except, in all cases, as contemplated in the Transaction Documents;
- 7.8 secure any of its present or future indebtedness for borrowed money by any lien, pledge, charge or other security interest with the Trust Assets; or
- 7.9 sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, a lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of (i) its title to the Trust Assets or any interest therein except pursuant to the Transaction Documents or (ii) its interests in any of the other Trust Assets except pursuant to the Transaction Documents.

8. DELEGATE TRUSTEES COVENANTS

- 8.1. With respect to the Trust Assets, the Delegate Trustees covenant that, as long as the Sukuk are outstanding, they shall NOT:
 - a. co-mingle the Trust Assets with their assets or any other assets but shall ensure that the Trust Assets are separately identified and segregated in their records and accounts and from other investments held for the benefit of any other party or themselves;
 - b. incur any indebtedness in any form whatsoever, or give any guarantee in respect of any obligation of any person or issue any securities (or rights, warrants or options) except, in all cases, as contemplated in the Transaction Documents;
 - c. secure any of their present or future indebtedness for borrowed money by any lien, pledge, charge or other security interest with the Trust Assets;
 - d. sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, a lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of (i) the Issuer/Trustee's title to the

- Trust Assets or any interest therein except pursuant to the Transaction Documents; or (ii) the Issuer/Trustee's interests in any of the other Trust Assets except pursuant to the Transaction Documents;
- e. use the proceeds of the issue of the Sukuk for any purpose other than as contemplated in the Transaction Documents; and

- 8.2. amend or agree to any amendment of any Transaction Document and/or the Terms and Conditions in a manner which is prejudicial to the rights of the Sukukholders respect to the Trust Assets, the Delegate Trustees covenant that as long as the Sukuk are outstanding, they shall:
 - a. act with diligence and prudence in the administration of the Trust;
 - b. observe the utmost good faith in any transaction carried out on behalf of the Sukukholders; and
 - c. avoid any conflict of interest with those of the Sukukholders.

9. FHFL'S COVENANTS

9.1. The Originator, in its capacity as a shareholder of the Issuer/Trustee, covenants that:

- a. it shall ensure that the Delegate Trustees shall be entitled to appoint a majority of the directors on the Issuer/Trustee's Board of Directors.
- b. it shall exercise all voting rights and other powers of control available to it as a shareholder of the Issuer/Trustee to ensure that the Issuer/Trustee shall not perform or undertake to perform any of the following acts unless the prior approval in writing of the Delegate Trustees has been obtained:
 - i. a change of the company's name;
 - ii. any alteration of the memorandum of association with respect to the business or objects of the company;
 - iii. any alteration of the articles of association;
 - iv. the re-registration of the company from a public to a private company;
 - v. any reduction of the company's share capital;
 - vi. any variation of rights attaching to any class of shares;
 - vii. the winding-up by the court at the instance of the company;
 - viii. the voluntary winding up of the company;
 - ix. any purchase by the company of any of its shares;
 - x. the approval by the company of any financial assistance for the purchase of any of its shares;
 - xi. the approval of an arrangement on sale of the Issuer/Trustee's property during a members' voluntary winding up;
 - xii. any provision for reserve liability capital;
 - xiii. the payment of any dividend;
 - xiv. the incorporation of any subsidiary of the Issuer/Trustee;
 - xv. the transfer of any material assets of the Issuer/Trustee;
 - xvi. any decision to enter into a merger with another entity;
 - xvii. an application for judicial pre-insolvency hearings; and
 - xviii. any decision to list the Issuer/Trustee on any recognized publicly traded stock exchange.

9.2. The Originator hereby covenants to ensure that it performs all of its obligations under this Declaration of Trust Deed and all the other Transaction Documents.

9.3. The Obligor hereby covenants to:

- a. enter into all Agreements in relation to the Transaction; and
- b. pay all the Sukuk obligations pursuant to the Transaction Documents.

9.4. The FHFL hereby covenants to:

- a. ensure that the Registrars pay all amounts due under any Transaction Document to the relevant beneficiary in accordance with the terms laid out in the Transaction Documents; and
- b. ensure that the Registrars pay all monies due to the Sukukholders as at when due and be directly liable to the Sukukholders and the Delegate Trustees for the payments due to the Sukukholders

10. PAYMENT AND DISTRIBUTIONS

10. 1. Payment Conditions

- a. The FHFL hereby undertakes to pay directly, through the Paying Agent, all payments due to the Sukukholders under this Deed.
- b. Payments of Periodic Distribution Amounts or the Dissolution Distribution Amount in respect of each Sukuk Certificate shall be paid to the person shown on the Register at the close of business on the Business Day before the due date for payment thereof ("Record Date").
- c. Payments of Periodic Distribution Amounts or the Dissolution Distribution Amount in respect of each Sukuk Certificate shall be made in Naira by transfer to an account in Naira maintained by the Sukukholder with an authorized bank in Nigeria.
- d. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment.
- e. No commission or expenses shall be charged to the Sukukholders in respect of such payments.
- f. If any date for payment in respect of any Sukuk Certificate is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any profit or other sum in respect of such postponed payment.

10. 2. Periodic Distribution Amounts:

- a. A rental distribution shall be payable in arrears in respect of the Sukuk Certificates on each Periodic Distribution Date at the Rental.
- b. The Periodic Distribution Amounts shall be distributed to Sukukholders by the Paying Agent on behalf of the FHFL, pro-rata to their respective holdings, out of amounts payable by the FHFL under the Sub Ijara (Lease) Agreement.
- c. Each Sukuk Certificate will cease to be eligible to earn Periodic Distribution Amounts from the Dissolution Distribution Date.

10. 3. Dissolution Distribution Amounts:

- a. Pursuant to the Purchase Undertaking, the Obligor has undertaken to purchase the Houses at the Purchase Price.
- b. Upon the purchase of the Houses by the Obligor under the Purchase Undertaking, the Paying Agent shall pay the Dissolution Distribution Amount to the Sukukholders pro-rata to their respective holdings.

10. 4. Dissolution of the Trust:

- a. Unless previously redeemed, or purchased and cancelled, in full, as provided below, each Sukuk Certificate shall be finally redeemed on the Dissolution Date at the Dissolution Distribution Amount, and,

upon the payment of such amount to Sukukholders, the Trust shall dissolve, the Sukuk Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and none of the Issuer/Trustee, the FHFL and Delegate Trustees shall have any further obligations in respect thereof.

- b. Where an Event of Default occurs, the Delegate Trustees shall exercise the powers and rights conferred on the Lessor.

11. ENFORCEMENT AND EXERCISE OF RIGHTS

11.1 Following the distribution of the proceeds of the Trust Assets in respect of the Sukuk Certificates to the Sukukholders, in accordance with the Conditions and the Declaration of Trust, the Delegate Trustees shall not be liable for any further sums and, accordingly, the Sukukholders may not take any action against the Delegate Trustees (to the extent that they have fulfilled their obligations under the Transaction Documents and/or the Terms and Conditions) to recover any such sum in respect of the Sukuk Certificates or the Trust Assets.

11.2 Upon the payment of all Sub-Rental and the Dissolution Distribution Amount, the obligations of the Issuer/Trustee in respect of the Sukuk Certificates shall be satisfied and no Holder of the Sukuk Certificates may take any further steps against the Issuer/Trustee to recover any further sums in respect of the Sukuk Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no Holder of the Sukuk Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Issuer/Trustee.

12. THE REGISTER

12.1. The Registrar shall establish and maintain the Register of the Sukukholders at such place and in such form as it considers adequate and shall enter therein the following particulars:

- i. the name and address of each Sukukholder;
- ii. the amount invested;
- iii. the date of investment;
- iv. the duration of the investment and the expected date of the maturity of the Sukuk;
- v. the date on which the investor ceases to be a Sukukholder; and
- vi. other details that the Delegate Trustees may consider necessary or desirable.

12.2. The Delegate Trustees shall not incur any liability or responsibility on account of any mistake by the Registrar in the Register. For the avoidance of doubt, the Registrar will be solely responsible for any liability arising out of any mistake in the Register, which evidences the ownership, registration, transfers and/or other disposals of the Sukuk Certificates.

12.3. Every Sukukholder shall promptly notify the Delegate Trustees and the Registrar in writing of any change of name or address and the Registrar shall alter the Register accordingly.

12.4. An interest in the Trust Asset shall be said to be acquired by a person when the interest of the Sukukholder has been entered into the Register by the Registrar.

12.5. No Sukukholder may require the transfer of a Sukuk Certificate to be registered during seven days ending on (and including) the due date for any payment of the Dissolution Distribution Amount.

13. NOTICES

All notices to Sukukholders will be valid if:

- a. published in at least two (2) daily newspapers with national coverage; and
- b. emailed to them; or
- c. sent by registered post to their registered address.
- d. The Delegate Trustees shall also ensure that notices are duly given or published in a manner that complies with the rules and regulations of any Exchange on which the Sukuk Certificates are for the time being listed. Any notice shall be deemed to have been given on the day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

14. INDEMNITIES, RIGHTS AND DISCRETION OF DELEGATE TRUSTEES

Without prejudice to any indemnity allowed by law or elsewhere herein given to the Delegate Trustees, the following provisions shall apply:

- a. The Delegate Trustees shall not be responsible for the authenticity of any transfer of a Sukuk Certificate by any Sukukholder to another party.
- b. The Delegate Trustees shall not incur any liability to the Sukukholders for doing or failing to do any act or thing which, by reason of any provision of any present or future law or regulation made pursuant thereto or of any decree order or judgment of any court or by action (whether of binding legal effect or not), maybe taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) where the Delegate Trustees shall be directed or requested to do or perform or to forbear from doing or performing.
- c. The Delegate Trustees shall be entitled to require that the signature of any Sukukholder or joint Holder to any document required to be signed by him/it under or in connection with this Deed be authenticated to their reasonable satisfaction.
- d. The Delegate Trustees shall not be liable to account to any Sukukholder or otherwise for any payment made or suffered by the Delegate Trustees, the Originator or any person acting under their authority, in good faith nor to any duly-empowered fiscal authority of Nigeria or elsewhere for Taxes arising out of or relating to any transaction of whatsoever nature under these presents notwithstanding that any such payments need not have been made or suffered.
- e. The Delegate Trustees shall, as regards all the powers and discretion vested in them by this Deed, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and in the absence of fraud and negligence, the Delegate Trustees shall not in any way be responsible for any loss, costs or damages that may result from the exercise or non-exercise thereof.
- f. The Delegate Trustees may act upon the advice, statement or information obtained from stockbrokers, accountants, lawyers, bankers or other persons believed by the Trustees, in good faith, to be experts in the matters on which they have been consulted, and the Delegate Trustees shall not be liable for anything done or omitted or suffered to be done by them in reliance upon such advice statement or information.
- g. The Delegate Trustees shall not be responsible for any misconduct, mistake, oversight or error or want of judgment or want of prudence on the part of any lawyer, banker, accountant, broker or other person acting hereunder as agent or adviser of the Delegate Trustees, save to the extent that such agent or

adviser was acting on the instruction of the Delegate Trustees and within the course and scope of its appointment.

PROVIDED that the Delegate Trustees shall be entitled to be indemnified by such agent or adviser.

- h. If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, neither of the Delegate Trustees shall be under any liability thereof or thereby. None of the Delegate Trustees shall incur liability for any error of law, in the absence of fraud or negligence, in connection with any matter or thing done or suffered to be done or omitted to be done by them in good faith.
- i. The Delegate Trustees shall not be required to expend or risk their funds or otherwise incur any liability in the performance of their duties or the exercise of their rights or powers as trustees.

15. TAXATION

15.1. In accordance with the provisions of the relevant tax legislation, payments in respect of the Sukuk shall be made without withholding or deduction of any Taxes of whatever nature imposed or levied by or in the Federal Republic of Nigeria, in accordance with the relevant Exemption Orders.

15.2. Upon expiration of the Exemption Orders, the relevant Taxes will be deducted.

16. MEETINGS OF SUKUKHOLDERS

The rights and duties of the Sukukholders in respect of attendance at meetings of Sukukholders are set out in Schedule 1 (Provisions for Meetings of Sukukholders) to the Declaration of Trust Deed. Decisions taken at Sukukholders meetings may only be exercised by the Delegate Trustees in accordance with the Deed.

17. GOVERNING LAW

- 17.1 This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.
- 17.2 The Parties are satisfied that this Agreement complies with applicable Islamic law of commercial transactions and each Party agrees that it will not seek to challenge the enforceability of this Agreement in the future for reasons of non-compliance with Islamic law principles or non-applicability of Islamic law.

18. DISPUTE RESOLUTION

- 18.1. If any dispute arises as to the validity, interpretation, rights and or obligations of the Parties under this document, the Parties shall use their best endeavours to reach an amicable settlement of the dispute; provided that notification of any such dispute shall be given to the SEC within five (5) Business Days of its occurrence.
- 18.2. Where the Parties fail to reach an amicable settlement of such dispute within a period of ten (10) Business Days, the dispute shall be resolved by arbitration conducted in accordance with the provisions of the Arbitration and Conciliation Act, Cap. A18 Laws of the Federation of Nigeria 2004.

- 18.3. The Arbitral Panel shall consist of a single Arbitrator jointly appointed by the Parties and who shall have knowledge in Islamic commercial jurisprudence. Where the Parties are unable to agree on the choice of the Arbitrator within two (2) Business Days of the referral of such dispute to arbitration, the choice of the Arbitrator shall be referred to the Director-General of the SEC, who shall nominate the Arbitrator. The arbitral proceedings shall be held at the Federal Capital Territory Abuja and shall be conducted in the English language.
- 18.4. The arbitral award shall be binding on the Parties to the dispute and the cost of the arbitration shall be borne as determined by the arbitrators. Each Party to the dispute, however, shall bear its legal fees.
- 18.5. The Arbitrator shall have a maximum period of ten (10) Business Days following the parties' exchange of pleadings, to resolve the dispute; failing which the dispute shall be referred to the SEC for resolution.
- 18.6. Each party hereby agrees that this Arbitration will be founded on the principle of interest-free and each party agrees to donate any penalty interest arising from any judgment or award to charity that neither of the party stands to benefit from.

19. AMENDMENT AND MODIFICATION

All the Parties shall be entitled by deed supplemental hereto to modify, alter, or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose PROVIDED that unless the Delegate Trustees shall certify in writing that in their opinion such modification, alteration, or addition does not prejudice the interests of the Sukukholders, no such modification, alteration, or addition shall be made without the sanction of an Extraordinary Resolution of a Meeting of Sukukholders duly convened and held in accordance with the provisions contained in Schedule 1 hereto; PROVIDED that no such modification, alteration, or addition shall be made without the prior review and approval of the Commission and the Sharia Advisers; and PROVIDED also that no such modification, alteration or addition shall impose upon any Sukukholder any obligation to make any further payment in respect of his/its Sukuk Certificate(s) or to accept any liability in respect thereof.

11. OVERVIEW OF THE NIGERIAN ECONOMY

The information in this section has been extracted from documents and publications publicly available and released by various public and private organisations such as the Central Bank of Nigeria (CBN), the Economic Intelligence Unit (EIU), the World Bank, International Monetary Fund (IMF), Debt Management Office (DMO), National Bureau of Statistics (NBS), other financial magazines and journals. The Issuer and its advisers have relied on the accuracy of this information without independent verification and make no representation as to its accuracy.

Introduction

The Federal Republic of Nigeria gained its independence on October 1, 1960. Nigeria is bounded by Cameroon to the East, Niger to the North, Benin to the West and the North Atlantic to the South. The country has an estimated population of over 200 million citizens from over 250 ethnic groups governed under the rule of law administered through a Federal System of Government comprised of three tiers, namely, the Federal Government, State Governments and Local Governments. Nigeria has Thirty-Six (36) States and a Federal Capital Territory (FCT).

The mainstay of the Nigerian economy is based on export earnings from crude oil sales. Though, the country is traditionally agrarian with agriculture contributing about 21.96% of the real Gross Domestic Product (GDP) in Q1 2020, Nigeria has in the past decade seen its GDP composite shift towards more services and industry away from agriculture. The service and industry sectors contributed approximately 54% and 24% respectively to the Country's GDP.

Revenue from petroleum oils, natural and liquefied gases continues to dominate external trade receipts accounting for 72.12% of total exports in Q1, 2020. However, the agricultural sector remains the major employer of labour.

Politics & The Economy

Nigeria returned to civilian rule in 1999 after a succession of military administrations. President Olusegun Obasanjo assumed power on May 29, 1999 and was the head of government for two terms. In March 2015, the country made political history as there was a transfer of power from the Incumbent President Dr. Goodluck Ebele Jonathan and his Political Party, the People's Democratic Party PDP to the All People's Congress (APC).

Nigeria's political scene is relatively stable in comparison to recent years. However, the Country has experienced instability and irregularities in the North East region with Boko-Haram insurgents and the Herdsmen crisis in the middle belt. This instability has caused a rise in transportation costs, worsened the ease of doing business and heightened investor apathy in the region. These issues need to be ironed out to curb growing inflationary pressures to meet the Central Bank of Nigeria's (CBN) single digit inflation target.

The deregulation bill for the downstream petroleum industry is yet to be signed into law by the current president. This will strip off the powers from the Petroleum Products Pricing Regulatory Agency (PPPRA) to set and regulate the prices of the Premium Motor Spirits (PMS) and scrap the current pricing system of the downstream sector, where prices have been set around ₦143.8 per litre of PMS at the pump (as of July 2020).

Growth has been positive for twelve (12) consecutive quarters, after the 5 consecutive quarters of contractions during the recession in 2016. In Q1 2020, the country's economy grew by 1.87% as a result of economic expansion in the Non-Oil sector and stable oil receipts. In the same period, GDP was adversely impacted by low oil prices,

nevertheless this was cushioned by increased oil production. Oil prices have been volatile for the trailing 12 months due to the Shino-US trade war and economic slowdown across the EU before the pandemic.

Nigeria's growth has been driven by the non-oil sector by 90.50% and oil sector by 9.50%. The Non-Oil sector continues to be affected by the poor state of infrastructure; improving on this would have huge multiplier effects on the future growth capacity of the country. Nevertheless, the current attention given to improving the state of infrastructure in the country (electricity and relevant transportation) will serve as an accelerant to the growth of the economy.

Current Economic Reality (COVID-19 Effect)

A fall in household consumption in Nigeria stems from the partial/full restrictions on movement, thus causing consumers to spend primarily on essential goods and services. Furthermore, low expectations of future income have curbed spending, particularly by workers in the gig economy that are engaged on a short-term/contract basis.

Wealth and expected wealth have been eroded as a result of the decline in assets such as stocks and fixed income securities. For this reason, the FGN revised its budget to ₦10.5 trillion in June 2020 from ₦10.8 trillion in May 2020 to accommodate the loss of wealth and anticipatory income.

Investments by firms have been impeded largely due to the uncertainties that come with the limited knowledge of the duration of the outbreak, the effectiveness of policy measures, and the reaction of economic agents to these measures as well as negative investor sentiments, which cause volatility in the capital markets around the world.

Consumer Price Index – measures changes in the prices paid by consumers for a basket of goods and services – increased to 326.10 points in June 2020 from 322.20 points in May 2020 and is projected to continue increasing over the next 12 months as consumers stock up their homes in anticipation of future uncertainty.

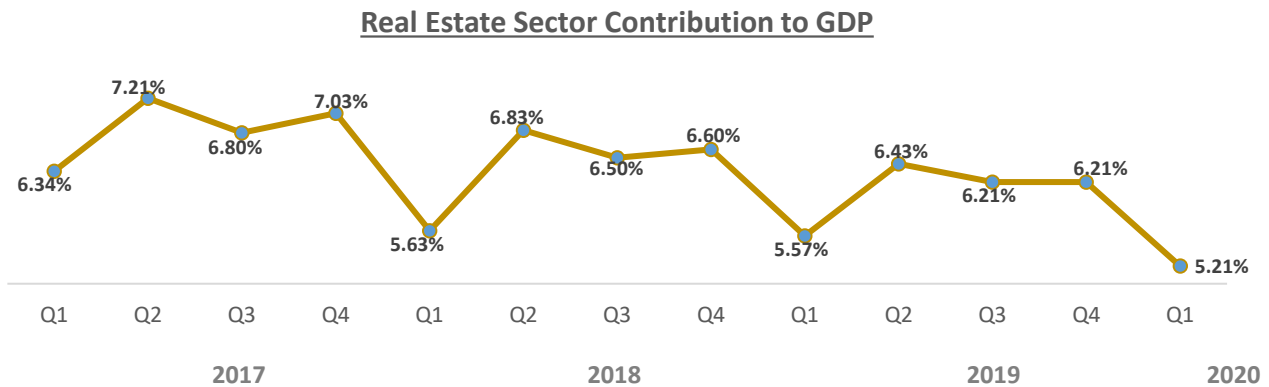
Real Estate and the Housing Sector in Nigeria

The real estate sector is primarily regulated by the Federal Ministry of Works and Housing. The ministry consists of two implementing agencies; the Federal Mortgage Bank of Nigeria (FMBN), which is the apex mortgage institution and the Federal Housing Authority (FHA), responsible for supplying low-income housing. While the FHA is regulated by the Federal Ministry of Works and Housing, FMBN is also regulated by the Central Bank of Nigeria (CBN).

Nigeria's real estate sector was one of the most hardly hit sectors affected by the economic recession in 2015 and 2016, shrinking by 6.86% in 2016 (NBS). In recent times, there has been an increasing search for smaller and more affordable housing which has benefitted from efforts by the government to grow the housing sector and reduce housing deficit. Such efforts include the restructuring and recapitalization of the FMBN in 2018 which has supported a stable growth trajectory in home ownership in the past few years.

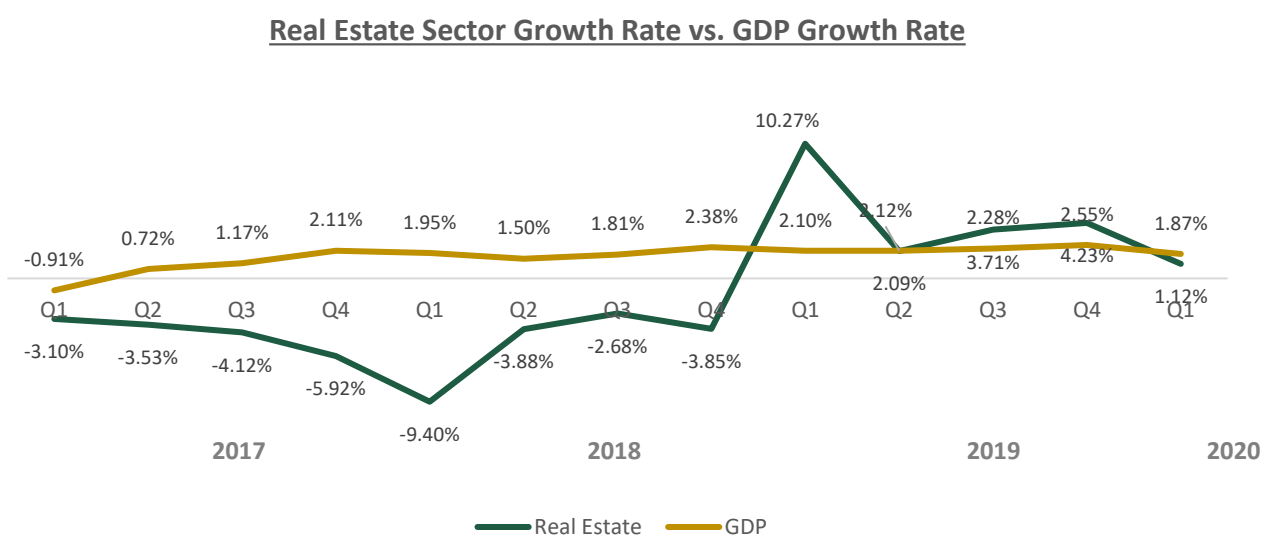
The Nigerian real estate trajectory has risen and fallen with the international oil markets. According to the National Bureau of Statistics (NBS), the real estate sector is the fifth (5th) largest contributor to the GDP, contributing 5.21% in Q1 2020 which was a decline from 6.21% in Q4 2019. This decline is mainly attributed to the outbreak of the Corona Virus and the decline in prices of crude oil in the international market.

See below a chart showing Real Estate Sector contributions to GDP:



Though real estate is still a small contributor to the country’s GDP, its importance cannot be over-emphasized. In Nigeria, with over 200 million people, housing deficit in Nigeria has been estimated within the range of 18 million to 22 million housing units according to the Secretary to the Government of the Federation (SGF) in February 2020 while the demand for housing keeps rising by about 700,000 units per annum. This shortfall has become a major cause for concern as the gap between demand and supply widens. The most significant reasons for this gap includes weak disposable income of citizens of the country and declining per capita income as the GDP growth rate over the last three (3) years (2017 – 0.82%, 2018 – 1.93%, 2019 – 2.27%) have been lower than the population growth rate of approximately 2.6% across the three (3) years. The Centre for Affordable Housing has estimated that \$360bn will be required to offset the deficit, with Lagos alone having a deficit estimated at 3 million housing units and requiring an estimate of \$25.9bn to close-up the gap. These estimates assumed a cost of \$10,000 per housing unit.

See below a chart showing Real Estate Sector Growth Rate vs GDP Growth Rate contributions to GDP:



The housing shortage can be seen in low, middle income residential and office spaces. According to experts, affordable housing and accommodation must be the major driver if the nation’s real estate sector is to deliver at the rate and scale needed to contribute significantly to the nation’s economy.

According to CBN reports, prime lending rates for mortgage loans ranged from 15.65 to 30.57 in June 2020 and the Real estate sector contracted by -4.75% in Q1 2020 from -3.45% in Q4 2019 and 0.93% in Q1 2019. Additionally, Financial System Strategy 2020 (FSS) mortgage report estimates a ₦15 - to ₦20 million mortgage financing requirement for the country. The housing stock in Nigeria is estimated at 10.7 million, with circa 5% in formal mortgage. Home ownership in Nigeria is put at 10% compared to 72% in the US, 78% in UK, 60% in China, 54% in Korea and 92% in Singapore (Financial System Strategy 2020 report). Limited access to mortgage finance, low income levels, slow bureaucratic procedures, and the high cost of land registration and titling constitute major factors affecting housing in Nigeria.

The real estate sector represents a huge opportunity for positively impacting the economy to promote growth and inclusion. This is because housing is not only a necessity that affects the welfare of the citizenry, but also a critical sector of an economy. Therefore, a viable and sustainable housing finance plan is essential. To achieve this, the industry requires the availability of affordable long-term funds to be provided by the capital market, the funding from the capital market reduces the cost of mortgage loans, cost of funds and allows for longer repayment tenor.

Consequently, the need for affordable housing presents vast investment opportunities in Nigerian Real Estate and Housing sector. In December 2019, World Bank estimated a 4.17% surge in urban growth. The real estate sector remains aggressively unexploited and is set to stabilize as macroeconomic indicators improve and the GDP continues to grow. In the long term, the expansion of the industry will be sustained by a steady increase in country's population and urbanization trends.

External Debt

In Q1 2020, Nigeria's external debt formed 34.89% of the country's total debt which remains relatively high and has been on the rise since this current administration came into office in 2015. The debt servicing to revenue ratio was estimated at 76% as at May 2020 with total public debt at \$79.30 billion (₦28.63 trillion) as at March 31, 2020. (Debt Management Office of Nigeria).

Domestic Debt

The domestic debt of the Federal Government stood at \$51.64 billion (₦18.64 trillion) as at March 31, 2020. In line with its Medium-Term Expenditure Framework (MTEF) strategy for the 2020 fiscal year, the FGN through the DMO seeks to attain a Domestic Debt Mix of 75:25 for long and short-term debts to reduce the cost of debt service and roll-over risk.

In the Nigerian Treasury Bill (NTB) primary market, the FGN raised a total of ₦88.86 billion on July 1, 2020 from Primary Market Auction (PMA) broken down to ₦10billion, ₦20billion and ₦58.86 billion worth of 91, 182 and 364 days NTBs at rates of 1.789%, 1.91% and 3.39% for the 91-, 182- and 364-day T-Bills. Total FGN bonds allotted on July 22, 2020 amounted to ₦177 billion and broken down to ₦25billion, ₦42billion, ₦75billion and ₦35billion of 5 years, 15 years, 25 years and 30 years respectively at an average yield of 12.50%, 12.50%, 9.80% and 12.98%.

Monetary Policy

In line with the CBN Act, 2007, one of the principal functions of the Central Bank of Nigeria is to "ensure monetary policy and price stability". In order to facilitate the attainment of the objective of price stability and to support the economic policy of the Federal Government, the Act provides the constitution of a twelve (12) man Monetary Policy Committee (MPC) with the Governor of the CBN as the Chairman. The CBN recognises that achieving stable

prices would require continuous assessment and evaluation of its monetary policy implementation framework to enable it respond to the ever-changing economic and financial environment. Based on the foregoing, the CBN introduced a new monetary policy framework that took effect on December 11, 2006 with the “Monetary Policy Rate” (MPR) as the Operating Target rate. The goal of this new framework was to achieve a stable value of the domestic currency through stability in short-term interest rates which serves as an indicative rate for transaction in the inter-bank money market as well as other Deposit Money Banks' (DMBs) interest rate.

The CBN held its monetary stance stable from July 2016 to 2018 with the MPR at 14%. The Monetary Policy Rate has since reduced to 13.5% in 2019 and 12.5% as at July 24, 2020. The cash reserve ratio and liquidity ratio stands at 27.50% and 30.00% respectively and the asymmetric window remains at +200/-500bps around the MPR.

Fiscal Policy

The Federal Government's fiscal policy in 2018 was relatively expansionary, spurred on by an increasing debt profile and oil stability in the global oil markets. Revenue reduced by 4.81% between Q4, 2019 and Q1, 2020. Oil revenue was 2.60% lower in Q1 2020 than in Q4 2019, an outcome due to a shortfall in receipts from PPT and Royalties. The Federal Inland Revenue Service (FIRS) raked in ₦1.19 trillion in 2019.

Budget performance shows budget implementation at 106% for revenue generation as at March 2020, especially as Oil revenue declined relative to the projected budget estimates due to shortfalls in crude oil production and exports. Total CAPEX expenditure estimates that just 41% of CAPEX was completed as at Q1 2020 utilising ₦27.134 Billion for Debt Repayment.

Foreign Exchange

With oil being Nigeria's major source of foreign exchange, amid volatile global oil prices, the official exchange rate was adjusted from ₦306 to ₦360 by the CBN in Q1, 2020. The exchange rate under the Investors and Exporters (I&E) window was also adjusted from ₦360 to ₦380 with the aim of unifying the exchange rates across the I&E, Bureau de Change, and retail and wholesale windows. Furthermore, the government introduced import duty waivers for pharmaceutical companies and increased efforts towards ensuring that they receive forex.

However, IMF funding and the stability of oil prices (due to the easing of the nationwide lockdown) in the face of improving oil production in Nigeria has improved the foreign exchange receipts of the country. This has had a positive impact on the CBN's effort to sustain the foreign exchange rate, however, long term stability still remains uncertain.

Consequently, foreign reserves have shown signs of improvement in response to these developments. The CBN has assured that it is committed to a stable exchange rate within a band of 3%. The policy thrust on exchange rate stability is informed by the overwhelming impact of exchange rate pass-through on inflation, given the import-dependent nature of the economy.

Gross Domestic Product

In the first quarter of 2020, Nigeria GDP grew by 1.87% year-on-year in real terms. This represents a decline of 0.23% when compared to Q1 2019 (2.10%) and 0.68% decline compared to Q4 2019 (2.55%), reflecting the earliest effects of disruption caused by COVID-19 pandemic and crash in oil price.

The non-oil sector grew by 1.55% in real terms during the reference quarter (Q1 2020), this was slower by -0.93% points compared to the rate recorded during the same quarter of 2019 (2.47%), and -0.72% points slower than the fourth quarter of 2019 (2.26%). This contribution was largely driven by Telecommunications, Financial Institutions, Crop Production, Crude petroleum & Natural Gas, and Construction. The non-oil sector contributed 90.50% to the nation's GDP in Q1, 2020.

On a year-on-year basis, the oil sector recorded a real growth rate of 5.06% in Q1 2020 which indicates an increase of 6.51% points relative to the rate recorded in the corresponding quarter of 2019 (-1.46%). However, Oil sector growth decreased by -1.30% points compared to Q4 2019 which recorded a growth rate of 6.36%.

Agriculture

During the last quarter of 2019, the major agricultural activities remained planting in the Northern part of the country and harvesting of matured crops in the southern part of the country. The Agricultural sector remains fragmented as it is largely dominated for the most part by peasants and a few large farms. The sector is a major contributor to the Gross Domestic Product (GDP) contributing 21.96% in Q1 2020 and is the largest employer of labour. The current administration has highlighted the agricultural sector as a target sector and the sector has benefitted from various schemes such as the Anchor's Borrower's Program, Commercial Agriculture Credit Scheme, Bank of Agriculture Schemes amongst others, etc. The government has highlighted this sector as a high growth sector. The sector faced various constraints in 2018 and 2019 such as flooding, high commodity prices globally, transportation and logistical issues, storage, and the insecurity in the middle belt of the nation from the herdsmen crisis.

According to the Nigerian Bureau of Statistics, the Crop Production, Livestock, Forestry and Fishing which make up the Agricultural sector, grew by 22.47% year-on-year in nominal terms in Q1, 2020 compared to 13.80% reported in the preceding quarter. Crop Production remained the major driver of the sector, as it accounted for 90.54% of overall nominal growth of the sector in Q1, 2020.

Oil and Gas Production

Multinational oil companies operate in partnership with NNPC under Joint Operating Agreements (JOAs) or Production Sharing Contracts (PSCs). Others, especially the indigenous oil companies, operate in partnership with international companies under sole risk or as independents. Nigeria's petroleum industry is well grounded in successful exploration, beginning with the first commercially viable discovery at Oloibiri in the Niger Delta in 1956 by Shell, with a modest production rate of 5,100 barrels per day.

Nigeria has a maximum crude oil production capacity of 2.5 million barrels per day and ranks as Africa's largest producer of oil and the eleventh (11) largest oil producing country in the world and its reserves of crude oil currently stand at about 37.2 billion barrels.

As part of Nigeria's resolve to become a major player in the international gas market, the Gas Master Plan was approved in 2008 with the intention of laying a solid framework for gas infrastructure development and expansion within the domestic market. The Master Plan is a guide for the commercial exploitation and management of Nigeria's gas sector. It aims at growing the Nigerian economy with gas by pursuing three key strategies:

- a. Stimulate the multiplier effect of gas in the domestic economy;
- b. Position Nigeria competitively in high value export markets; and
- c. Guarantee the long-term energy security of Nigeria.

Manufacturing

Manufacturing activities have significant impact on the economy of a nation. In developed economies. For instance, they account for a substantial proportion of total economic activities. In Nigeria, the sub-sector was responsible for about 9.65% of total GDP in Q1 2020 with the Purchase Managers Index (PMI) standing at 41.1 index points in the month of June 2020 which indicated a contraction from the 42.4 index points in May 2020 for the second time after recording consistent expansion for 36 (thirty-six) consecutive months. On a quarter-on-quarter basis, the sector's growth rate stood at 0.43% in Q1 2020 compared to the 1.24% growth rate recorded in Q4 2019. The annual growth rate for 2019 was a decline over the previous year's growth rate of 2.09%.

Telecommunications

The most recent data from the National Communication Commission (NCC) (April 2020), reported a total of 282.28 million connected telecommunications subscribers. The sector in 2018, faced some constraints, as the CBN through the NCC fined the largest telecom operator – with 38.92% market share – \$8.13 billion in a dispute due to an FX infraction in which the CBN alleged that \$8.13 billion was repatriated to South Africa from its shareholders' funds between 2007 and 2015.

The news of the fine dampened the proposed MTN listings on the NGX in 2018. Telecommunications & Information Services under Information and Communication sector grew by 11.08% in 2019 and 7.65% in Q1 2020. The Telecommunications industry continues to grow their top-line as they diversify towards data services revenue from airtime subscription receipts.

Financial Services

The Financial Services sector comprises banks, insurance firms, capital markets, investment management/stock broking firms and investment funds. This sector recorded a GDP growth of 2.56% in 2019 and 20.79% in Q1 2020.

With the implementation and adoption of FIRS 9 in the industry, 2019 was a tough year for the banking and financial industry due to the reduced system liquidity in the economy and reduced loan books for banks in 2019 as the MPC deemed that tightening the policy would hinder the bank's capacity to extend credit. Increased competition from the mobile providers for the banking services through mobile money transactions and Fintech start-ups also affected top line for banks in 2019.

On the 20th of May 2019, the National Insurance Commission (NAICOM) issued a circular increasing the paid-up share capital of insurers and reinsurers in Nigeria, and subsequent directives to issue a recapitalization plan by the 20th of August 2019 and full compliance not later than June 30, 2020. This guideline has since been revised and the deadline extended to a final recapitalization date of September 2021 due to the economic disruptions caused by the Covid-19 pandemic. The recapitalization plan will sustain the confidence of investors in Nigeria and make the insurance industry become a key strategic growth partner for national development.

Foreign Direct Investment (FDI)

Nigeria could become a prime destination for foreign investment across various sectors of the economy in the coming years if promised reforms to the trade and investment framework materialises. As Africa's largest country

in terms of population, Nigeria already attracts substantial investment inflows to its oil and gas industry. However, overall Foreign Direct Investment (FDI) remains modest for a country of this size and FDI flows have continued to be halted in the Nigerian economy, as weak governance and poor infrastructure have dwindled FDIs into Nigeria. FDI dropped to US\$427.76 million in Q1 2020 from US\$495.42 million in Q4 2019. (Trading Economics)

Total capital importation was reported at \$5.85 billion in Q1 2020 representing an increase of 53.97% compared to Q4 2019, according to NBS. The United Kingdom and the Republic of South Africa were the highest contributors to capital importation in Q1 2020 with \$2.91 billion and \$692.63 million, respectively.

Credit Rating

Fitch's sovereign credit rating for Nigeria was downgraded to "B" from "B+" with a negative outlook in April 2020 because of the increased on-going pressures on the country's external finances following the recent slump in oil prices and the pandemic shock. Standard & Poor (S&P) and Moody both affirm a B2 rating for Nigeria with a negative outlook.

Inflation

Nigeria's annual inflation rate rose for a tenth (10th) straight month to 12.56% in June of 2020 from 12.40% in May 2020. It was the highest rate since March 2018 as food prices surged 15.18%, being the highest in over two years, amid disruptions in the supply of products due the nationwide lockdown and movements restrictions, which blocked food producers from access to the farms.

The NBS's composite food index stood at 15.18% in June 2020, 0.14% points higher compared to the 15.04% recorded in May 2020. On a month-on-month basis, the food sub-index increased by 1.48% in June 2020, which was up by 0.06% points from the 1.42% recorded in May 2020. This rise in the food index was caused by increases in prices of Bread and Cereals, Potatoes, Yam and other tubers, Fruits, Oils and Fats, Meat, Fish and Vegetables.

12. DESCRIPTION OF FAMILY HOMES SUKUK ISSUANCE PROGRAM PLC

12.1 HEAD OFFICE AND REGISTERED ADDRESS

Family Homes Sukuk Issuance Program Plc

3rd Floor, Sinoki House
Central Business District
Abuja
www.fhfl.com.ng
+2349060008041

12.2 INTRODUCTION

The Issuer was incorporated in Nigeria on October 19, 2020 as a public limited company under the name of Family Homes Sukuk Issuance Program Plc. Its registered office is at the 3rd Floor, Sinoki House, CBD, Abuja. Family Homes Sukuk Issuance Program Plc has no subsidiaries.

Family Homes Sukuk Issuance Program Plc is a special purpose funding vehicle of Family Homes Fund Limited and has no business operations of its own, other than borrowing for the sole purpose of advancing/passing through funds to, and receiving funds from the Note Issuers.

The authorised share capital of the Issuer is ₦1,000,000 divided into 1,000,000 ordinary shares of ₦1 each, all of which have been issued at par, and are held as follows:

| Name | Shareholding | Percentage (%) |
|--------------------------------|------------------|----------------|
| Family Homes Funds Limited | 970,000 | 97% |
| EAC Trustees Limited | 10,000 | 1% |
| STL Trustees Limited | 10,000 | 1% |
| Apel Capital and Trust Limited | 10,000 | 1% |
| Total Shareholding | 1,000,000 | 100% |

The principal objectives of Family Homes Sukuk Issuance Program Plc are set out in clause 3 of its Memorandum of Association and, amongst other things, include the raising and borrowing of money for the purpose of on-lending and the granting of security over its assets in connection with such purposes; and to enter into arrangements relating to the aforementioned objectives.

The principal activities of Family Homes Sukuk Issuance Program Plc will be (in accordance with its objectives) to issue the Sukuk and on-lend the proceeds therefrom to the Note Issuers and to grant security over its assets subject to and in accordance with the terms of the Programme Documents. The assets include the Issuer's rights, benefits and interest (present and future) under the Trust Deed and/or Master Notes Subscription Agreement (where applicable) and all the other Programme 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 the objectives and activities stated above and matters referred to or contemplated in this document, or other 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.

12.3 DIRECTORS AND SECRETARY

The Directors of the Issuer and their respective business addresses and other principal activities are:

| Name | Business Address |
|--|--|
| Mr. Sani Yakubu | 3 rd Floor, Sinoki House, CBD, Abuja |
| Mr. Mr. Ajayi Adenike Olatokunbo | Afriland Towers - 3rd & 4th Floors, Broad Street Lagos |
| Mr. Ayokunle Olubunmi Oluwatosin Toyin | 8 Alhaji Bashorun Street, Ikoyi Lagos |
| Mrs. Ekundayo Funmilayo Tomilola | 30 Marina, Lagos |
| Mr. Adeniyi Adetuyi Oluwabusayo | 13, Maitama Sule Street, Ikoyi Lagos |
| The Metropolitan Law Firm | 11th Floor, New Africa House, Marina Lagos |

12.4 INDEBTEDNESS

The Issuer has no indebtedness as at the date of this Shelf Prospectus other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein.

12.5 EMPLOYEES

The Issuer has no employees

12.6 MATERIAL CONTRACTS

Apart from the Programme Documents to which it is a party, the Issuer has not entered into any material contracts.

12.7 NO MATERIAL ADVERSE CHANGE

Since the date of the Issuer's incorporation, there has been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

12.8 FINANCIAL INFORMATION

Since the date of incorporation, the Issuer has not commenced operations and save for the statement of affairs, and financial projections no financial statements have been made up as at the date of this Shelf Prospectus.

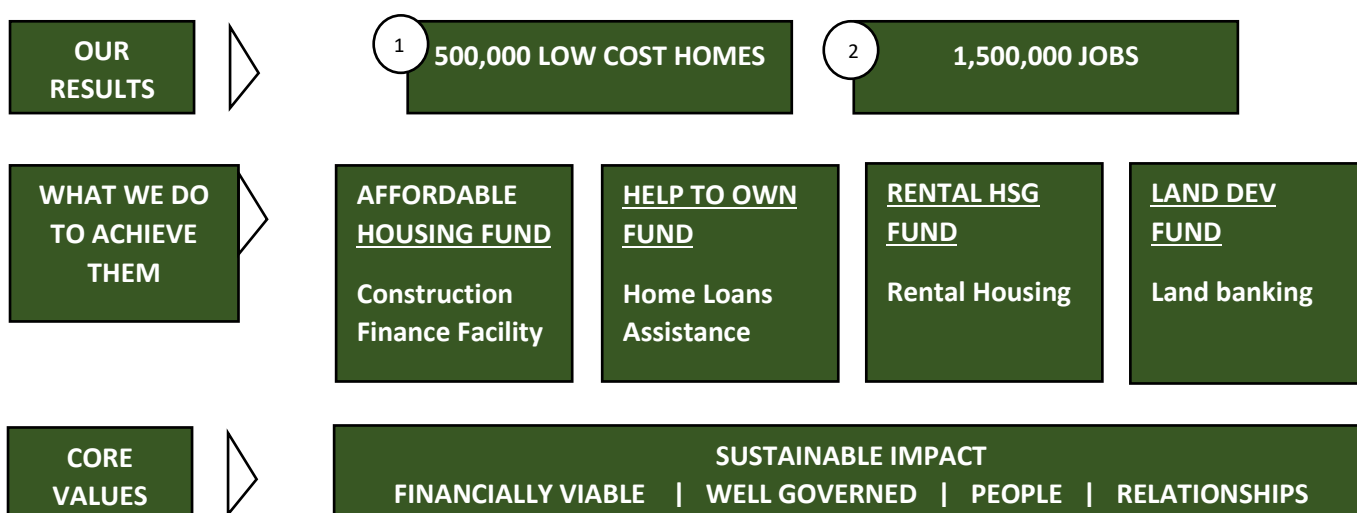
12.9 CLAIMS AND LITIGATION

The Issuer is not and has not been since its incorporation engaged in any litigation or arbitration proceedings which may have or have had during such period a significant effect on its respective financial position and, as far as the Issuer is aware, no such litigation or arbitration proceedings are pending or threatened.

13. DESCRIPTION OF FAMILY HOMES FUND LIMITED

13.1 OVERVIEW

Family Homes Funds Limited (FHFL) is a social housing financing fund aimed at improving the quality of life of Nigerians on low income through housing. FHFL evolved as a response to the need to provide decent homes and accessible finance for low-income Nigerians while harnessing the job creating potential of the housing sector. FHFL was duly incorporated on the 8th of September 2016 and set up as a Private Limited Liability Company with the Federal Ministry of Finance and Nigeria Sovereign Investment Authority as founding shareholders. FHFL has a commitment to facilitate the construction of up to 500,000 homes and in the process, create 1,500,000 jobs by 2023. FHFL aims to match a NGN 500billion (i.e. N100 billion annually) commitment from the Federal Government of Nigeria over the next 5 years with additional capital raised through partnerships with private investors and Development Finance Institutions (DFIs).



Social, Economic and Environmental Impact

Family Homes Funds Limited aligns closely with the New Urban Agenda and the Global Goals promoting sustainable cities and communities, no poverty, good health and well-being, clean water and sanitation, decent work and economic growth, reduced inequalities.

To this end, FHFL is working to:

- Provide solutions to Nigeria’s rapid urbanization (more than 50% currently live in urban areas), and reducing the proliferation of slums by providing decent homes
- Promote inclusivity and access to homes for all Nigerians (Only 24,414 mortgages were given in 2018)
- Spur economic growth and development through on-site job creation and local sourcing of building materials
- Employ up to 14,000 workers on our various projects since 2017. We estimate another 27,000 indirect jobs have been created through our projects
- implement an apprenticeship and artisans training scheme on our projects

13.2 TYPES OF FUNDS

13.2.1 AFFORDABLE HOUSING FUND

| Characteristics | Fund Update |
|---|---|
| Supply Side Activity | Active Fund; Commenced Activities In 2017 |
| Construction Finance Facility (Debt and Equity) | 2,023 Completed Units in Delta, Kaduna, Kano, Nasarawa And Ogun States |
| Short Tenure – Typically 24 Months | 8,764 Units in On-Going Projects In Adamawa, Bauchi, Borno, Delta, Kaduna, Kano, And Ogun |
| Exit into Sales or Rental | 6 Committed Projects Of 13,520 Units Totaling N53.017bn |
| Delivery Channels (Frameworks – Large Scale Developers; Continuous Engagement – Small Developers) | Expected Additional 20,000 Units In 2020 |

13.2.2 HELP TO OWN FUND

| Characteristics | Fund Update |
|--|--|
| Home Loans Assistance Programme to support income buyers | Expected 2021 Launch |
| Provide Loans up to 40% of the purchase price to eligible buyers | Identified and engaged PMIs to work with |
| Servicing via Selected Primary Mortgage Institutions (PMIs) | Concluding framework agreements |

13.2.3 RENTAL HOUSING FUND

| Characteristics | Fund Update |
|---|--|
| Rental Housing for low/med income with an option to buy | Expected 2020 Launch with a pilot in Q2 2021 |
| Provides strong exit potential for FHFL and significantly increases access for low income earners | Assessing feasibility and designing implementation strategy |
| Requires creation/identification of social housing management organisations | French Development Agency (AfD) providing technical assistance to fund a technical evaluation of a Student Housing Programme |
| Potential for big impact | |

13.2.4 LAND DEVELOPMENT FUND

| Characteristics | Fund Update |
|--|---|
| Site Acquisition and Housing/Neighbourhood Infra. | Have a significant number of hectares given by various governments |
| Titling, preparation and cleaning up to provide “feedstock” for building programme | We have land from 13 states including Akwa Ibom, Adamawa, Bauchi, Borno, Gombe, Ogun, Katsina, Kano, Kaduna |
| Processing land for development | |

13.3 PROGRESS ON PROJECTS TILL DATE

13.3.1 COMPLETED UNITS

| Location | No of Homes | Average Price |
|---------------------------------|--------------|---------------|
| Grand Luvu, Nasarawa | 582 | N3m – N4m |
| Family Housing Estate, Delta | 476 | N3.5m – N9m |
| Gidan Iyali Estate, Kaduna | 264 | N3.2m – N12m |
| New Makun, Ogun | 232 | N2.5m – N9m |
| Muhammed Sanusi II Estate, Kano | 469 | N6m – N15m |
| | 2,023 | |

13.3.2 UNDER CONSTRUCTION

| Location | No of Homes | Average Price |
|----------------------------|--------------|---------------|
| Asaba Estate | 174 | N3.5m – N9m |
| Gidan Iyali Estate, Kaduna | 264 | N3.2m – N12m |
| New Makun, Ogun State | 788 | N2.5m – N9m |
| Bayero Royal Estate, Kano | 288 | N5m – N14m |
| Borno | 3,200 | N1.8m |
| Yobe | 1,800 | N3.0m – N4.9m |
| Adamawa | 1,000 | N4.2m – N5.7m |
| Bauchi | 1,250 | N4.2m – N5.7m |
| | 8,764 | |

13.3.1 COMMITTED PROJECTS

| Location | No of Homes | Price Range (N'mn) | Project Cost (N'bn) | Projected Start |
|----------|--------------|--------------------|---------------------|-----------------|
| Niger | 1,220 | 4.5 – 6.0 | 5.7 | Q4 2020 |
| Ogun | 1,000 | 3.2 – 7.0 | 3.917 | Q4 2020 |
| Bauchi | 1,250 | 4.2 – 5.7 | 6 | 2021 |
| Yobe | 1,800 | 3.0 – 4.9 | 7.98 | 2021 |
| Adamawa | 1,000 | 4.2 – 5.7 | 4.96 | 2021 |
| | 6,270 | | 28.557 | |

13.4 OUR PROJECT LOCATIONS



13.5 PROFILE OF DIRECTORS & COMPANY SECRETARY

▪ **Mr. Suleiman Barau – Chairman**

Mr. Suleiman Barau is a distinguished professional with more than 18 years of experience as a Public Servant and 17 years in banking. He has served as the Deputy Governor of the CBN and as the MD of Nigerian Security Printing and Minting Plc. Before this, he had held numerous managerial positions in a number of banks including FSB International Bank Plc, United Bank for Africa Plc, Bank of the North Limited and Continental Merchant Bank Nigeria Limited. Mr Barau studied BSc Economics at Ahmadu Bello University Zaria where he graduated in 1981. He also obtained his MSc in Economics (Money and Finance) from the University of Jos in 1988.

▪ **Mr. Femi Adewole – MD/CEO**

Mr. Femi Adewole is a housing finance professional and chartered architect with over 25 years' experience leading housing initiatives across Sub Sahara Africa and the United Kingdom. Before his appointment as the MD of Family Homes Funds, he was MD of Shelter Afrique. He has served in various capacities in some of the largest housing companies around the globe such as First World Communities Ltd, Watford Community Housing Trust, Notting Hill Housing Group, and Lagos HABITAT 2011 Project amongst others. Femi has a BSc (Hons) in Architecture from the University of Ife which he obtained in 1984. He also has two masters; in 1987 he obtained an MSc in Architecture from the University of Ife and in 1997 he obtained an MSc in Land Management and Property Development from the University of East London. He also has an MBA from the University of Warwick which he obtained in 2002.

▪ **Amb. (Arc) Muhammadu A. Jumba – Non-Executive Director**

Amb. Muhammadu Jumba is a Principal Partner at Design & Planning Consultants, Architects and Engineers. He was formerly the Nigerian Ambassador to the State of Kuwait and the United Arab Emirates. He has also served as the Honourable Commissioner for the Ministry of Works, Housing and Land Development with the Bauchi State Government. He is an alumnus of Ahmadu Bello University, Zaria, Nigeria where he obtained a BSc and MSc in Architecture in 1976 and 1978 respectively.

▪ **Mr. Mohammed R. Umar – Non-Executive Director**

Mr. Mohammed Umar has over 40 years of experience as a quantity surveyor. He has headed the Quantity Surveying section in the Ministry of Works and Housing and established the Quantity Surveying Section for the Ministry of Housing and Environment, both in Kano, Nigeria. Mohammed has a BSc and MSc in Architecture which he obtained in 1976 and 1978 respectively, both from Ahmadu Bello University Zaria.

▪ **Mr. Chiweze.A. Ukwuoma – Non-Executive Director**

Mr. Chiweze Ukwuoma is an experienced Corporate and Investment Attorney and a Barrister at Law. He worked as a corporate lawyer for 9 years in different banks including Continental Merchant Bank of Nigeria Ltd (formerly Chase), Gamji Bank Ltd, and Chase Merchant Bank. Chiweze Ukwuoma holds a Bachelor's degree in Law (LLB) from the University of Nigeria, Nsukka which he obtained in 1985. He was in the 1992 class of Executive Master of Business Administration Programme of the University of Lagos, Nigeria.

▪ **Arch. Edinoh Uwodi Ebune - Non-Executive Director**

Arch. Edinoh Uwodi Ebune is a chartered architect with over 30 years of experience in the Housing and Construction industry. He currently serves as the chairman of the National Housing Programme and is a Board Member of the Federal Housing Authority under the Federal Ministry of Works and Housing. Edinoh holds a BSc (Hons) in Architecture and MSc in Architecture from Ahmadu Bello University, Zaria which he obtained in 1983 and 1985 respectively. He also has an MPA from the University of Maiduguri which he obtained in 2007.

- **Mr. Uche Orji – Non-Executive Director**
 Mr. Orji is the MD/CEO of the Nigeria Sovereign Investment Authority. He has a wealth of experience in the financial industry. Prior to NSIA, he was MD, Equities Division at UBS Securities, New York. Prior to this, he had investment experience from JP Morgan Securities and Goldman Sachs Asset Management. He attended the University of Port Harcourt where he obtained a BEng in 1990. He also holds an MBA from Harvard Business School (1998).
- **Ms. Aisha Omar – Non-Executive Director**
 Ms. Aisha Omar is an established public servant with over 25 years’ experience in providing high quality finance and management support for public projects and mandates. She is a public finance specialist with vast experience in public financial management, development of trade and finance policies and fiscal relations, project development and policy advisory. She is currently a Director in the Federal Ministry of Finance, Abuja, Nigeria. She has worked in many capacities within the Federal Ministry of Finance, and has served in several Presidential Committees and as Project Manager including for World Bank assisted projects. She obtained her BSc in Business Administration (Finance Management and Banking) in 1989 from Ahmadu Bello University, Zaria, and has a litany of professional trainings.
- **Mr. Franklin Eseagwu – Company Secretary**
 Mr. Franklin Eseagwu is the Company Secretary/Legal Adviser of Family Homes Funds Limited, where he provides support to the Board of Directors in their over-sight function, and legal support to all the business units of the Fund. He is a trained lawyer with 13 years post bar work experience. He had an initial short stint in private practice and the latter part in corporate practice, all within the financial services sector. He is an Associate member of the Institute of Chartered Secretaries and Administrators of Nigeria and the Chartered Institute of Taxation of Nigeria. He holds a first degree in law from the University of Nigeria (2005) and Master’s in law from the Lagos State University (2018).

13.6 MANAGEMENT TEAM

- **Mr. Sani Yakubu – Chief Housing Investment Officer (CHIO)**
 Mr. Sani Yakubu is a finance professional with over 25 years’ experience in Banking and Finance within the private and public sectors. Before his appointment as the Chief Housing Investment Officer at Family Homes Funds, he was Senior Special Assistant to the President on the National Economic Recovery and Growth Plan (ERGP) with specific assignment to oversee the Industrialization component of the National Plan implementation. Between 2006 and 2008, he served as the Managing Director of the Abuja Urban Mass Transit Company where he grew the balance sheet from N500m to over N5bn in two and a half years. He is a Fellow of the Institute of Corporate Administration as well as a member of the Nigerian Institute of Management. Mr Yakubu has a B.Sc. in Accountancy from the University of Nigeria Nsukka (1990) and an MBA from Ahmadu Bello University, Zaria (2003).
- **Mr. Tobi Fatimilehin – Head, Affordable Housing Fund**
 Mr. Tobi Fatimilehin is a CFA Charterholder with 11 years’ experience. Before his engagement with FHFL, Tobi was an Associate at the Project Delivery Team of Rendevour Nigeria Ltd responsible for the development of a 1000ha industrial city in the Lekki Free Zone. He also worked with FBNQuest Merchant Bank where he advised on the sale of one of the AMCON Bridge Banks and a mortgage bank. He has also worked with PwC as a Consultant on Strategy and Deals; and as a Financial Analyst with Morgan Capital Group. He obtained his BEng in Electronic Engineering in 2007 and MSc in Advanced Electronic Engineering in 2008, both from the University of Warwick.
- **Dr. Banke Abejirin – Head, Strategy & Business Performance**
 Dr. Banke Abejirin is a mid-career professional with more than ten (10) years of experience in urban planning, economic development, research and strategic consulting. She works as the strategy and

business performance manager at Family Homes Funds Limited where she also oversees FHFL's social and environmental impact initiatives. Prior to that, she was a senior manager at Cerebral and Dexter Media Ltd., where she co-managed the firm's educational work, focused on content creation, strategic communication and advises on project strategy. She has worked as an intern and sub-consultant with the United Nations. She currently works as an Associate Consultant with Dalberg Global Development Advisors. Dr. Abejirin holds a PhD in Urban Planning from Columbia University's School of Architecture, Planning and Preservation, New York which she obtained in 2014. She obtained her BA in Economics from Carleton College in 2006, and Master of City Planning from MIT in 2008.

▪ **Dr. Sa'id Kori – Head, Project Management**

Dr. Sa'id Kori holds a doctorate degree in Digital Architecture and Construction Management from the University of Liverpool (2017 where he taught briefly, a Master of Science in Digital Architectural Design from University of Salford, Manchester (2013) and has his bachelor's degree in architecture from Federal University of Technology, Nigeria (2010). Prior to his engagement with the Family Homes Funds, Dr. Sa'id served as an Executive Vice President of Thinklab International Group where he developed the roadmap for implementation and actualisation of Smart Marrakech and the development of Yobe State Geographical Information System and the Borno State Smart Room. Dr. Sa'id also worked with CTA Design Solutions, Manchester and with Thames International London as a Senior Associate. Dr. Sa'id also has teaching and research experience; lecturing in Ramat Poly- technic Maiduguri, University of Liverpool and the University of Salford. Dr Sa'id also champion various works both nationally and internationally in various capacities in developing and implementing strategic programmes, policies and projects related to the reconstruction and resettlement of Internationally Displaced Persons (IDPs), disaster resilience, social housing development schemes, real estate developments, alternative Mortgage financing among others.

▪ **Ms. Lami Attah - Communications Manager**

Ms. Lami Attah is an Information and Communication Professional with more than 14 years of industry experience. Before her appointment at Family Homes Funds, Lami worked as a communication and research consultant, with an adjunct faculty position at the Pan-Atlantic University. Her career spans stints with Resourcery Plc, National Information Technology Development Agency, and TBWA Concept Unit. She has also worked in various capacities with the World Bank Mines Reclamation Project, Sahel Capital, Homes4Africa and the Aids Healthcare Foundation. Lami has written several papers on communication, the digital economy, and ethics in the use of Artificial Intelligence. She is a founding member of the Interface Creative Economy Project. The curator of the 'Lagos to Global' conference and a mentor to the International Youth Foundation training program as well as the Google Business mentorship program. Ms. Lami holds a Bachelor of Technology in Mathematics and Computer Science from the Federal University of Technology, Minna (2005). She is a Cherie Blair Foundation Alumna, a Tony Elumelu Alumna and an IBM certified Data Science Professional.

▪ **George Anih – Asset and Portfolio Manager**

Mr. George Anih commenced his professional career in Sea Petroleum and Gas Company Limited as the Administrative Head for the Abuja region before proceeding to banking where he worked in Hallmark Bank PLC (now Ecobank Nigeria PLC), United Bank for Africa (UBA) PLC and Aso Savings and Loans PLC in several capacities. He was also the Regional Manager, North for Abbey Building Society PLC (now Abbey Mortgage Bank PLC) before his forays into real estate development. He has also held managerial roles in Mainstreet Bank Ltd/Skye Bank PLC (now Polaris Bank Limited) as a Business Development Manager. Until recently, he was the Regional Manager, Northern Nigeria for Eciruam and Clarke Limited in charge of sales and distribution of fast-moving consumer goods. He attended the University of Ibadan where he studied BSc Human Nutrition in 2000. He has an MSc Economics degree from ESUT Business School (2007) and an MSc Project Management from the University of Roehampton (UK) (2017). George is an Ex member of the executive board of Real Estate Developers Association of Nigeria REDAN. He is also a

member and fellow of the following Institutes: - Institute of Chartered Economists of Nigeria (ICEN)– Fellow Institute of Professional Managers and Administrators of Nigeria (IPMA) – Fellow Certified Institute of Auctioneers of Nigeria (CIAN) – Fellow Chartered Institute of Bankers of Nigeria (CIBN) – Member

▪ **Mr. Abubakar Bello – Head, Human Resources**

Mr. Abubakar Bello started his HR career with one of the leading HR and Business Management Consulting firm as an Analyst for close to 4 years after which he moved to one of the prominent commercial banks in Nigeria (Unity Bank). Later, he joined one of the famous construction companies (Precise Civil Engineering Ltd) as the HR and Admin Manager. Shortly after, he was engaged by one of the leading I.T. companies in Lagos TechAdvance (Gpay) Ltd as HR Business Partner overseeing the HR functions of the entire North Eastern region. He presently works with one of the fast-growing NGOs that is data and IT driven to support public health in five African countries (eHealth System Africa). He works in the capacity of HR coordinator where he coordinates and supports the development and implementation of all the HR functions from recruitment and selection, on boarding, manpower plan, competency mapping, career management, performance management, policies review and implementation, staff confirmation and promotion and staff engagement among others. Mr. Abubakar Bello holds a Master's in Business Administration (MBA) (2015) and a B.Sc. Economics from Bayero University Kano (2010) and the latter from University of Abuja. He is a certified member of Nigerian Institute of Management (NIM) and an associate member of the Chartered Institute of Human Capital Development (CIHCD)

▪ **Mr. Victor Adofu – Head, Risk Management**

Mr. Victor Adofu holds a Bachelor of Science degree in Accounting from the University of Abuja (2005) and he is a Fellow of the Association of Chartered Certified Accountants (FCCA, UK) and a member of the Chartered Institute for Security & Investment (MCSI, UK). In addition, he holds a Master of Science Degree in Professional Accountancy from the University of London. In 2018, he became a Senior Member of Risk Management Association of Nigeria. Victor has experience spanning over 13 years in the financial services sector and he began his working career in Intercontinental Bank Plc in 2006. Prior to his current role, he was the Head of Risk Management of Premium Pension Limited and Nigerian University Pension Management Company, a position he held for 6 years cumulatively before moving to FHFL as the Head of Risk Management in September 2019.

13.7 CORPORATE GOVERNANCE

Commitment to Corporate Governance

FHFL is committed to high ethical standards in all operations through compliance and sound, effective governance. Through this, we ensure long term value for all stakeholder groups. In 2019, the company reached a milestone with the reconstitution of the board by the Minister of Finance, Budget, and National Planning.

Board Composition and Independence

Roles of the Board

Family Homes Funds Limited (FHFL) is governed by a Board of 7 members. The Board oversees the general business of the Company and is the ultimate decision-making body of the Company. The entire Board is responsible for such supervision and oversight.

The Board carries out its corporate governance responsibility through the Board Charter.

- Provides a concise overview of the role and responsibilities of the Board of Directors, powers of the Board and board committees, separation of roles between the Board and Management; and the practice of the Board in respect of corporate governance matters.
- This is subject to the provisions of the Companies and Allied Matters Act (CAMA), the Company's Memorandum and Articles of Association, and any applicable law or regulatory provision.

The Board Charter specifies out details of Board Meetings and Decision Making:

- The Board meets as often as necessary, but not less than two times a year unless otherwise provided by the Articles and Memorandum of FHFL.
- The quorum necessary for the transaction of business of the Directors shall be five members present one of which must be a Non-Executive Director.

Board Committees

The Board of Directors' oversight functions are to be performed through its Human Resources and Administration, Audit and Risk and Investments and Finance Committee. However, because the board is new, the Board has elected to meet as both the Board and the Committees.

Management

The management is charged with the day-to-day running of the company. It is headed by the MD/CEO supported by the Management and Staff of FHFL.

The Company also has Management Teams and Committees to oversee the running of various aspects. These include the Executive Management Team, Management Credit Committee, Projects and Portfolio Committee, Assets and Liability Committee and the Management Team.

Management Credit Committee

The purpose of the MCC is to provide positive and objective support to the Investment to ensure that the quality of the portfolio at entry is low risk and excellent. The key objectives are:

- To provide support the Company in achieving its objectives and managing its exposure to and control of credit risk; and
- To review and evaluate lending proposal, ensuring compliance with the Lending Policy at all times.

The Meetings of the Committee shall be held on an Ad-hoc basis, as required in order to exercise the powers, or perform the functions or responsibilities of the Committee, at such a time and place as notified to the members.

Executive Management Committee

The Management Team shall meet at least once fortnightly on Wednesday or other days as agreed by the members. However, the Team shall have ad-hoc meetings as often as it is necessary to perform its functions or responsibility in a timely fashion.

The Membership of the Management Team comprises of MD/CEO, Chief Housing Investment Officer, General Manager, Finance and Administration and the General Manager, Project Management.

The purpose of the Executive Management Team is, under the leadership of the CEO, to:

- a. Deal with the day-to-day activities of the Company's business, develop and implement business plans, policies, procedures and budgets that have been approved by the Board, monitor the operating and financial

performance of the Company, prioritise and allocate investment and resources, manage and develop talent and manage the risk profile of the Company;

- b. Of its own accord or at the request of the Board, promptly give or make available to the Board such information, reports and other documents to enable the Board to carry out its duties;
- c. Champion the Company's core values of integrity, result orientation, customer satisfaction and individual accountability.

Projects and Portfolio Committee

The Core Objective of the Projects and Portfolio Committee is to provide senior level oversight of the portfolio. This includes:

- a. Providing interdepartmental oversight on the quality of the portfolio;
- b. Support relevant lead business units in identifying potential difficulties with individual projects;
- c. Proposing opportunities for continuous improvement of our processes.

The Meetings of the Committee shall be held at least once monthly in order to perform the functions or responsibilities of the Committee, at such a time and place as notified to the members. However, meetings may also be held on an ad-hoc basis.

Assets and Liability Committee (ALCO)

The Purpose of the Assets and Liability Committee is to:

- a. Ensure that the Company's risk exposure remains low-level;
- b. Manage the Company's assets and liabilities;
- c. Drive strategies to ensure financial sustainability.

The Meetings of the Committee shall be held at least once monthly in order to exercise the powers, or perform the functions or responsibilities of the Committee, at such a time and place as notified to the members. However, meetings may also be held on an ad-hoc basis.

14. USE OF PROCEEDS

The particular purpose of each issuance will be specifically stated in the Pricing Supplement issued for each Series. The costs and expenses of the issue are payable by the Issuer and will be deducted from the gross issue proceeds.

15. RATINGS REPORT OF FAMILY HOME FUNDS LIMITED

FAMILY HOMES SUKUK ISSUANCE PROGRAM PLC

₦10 Billion Series 1 Fixed Rate Ijara Lease Sukuk Due 2028 Under the ₦30 Billion Sukuk Issuance Programme

Issue Rating:

A+*

Outlook: Stable

Issue Date: 30 April 2021

Expiry Date: 31 March 2022

**This Issue rating is indicative and subject to change at any time. However, a final rating will be based on receipt of all duly executed contractual agreements.*

The final issue rating will be subject to annual monitoring and review on the anniversary of the Sukuk.

Sponsor's Rating: Bbb

Expiry Date: 30 June 2021

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Analysts:

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Isaac Babatunde

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Agusto & Co. Limited

UBA House (5th Floor)

57, Marina

Lagos

Nigeria

www.agusto.com

High quality debt issue with very low credit risk; very strong capacity to pay returns and principal on local currency debt in a timely manner

RATING RATIONALE

- Agusto & Co. hereby assigns an indicative "A+" rating to the Family Homes Sukuk Issuance Program Plc's ("FHSIP", "the Issuer" or "the SPV") ₦10 Billion Series 1 Fixed Rate Ijara Lease Sukuk Due 2028 ("Series 1", "Sukuk" or "Issue") under the ₦30 billion Sukuk Issuance Programme. The Issue rating is underlined by the following: i) The ownership support and financial backing from two Federal Government owned institutions (Federal Ministry of Finance and the Nigeria Sovereign Investment Authority) for Family Homes Funds Limited - the Sponsor, ii) the unconditional and legally binding support provided by the issuance of Irrevocable Standing Payment Order (ISPO) authorising aggregate monthly deductions of ₦173.7 million from Family Homes Funds account held with the Central Bank of Nigeria through a Counter-ISPO mechanism¹ from four states' (Adamawa, Bauchi, Borno & Yobe) share of statutory allocations over seven years into a designated sinking fund account to be managed by the Delegate Trustees to meet the Sukuk repayment obligations as and when due, and iii) credit enhancement of ₦2 billion Federal Government of Nigeria Treasury Bills (representing 20% of Sukuk size) to be domiciled with the Delegate Trustees to meet Sukuk obligations in the event of a shortfall in the sinking fund account.
- Family Homes Funds Limited ("Family Homes", FHFL" or "the Company") is a social housing initiative promoted by the Federal Government of Nigeria (FGN) as part of its National Social Investment Programme aimed at providing affordable housing to low-income families. The Company is self-regulated as a social housing fund and jointly owned by the Federal Ministry of Finance Incorporated (51%) and the Nigeria Sovereign Investment Authority (NSIA) Property Company Limited (49%). The assigned credit rating of the Sponsor "Bbb" has been notched up based on the ownership support and financial backing provided by its shareholders, which are government owned institutions.
- The Company facilitated the incorporation of Family Homes Sukuk Issuance Program Plc ("the SPV" or "the Issuer") in October 2020, to raise funds from the capital market through the issuance of Sukuk related instruments. The SPV intends to raise ₦10 billion Series 1 Ijara Lease Sukuk under the ₦30 billion Sukuk Issuance Programme in Q2'2021 and the net proceeds will be used by FHFL to finance the development of housing projects across the country. Agusto & Co. notes that the proposed projects to be funded from the Sukuk proceeds will

¹ The ISPO for the four states have been charged in favour of Family Homes Funds Limited's Treasury Single Account held with the Central Bank of Nigeria (CBN). As part of the transaction structure, a Counter-ISPO by FHFL endorsed by the CBN will be executed to enable monthly transfer of ISPO deductions for specified states (in line with the Delegate Trustees instruction) to a designated Sinking Fund Account under the control of the Delegate Trustees to meet the Sukuk obligations as and when due.

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TRANSACTION PARTIES

Issuer:
Family Homes Sukuk Issuance Program Plc

Sponsor:
Family Homes Funds Limited

Financial Adviser:
Buraq Capital Limited

Lead Issuing House:
Chapel Hill Denham Advisory Limited

Joint Issuing House:
Credent Capital & Advisory Limited
Greenwich Merchant Bank Limited

Delegate Trustees:
STL Trustees Limited
United Capital Trustees Limited
EAC Trustees Limited
Apel Capital and Trust Limited

Solicitors to the Issue:
The Metropolitan Law Firm

Registrar
Africa Prudential Registrars Plc

Stockbrokers:
APT Securities and Funds Limited

Reporting Accountant:
Muhtar Dangana and Co

Receiving Banks:
Jaiz Bank Plc
Taj Bank Limited

Shariah Advisers:
Sheik (Asst Professor Dr.) Ziyad Mahomed
Professor Ahmad Bello Dogarewa

KEY TRANSACTION STRUCTURE

Notes Tenor:
7 years with a semi-annual payment of lease rentals

Sukuk Status:
The Sukuk shall be direct, unsecured, senior and unconditional obligations of the Issuer and shall rank pari-passu among themselves and equally with other existing obligations of the Issuer.

Use of Sukuk Proceeds:
The net proceeds will be used by the Sponsor to finance affordable housing projects in seven states in the country.

Source of Repayment:
ISPO approved by the Federal Ministry of Finance for monthly remittance of N173.7 million from Family Homes Funds account held with the Central Bank of Nigeria through a Counter-ISPO mechanism from four states (Adamawa, Bauchi, Borno & Yobe) share of statutory allocations over seven years into a


not constitute part of the Sukuk Assets and also the receivables from these projects will not serve as the source of repaying the Sukuk obligations. However, the Counter-ISPO on the four states will serve as a guarantee to secure the repayment of the Ijara Lease Sukuk obligations as and when due.

- In line with the Sukuk pricing supplement, a fixed return will be paid semi-annually in arrears over seven years in the form of rental payments under the Deed of Sale for the Sponsor's use of the Sukuk Assets. These rentals will be deposited into a Sinking Fund Account managed by the Delegate Trustees for the benefit of the Sukukholders. In addition, the Sukuk, which will be offered for subscription to the public shall be direct, unsecured, senior and unconditional obligations of the Issuer and shall rank pari-passu among themselves and equally with other existing obligations of the Issuer.
- To ensure that the Series 1 Sukuk obligations are met timely, an ISPO in the sum of N173.7 million monthly over seven-years has been approved by the Federal Ministry of Finance (through a Counter-ISPO mechanism on the duly executed ISPOs on Adamawa, Bauchi, Borno and Yobe states) as the principal source of repaying the obligations. Also, Family Homes Funds Limited will provide credit enhancement in the form of N2 billion Federal Government of Nigeria Treasury Bills (representing 20% of Sukuk size) to be domiciled in the Sinking Fund Account (SFA) under the control of the Delegate Trustees to cover the periodic Sukuk rentals in the event of shortfall in the SFA.
- Given that the duly executed ISPOs are the primary source of servicing the Series 1 Ijara Lease Sukuk obligations, we have estimated that the aggregate amount to be set aside by way of monthly ISPO contributions (including the N2 billion treasury bills) into the SFA over the forecast period will amount to N16.6 billion. Based on our analysis, the funds to be set aside in the SFA over the Sukuk tenor will be sufficient to cover the total Sukuk obligations at indicative rental rates of 13%² resulting in an SFA coverage ratio of 1.07 times, which in our view is satisfactory.
- Agusto & Co. notes that the ISPOs and mechanics of operations which include the provision of a Counter-ISPO in favour of the Delegate Trustees (given that the ISPO domiciliation is with FHFL's Treasury Single Account held with the Central Bank of Nigeria) provide assurances that funds earmarked for the Sukuk repayment will be transferred monthly from FHFL's TSA account into the designated SFA following first-line monthly deductions from the respective states' share of statutory allocation. Should this Counter-ISPO not be enforceable and legally binding, we would downgrade the rating of the Series 1 Ijara Lease Sukuk to the stand-alone rating of the Sponsor, which is "Bbb".
- Based on the aforementioned, Agusto & Co. hereby attaches a **stable** outlook to the Family Homes Sukuk Issuance Program Plc's Series 1 Ijara Lease Sukuk premised on the Issuer's capacity to meet the Sukuk obligations supported by the ISPO structure and credit enhancement.

² At indicative rental rates of 15% for the Sukuk, the SFA coverage ratio will be 1.01 times, which is just adequate in our view.

16. EXTRACT FROM REPORTING ACCOUNTANT'S REPORT

Muhtari Dangana & Co.
CHARTERED ACCOUNTANTS



ACCOUNTANT'S REPORT ON THE FINANCIAL STATEMENTS OF FAMILY HOMES FUNDS LIMITED FOR THE THREE YEARS ENDED 31 DECEMBER 2019, 2018 AND 2017

Report on the Financial Statements
We have reviewed the annual financial statements of Family Homes Funds Limited which, comprise the statement of financial position as at 31 December 2019, 2018, and 2017, the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework and for such internal control as the directors determine is necessary to enhance the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility
Our responsibility is to express a conclusion on the annual financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400: *Engagements to Review Financial Statements*. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial statements as a whole may be materially misstated.


The procedures performed in a review engagement are substantially less than those in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements. We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

The Company's auditors expressed unqualified opinion on the financial statements for the years ended 31 December 2019, 2018 and 2017. Ernst & Young were the auditors of the Company for the same three financial-years ended 31 December 2019, 2018 and 2017.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Family Homes Funds Limited as at 31 December 2019, 2018 and 2017, its statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for each of the years then ended, in accordance with applicable financial reporting framework.

This report is solely for the use of the Directors of Family Homes Funds Limited and other relevant parties. No part of this report may be quoted or circularised outside these parties without the prior written approval of Muhtari Dangana & Co.

Abel Atalor 26 Nov. 2020
Abel Atalor
FRC/2013/ICAN/0000001141
For: **MUHTARI DANGANA & CO.**
(Chartered Accountants)
Abuja, Nigeria



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Family Homes Funds Limited - N10 Billion Sukuk Bond Issuance Programme

FAMILY HOMES FUNDS LIMITED
FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019, 2018 AND 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Notes | 2019 ₦'000 | 2018 ₦'000 | 2017 ₦'000 |
|--|-------|-------------------------|-------------------------|-------------------------|
| Revenue | 5 | - | - | - |
| Contract costs | | - | - | - |
| Other income | 6 | 40,583 | - | - |
| | | <u>40,583</u> | <u>-</u> | <u>-</u> |
| Finance income | 7 | 567,377 | 155,001 | 10,184 |
| Operating and administrative expenses | 8 | (717,387) | (390,062) | (282,585) |
| Loss before tax | 9 | (109,427) | (235,061) | (272,401) |
| Income tax expense | 10.1 | - | - | - |
| Loss after tax | | <u>(109,427)</u> | <u>(235,061)</u> | <u>(272,401)</u> |
| Other comprehensive income | | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | - | - | - |
| Total comprehensive loss for the year | | <u>(109,427)</u> | <u>(235,061)</u> | <u>(272,401)</u> |
| Basic / diluted loss per share (Naira) | 20.1 | <u>(109)</u> | <u>(235)</u> | <u>(272)</u> |

FAMILY HOMES FUNDS LIMITED
FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019, 2018 AND 2017

STATEMENT OF FINANCIAL POSITION

| | Notes | 2019 N'000 | 2018 N'000 | 2017 N'000 |
|-------------------------------------|-------|--------------------------|--------------------------|-------------------------|
| Assets | | | | |
| Non-current assets: | | | | |
| Property, plant and equipment | 11 | 112,055 | 2,219 | 1,732 |
| Intangible assets | 12 | 1,598 | 368 | - |
| Right of use asset | 13 | 39,989 | - | - |
| Investment properties | 14 | 1,259,966 | 1,259,966 | - |
| Total non-current assets | | <u>1,413,608</u> | <u>1,262,553</u> | <u>1,732</u> |
| Current assets | | | | |
| Inventory | 15 | 12,623,297 | 8,803,851 | 1,201,739 |
| Trade and other receivables | 16 | 5,703,196 | 95,659 | 1,000 |
| Cash and cash equivalents | 17 | 2,054,150 | 12,620,971 | 127,688 |
| Total current assets | | <u>20,380,643</u> | <u>21,520,481</u> | <u>1,330,427</u> |
| Total assets | | <u>21,794,251</u> | <u>22,783,034</u> | <u>1,332,159</u> |
| Equity and Liabilities | | | | |
| Equity: | | | | |
| Share capital | 18 | 1,000 | 1,000 | 1,000 |
| Capital grant | 19 | 20,000,000 | 20,000,000 | - |
| Accumulated losses | 20 | (616,888) | (507,462) | (272,401) |
| Total equity | | <u>19,384,112</u> | <u>19,493,538</u> | <u>(271,401)</u> |
| Non-current liabilities: | | | | |
| Current liabilities: | | | | |
| Trade and other payables | 21 | 910,139 | 1,789,496 | 103,560 |
| Borrowings | 22 | 1,500,000 | 1,500,000 | 1,500,000 |
| Income tax payable | 10.2 | - | - | - |
| Total current liabilities | | <u>2,410,139</u> | <u>3,289,496</u> | <u>1,603,560</u> |
| Total Equity and Liabilities | | <u>21,794,251</u> | <u>22,783,034</u> | <u>1,332,159</u> |

These financial statements were approved by the Board of Directors and signed on its behalf by:

| | | |
|---|---|--|
|  |  |  |
| Suleiman Bagra | Femi Adewole | David Lahu |
| FRC/2015/ICENNIG/00000011559 | FRC/2020/008/00000020585 | FRC/2016/ICAN/000000015483 |
| Chairman | Director | Chief Finance Officer |

The accompanying notes on pages 6 to 41 are an integral part of these financial statements

FAMILY HOMES FUNDS LIMITED
FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019, 2018 AND 2017

STATEMENT OF CHANGES IN EQUITY

| | Share capital ¥'000 | Capital grant ¥'000 | Accumulated loses ¥'000 | Total ¥'000 |
|----------------------------|---------------------------|------------------------|-------------------------------|-------------------|
| At 1 January 2019 | 1,000 | 20,000,000 | (507,462) | 19,493,538 |
| Loss for the year | - | - | (109,426) | (109,426) |
| Other comprehensive loss | - | - | - | - |
| Total comprehensive loss | - | - | (109,426) | (109,426) |
| At 31 December 2019 | 1,000 | 20,000,000 | (616,888) | 19,384,112 |

| | Share capital ¥'000 | Capital grant ¥'000 | Accumulated loses ¥'000 | Total ¥'000 |
|---|---------------------------|------------------------|-------------------------------|-------------------|
| At 1 January 2018 | 1,000 | - | (272,401) | (271,401) |
| Effect of adoption of new accounting standards (Note 2) | - | - | - | - |
| At 1 January 2018 (Restated) | 1,000 | - | (272,401) | (271,401) |
| Capital grant inflow | - | 20,000,000 | - | 20,000,000 |
| Loss for the year | - | - | (235,061) | (235,061) |
| Other comprehensive loss | - | - | - | - |
| Total comprehensive loss | - | - | (235,061) | 19,764,939 |
| At 31 December 2018 | 1,000 | 20,000,000 | (507,462) | 19,493,538 |

| | Share capital ¥'000 | Capital grant ¥'000 | Accumulated loses ¥'000 | Total ¥'000 |
|-------------------------------|---------------------------|------------------------|-------------------------------|------------------|
| At 1 January 2017 | - | - | - | - |
| Ordinary share capital issued | 1,000 | - | - | 1,000 |
| Loss for the year | - | - | (272,401) | (272,401) |
| Other comprehensive loss | - | - | - | - |
| Total comprehensive loss | - | - | (272,401) | (271,401) |
| At 31 December 2017 | 1,000 | - | (272,401) | (271,401) |

FAMILY HOMES FUNDS LIMITED
FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2019, 2018 AND 2017

STATEMENT OF CASH FLOWS

| | | 2019 | 2018 | 2017 |
|---|--------------|----------------------------|---------------------------|---------------------------|
| Operating activities | Notes | RM'000 | RM'000 | RM'000 |
| Loss before taxation | | (109,427) | (235,061) | (272,401) |
| <i>Adjustments to reconcile profit before tax to net cash flow:</i> | | | | |
| Depreciation of property, plant and equipment | 11 | 16,395 | 626 | - |
| Depreciation of Right of use asset | 13 | 8,011 | - | - |
| Amortisation of intangibles | 12 | 1,397 | 33 | - |
| Finance income | 7 | (567,377) | (155,001) | (10,184) |
| | | <u>(651,001)</u> | <u>(389,403)</u> | <u>(282,585)</u> |
| Working capital adjustments: | | | | |
| Increase in inventories | | (3,819,446) | (7,602,112) | (1,201,739) |
| Increase in trade and other receivables | | (5,607,537) | (94,659) | (1,000) |
| (Decrease)/Increase in trade and other payables | | (879,357) | 1,685,936 | 103,560 |
| | | <u>(10,957,341)</u> | <u>(6,400,238)</u> | <u>(1,381,764)</u> |
| Interest received | 7 | 567,377 | 155,001 | 10,184 |
| Income taxes paid | | - | - | - |
| Net cash flow used in operating activities | | <u>(10,389,964)</u> | <u>(6,245,237)</u> | <u>(1,371,580)</u> |
| Investing activities: | | | | |
| Purchase of intangible assets | 12 | (2,627) | (401) | - |
| Purchase of property, plant and equipment | 11 | (126,230) | (1,113) | (1,732) |
| Right-of-use asset | 13 | (48,000) | - | - |
| Acquisition of investment properties | 14 | - | (1,259,966) | - |
| Net cash flow used in investing activities | | <u>(176,857)</u> | <u>(1,261,480)</u> | <u>(1,732)</u> |
| Financing Activities: | | | | |
| Issue of shares | 18.1 | - | - | 1,000 |
| Capital grant | 18.2 | - | 20,000,000 | - |
| Proceed from borrowings | | - | - | 1,500,000 |
| Net cash flow from financing activities | | <u>-</u> | <u>20,000,000</u> | <u>1,501,000</u> |
| Net (decrease)/increase in cash and cash equivalents: | | <u>(10,566,821)</u> | <u>12,493,283</u> | <u>127,688</u> |
| Cash and cash equivalents at 1 January | | 12,620,971 | 127,688 | - |
| Cash and cash equivalents at 31 December | | <u>2,054,150</u> | <u>12,620,971</u> | <u>127,688</u> |

17. TAX CONSIDERATIONS

The foregoing summary does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective investor in Sukuk issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Sukuk issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Sukuk issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Sukuk may vary. Any actual or prospective purchaser of the Sukuk who intends to ascertain his/her tax position should seek professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Sukuk, bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Notes in any manner for placing reliance upon the contents of this section.

Under current legislation in Nigeria, statutory provisions relating to the tax consequences of an investment in the Sukuk to be issued under the Programme are quite broad and extensive. These include exemption from CITA, VAT and PITA respectively, by virtue of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order 2011, the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 and the Personal Income Tax (Amendment) Act 2011. For corporate bodies, this exemption has a lifespan of 10 years commencing on the effective date of 2nd January 2012. There is currently no limit on the exemption available to individuals, however.

In addition, the Bonds qualify for a waiver from Capital Gains Tax by virtue of the ten (10) year tax waiver approved by the Federal Government in March 2010.

18. RISK FACTORS

The Sukuk, like any other investment, involves a reasonable amount of risk. These risks, as discussed below, should be considered alongside all other relevant information contained elsewhere in this Shelf Prospectus. The risk factors set out below are not exhaustive and does not discount the possibility of other risks emerging during the Sukuk's tenor. In addition, risks that are considered immaterial may also become material through the life of the Sukuk.

COUNTRY RISK

Socio-economic Risk

Nigeria's economy remains strongly tied to the performance of the oil sector and overall economic activity is unlikely to reach levels seen over the past decade. The economy is expected to contract sharply this year due to the plunge in oil prices, lower oil production and supply chain disruptions and limited reform momentum and sluggish non-oil sector activity. Domestic demand will also be severely curtailed amid virus containment measures. Increased price pressures, tighter FX liquidity and a prolongation of virus infections further cloud the outlook. Businesses operating in Nigeria already face heightened security costs, an uncertain regulatory environment, limited, under-skilled labour, capital mobility and uncompetitive import conditions. Nigeria's non-oil sector growth potential remains constrained by the acute shortcomings in the country's utilities and transport sectors, high levels of social instability in the restive regions of the country, unorthodox trade and monetary policies and strained foreign currency availability. Rampant criminal activity and recurrent militant attacks on critical infrastructure - particularly in the Niger Delta - threaten the safety of foreign workers, business operations and wider economic stability due to the economy's fundamental reliance on oil revenues.

Cyclical security risk flashpoints also disrupt the country's predominantly gas-reliant power supply and limits freight transit routes. Meanwhile, smuggling across the country's porous borders, unorthodox trade policies and unpredictable border management, excessive red tape surrounding trade and investment, capital controls and high legal risks further cloud the ease of doing business, thereby raising legal costs and deterring investment. Over the longer term, the country has potential to capitalise on its resource wealth, strategic position and large population if it can successfully complete planned energy and transport infrastructure development projects and implement structural reforms aimed at boosting market liberalisation and economic diversification. However weak fiscal capacity and slow reform momentum and political risks will preclude rapid improvements in in the business environment particularly in the quarters ahead.

Inflation Risk

Nigeria's annual inflation rate rose to 18.17% in March 2021 from 17.33% in the prior month as food prices surged 22.95%, the most in over two years, amid disruptions in the supply of products as farming activities are yet to recover from the impact of the nationwide lockdown and movements restrictions, which blocked food producers from access to the farms. Further significant inflation could have a material adverse effect on the real returns to Sukuk investors.

SUKUK-RELATED RISK

Rate of Return Risk

Sukuk based on fixed rates are exposed to this risk in the same manner as fixed-rate bonds are exposed to interest-rate risk. The rise in market interest rates leads to a fall in the value of fixed-income sukuk. There is also

a dimension of reinvestment risk and the opportunity cost of investing at the new rate, particularly if the asset is not liquid.

Credit and Counterparty Risk

Credit risk refers to the probability that an asset or loan becomes irrecoverable due to a default or delay in settlements. The Obligor may default on its obligations, leading to the nonpayment of rentals and principal at the time of maturity.

Default Risk

Each prospectus has provisions for the termination of the certificate in the event of a default by the obligor. If the obligor fails to pay the rentals on the ijarah agreements that form the coupon payments, the certificate holder can exercise the right to nullify the contract and force the obligor to buy back the assets. Furthermore, if the obligor fails to reimburse the principal amount, the certificate holder can exercise the right to take legal action and force the obligor to enter debt-rescheduling proceedings.

Coupon Payment Risk

The obligor may fail to pay the required coupons on time. Any delayed coupons will be subject to a specified payment amount that will be accumulated with the SPV. Nonetheless, such accumulated funds are recommended by Shariah boards to be donated for charitable purposes.

Asset Redemption Risk

The originator must buy back the underlying assets from the certificate holder. The principal amount paid may not be equal to the sukuk issuance amount, and, as a result, there is the risk that the assets may not be fully redeemed.

Shariah Non-Compliance Risks

Shariah non-compliance risk refers to the loss of asset value because of the issuers' breach of its fiduciary responsibilities with respect to compliance with Shariah. The Sukuk is required to remain Shari'ah compliant at all times until maturity. However, the presence of different schools of thought in Islamic commercial jurisprudence implies that the Sukuk may be considered to be Shari'ah compliant to some scholars and not to others.

The Sukuk has been structured by Financial Advisers with expertise in Islamic finance and under the guidance of their Shari'ah board. The Al-Ijarah Muntahia-Bi-Tamleek structure underpinning the Sukuk is a widely used and well recognized structure internationally. In addition, this issuance has been reviewed and adjudged to be Shari'ah compliant by the Financial Regulation Advisory Council of Experts ("FRACE") of the Central Bank of Nigeria. The FRACE is comprised of qualified scholars in the field of Islamic commercial jurisprudence."

Liquidity Risks

The certificate holder is rendered to several risks pertinent to sukuk structures. These are primarily regarding liquidity issues. The sukuk structures, as welcome as they are in dealing with liquidity management issues in Islamic finance, are exposed to a liquidity risk because there currently does not exist a well-structured and sufficiently liquid secondary market.

Institutional Risk

Nonexistence of efficient institutional support increases the risk of Sukuk as compared to traditional fixed income.

Issuer Risk

This is the first Sukuk issuance from the issuer and as such may not have the optimal security structure for obtaining investment grade credit ratings. The 3rd Party Guarantee by obligor/ISPO from Sub-National obligors could be insufficient security for potential investors. The securing of a Sharia certification for the proposed Sukuk structure and ensuring that the Issuer/Sponsor is up-to-date with PENCOM requirements are other identified risk factors that could affect the transaction.

19. STATUTORY AND GENERAL INFORMATION

19.1 AUTHORISATION OF THE PROGRAMME

By a resolution dated 30th September 2020, the Shareholders of Family Homes Funds Limited approved the establishment of a N30,000,000,000 (Thirty Billion Naira) Sukuk Issuance Programme, and the issuance of each series thereunder.

19.2 SPONSOR OWNERSHIP STRUCTURE

As at the date of this Shelf Prospectus the 1,000,000 ordinary shares of N1 each in the issued share capital of Family Homes Funds Limited were beneficially held as follows:

| Particulars of Shareholders | # of shares | % holding |
|--|------------------|-------------|
| Ministry of Finance Incorporated (MOFI) | 510,000 | 51% |
| NSIA Property Investment Company Limited | 490,000 | 49% |
| | 1,000,000 | 100% |

19.3 FAMILY HOMES FUNDS LIMITED DIRECTORS' INTERESTS

No director has direct or indirect interests in Family Homes Funds Limited

19.4 STATEMENT OF INDEBTEDNESS

As of December 31, 2019, Family Homes Funds Limited had no loan capital, debentures, mortgages, overdrafts, short term loans, charges or similar indebtedness or material contingent liabilities other than those arising in the ordinary course of business.

19.5 CLAIMS AND LITIGATION

The Sponsor is, in its ordinary course of business involved in 1 (one) adverse suit. The aggregate sum claimed against the Sponsor in the said cases is approximately ₦90,000,000.00 (Ninety Million Naira Only)

The Solicitors are of the opinion that the contingent liability, if any, that could materialize against the Sponsor on account of the cases will not have a material adverse effect on the Sponsor.

The Directors of the Sponsor are of the opinion that none of the aforementioned cases is likely to have any material adverse effect on the Sponsor and are not aware of any other pending and/or threatened claim or litigation.

19.6 RELATIONSHIP BETWEEN THE ISSUER, ISSUING HOUSES AND OTHER ADVISERS

There are no relationships (other than the professional ones established pursuant to this Programme) existing between the Issuer and any of their advisers.

19.7 MERGERS AND TAKEOVERS

As at the date of this Shelf Prospectus, the Directors are not aware of the following during the preceding financial year or current financial year:

- a merger or takeover offer by third parties in respect of the Sponsor's securities; and
- a merger or takeover by the Sponsor in respect of another company's securities.

19.8 OFF BALANCE SHEET ITEMS

As at 31 December 2019, the Sponsor had no off-balance sheet items other than in the ordinary course of business.

19.9 MATERIAL CONTRACTS

The following agreement(s) have been entered into by the Company and are considered material to the Transaction:

- The Programme Trust Deed;
- The Vending Agreement

Other than as stated above, the Company has not entered into any material contract except in the ordinary course of business.

19.10 DECLARATION

Except as otherwise disclosed herein:

- No share of the Company is under option or agreed conditionally or unconditionally to be put under option;
- No commissions, discounts, brokerages or other special terms have been granted to any person in connection with the issue or sale of any share of the Company;
- Save as disclosed herein, the Directors of FHF have not been informed of any shareholding representing 5% or more of the issued share capital of the Company;
- There are no founders, management or deferred shares or any options outstanding;
- There are no material service agreements between FHF and any of its Directors and employees other than in the ordinary course of business;
- There are no long-term service agreements between the Company and any of its Directors and employees;
- No director or key management personnel has been involved in any of the following (in or outside Nigeria):
 - i) A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
 - ii) A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty;
 - iii) The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

Further declarations/information in respect of Directors/shareholders/key management staff of the Issuer:

It is further declared that to the best of the Directors' knowledge as at 31 December 2019,

- None of the Directors/shareholders/key management staff is under any bankruptcy or insolvency proceedings in any court of law;

- None of the Directors/shareholders/key management staff has been convicted in any criminal proceeding;
- None of the Directors/shareholders/key management staff is the subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty.

19.11 COSTS AND EXPENSES

The costs and expenses of undertaking this Sukuk Issuance Programme including fees payable to the SEC, the NGX/FMDQ and professional parties, filing fees, stamp duties, legal fees, other expenses, brokerage commission and the costs of printing and advertising the Offer are as set out in each Pricing Supplement issued by the Issuer.

19.12 CONSENTS

The following have given and not withdrawn their written consents to the issue of this Shelf Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

| | |
|--|---------------------------------|
| The Directors of Family Homes Sukuk Issuance Program Plc | |
| Company Secretary of Family Homes Sukuk Issuance Program Plc | |
| Buraq Capital Limited | Shari'ah Adviser |
| Chapel Hill Denham Advisory Limited | Lead Issuing House / Bookrunner |
| Credent Capital & Advisory Limited | Joint Issuing House/Bookrunner |
| Greenwich Trust Limited | Joint Issuing House/Bookrunner |
| The Metropolitan Law Firm | Solicitors to the Issue |
| APT Securities and Funds Limited | Stockbrokers |
| Agusto and Co | Rating Agency |
| Global Credit Ratings Co | Rating Agency |
| Africa Prudential Registrars Plc | Registrars |
| Muhtari Dangana and Co | Reporting Accountant |
| United Capital Trustees Limited | Joint Trustees |
| STL Trustees Limited | Joint Trustees |
| EAC Trustees Limited | Joint Trustees |
| Apel Capital and Trust Limited | Joint Trustees |
| Ernst & Young | Auditor |
| Jaiz Bank Plc | Receiving Bank |
| Taj Bank Limited | Receiving Bank |

19.13 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Joint Issuing Houses during normal business hours on any weekday (except public holidays) from the date of issuance of this Shelf Prospectus:

- The Certificate of Incorporation of the Issuer and Sponsor duly;
- The Memorandum and Articles of Association of the Issuer and Sponsor duly certified;
- The Copy of the Board Resolution of the Sponsor dated October 22, 2020 approving the Sukuk Issuance Programme;
- The Copy of the Board Resolution of the Issuer dated October 26, 2020 approving the Sukuk Issuance Programme;
- The Audited Financial Statements of the Company for each of the years ended 2017, 2018 and 2019;
- The Management Account for period ended September 30, 2020

- The Reporting Accountants Report on Audited Accounts of the Company for three years ended December 31, 2019;
- The material contract referred to in Section 19 on page 70;
- The written consents referred to above;
- The Shelf Prospectus issued in respect of the Sukuk Issuance Programme;
- SEC Approval letter;
- Any Pricing Supplement;
- The schedule of claims and litigations and the opinion of the Solicitors to the Offer prepared in connection therewith;
- Any Vending Agreements;
- Shari’ah Adviser Agreement;
- Any Series Trust Deeds.;
- Ijara Agreement;
- Wakala (Agency) Agreement;
- Purchase undertaking;
- Sales undertaking;
- Irrevocable Standing Payment Orders (ISPO) letters;
- Deed of Guarantee;
- Deed of Sale; and
- Loan Agreements

19.14 RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

As at the date of this Shelf Prospectus and in compliance with SEC Rule 184(1) as amended, we hereby state that there is no shareholding relationship between Family Homes Sukuk Issuance Program Plc and the Issuing House/Book Runner. There is no other relationship between Family Homes Sukuk Issuance Program Plc, its respective directors, major shareholders and principal officers and the Parties to the Offer, except in the ordinary course of business.

19.15 EXTRACT FROM THE PROGRAMME TRUST DEED

5. RIGHT OF SUKUKHOLDERS

The Sukukholders shall not have or acquire any right against the Delegate Trustees in respect of any Series of the Sukuk, save as are expressly conferred upon them by this Deed or by law, regulation or court order and no person shall be recognized as a Sukukholder except in respect of Sukuk registered in his name.

6. ISSUE OF SUKUK

- 6.1 Subject to any applicable law, the Sukuk may be issued from time to time in one or more Series, in an aggregate nominal amount not exceeding the Programme to such person(s) at such time and on such terms as the Issuer may think fit.
- 6.2 Each Issue of Sukuk shall form a separate series and shall be constituted by a Series Trust Deed. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The provisions of each Series Trust Deed shall apply only in relation to the Series to which it relates and shall bear the terms specified in the Issue Documents.
- 6.3 The Sukuk is created pursuant to the Enabling laws and all necessary authorizations associated therewith.

8. RESTRICTION ON AMOUNT OF SUKUK

Each Series of the Sukuk issued shall constitute an irrevocable contractual obligation of the Sponsor on the Sukuk Proceeds of the Sukuk to be issued hereinafter which shall not exceed the aggregate amount of ₦30,000,000,000 (thirty billion naira only).

9. CONDITIONS OF SUKUK CERTIFICATE

- 9.1. Each Sukuk Certificate represents an undivided ownership interest in the Trust Assets and will rank pari passu, without any preference, with the other Certificates.
- 9.2. Each Sukuk Certificate represents an undivided ownership interest in the Trust Assets and will rank pari passu, without any preference, with the other Certificates.
- 9.3. Each Sukuk Certificate represents a limited recourse obligation of the Issuer.
- 9.4. Each Sukuk Certificate shall be issued by way of an offer for subscription through the Issuer.
- 9.5. The Sukuk Certificates shall be issued only when fully paid.
- 9.6. The Sukuk Certificates shall be issued in uncertificated (dematerialized, electronic, or book-entry) form and registered in the Register, with copies of the certificates certified by the Registrar sent to the Issuer and Sponsor for their records. The Issuer and Sponsor shall also be updated on any changes in the Register by the Registrar
- 9.7. Each Sukuk Certificate shall be registered with a separate securities identification code with the CSD or any other Custodian that may be appointed for that purpose.
- 9.8. Upon allotment, the Sukukholders will receive an E-allotment statement issued by the Registrar/CSD confirming the Sukukholder's aggregate interests in the Trust Asset. In the case of joint Sukukholders, the joint Sukukholders shall be entitled to only one E-allotment statement for Sukuk Certificates held jointly by them. Such a statement shall be issued in the names of the joint Sukukholders and the delivery of a statement to one of the joint Sukukholders shall be sufficient delivery to all such Sukukholders.
- 9.9. Statements issued by the Registrar/CSD as to the aggregate value of the Sukuk Certificates standing to the credit of any Sukukholder shall be conclusive and binding for all purposes save in the case of manifest error and such person (or his/her legal representatives) shall be treated by the Issuer, the Delegate Trustees and the Registrar/CSD as the legal owner of the Sukuk for all purposes.
- 9.10. The Sukukholders shown in the records of the Registrar (or his/her legal representatives) are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of this Deed.

10. COVENANTS FOR PAYMENT OF SUKUK PROCEEDS

The Sponsor hereby acknowledge that through the Sukuk Issuance Programme, they are indebted to the Delegate Trustees on behalf of the Sukukholders in the aggregate of such sums outstanding from time to time - subject to the maximum Sukuk Proceeds of ₦30,000,000,000 (thirty billion naira) - as may be issued in respect of the Programme; and covenants that if not previously redeemed or repaid under any of the provisions of this Deed or the conditions endorsed on the Sukuk Certificates, the Sukuk shall be redeemed at par together with any outstanding rental and other monies, as and when the Sukuk or any part thereof ought to be redeemed or repaid in accordance with the provisions hereof or the conditions endorsed on the Sukuk Certificates. The Sponsor shall pay to the Sinking Fund Account, for onward transmission to the Sukukholders, the full nominal amount of the Sukuk or as the case may be such part of the Sukuk as ought to be redeemed together with such premium (if any) thereon as may be payable.

11. COVENANTS FOR PAYMENT OF RENTAL

- 11.1. Until all Series of Sukuk issued under the Programme has been redeemed, the Sponsor shall pay to the Sinking Fund to meet obligations to the Sukukholders for the time being outstanding, on the date such obligation falls due for payment.
- 11.2. Every payment to any Sukukholder in respect of Sukuk Proceeds or upon the Sukuk held by him shall operate in satisfaction, pro-tanto, of the covenant of the Sponsor and Issuer in this Clause.
- 11.3. Every payment of Sukuk Proceeds or rental on the Sukuk shall be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income which the Sponsor may, by prevailing Nigerian Law, be required to deduct.
- 11.4. 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 unless that succeeding Business Day falls in the following month in which case payment shall be made on or by the immediately preceding Business Day.
- 11.5. Rental fees (if any) shall accrue from the period of the due date which is a Business Day or the immediately preceding Business Day as the case may be.

14. SECURITY

- 14.1. The outstanding indebtedness of the Sponsor under this Trust Deed shall be secured in the manner as set out hereunder:

Irrevocable Undertaking:

The Sponsor undertakes as a condition precedent to the Sukuk Issue for subscription to:

- 14.1.1. execute an ISPO or any other security approved by SEC, for deduction as a first charge into the Sinking Fund to be created pursuant to the terms of this Deed towards the repayment of the principal, and payments of rental and other monies payable on the Sukuk;
- 14.1.2. provide sufficient funds to meet the principal, rental and other monies due and owing on the Sukuk, so long as any issued Series of the Sukuk shall remain outstanding including without limitation any additional costs as may have been pre-agreed with the Delegate Trustees from time to time in respect of their rendering their services pursuant to this Deed;

15. CREATION OF ADDITIONAL SERIES OF SUKUK

- 15.1. The Sponsor may, at any time and from time to time, create and issue additional series of Sukuk either to rank pari passu in all respects and consolidated to form a single issue with the Sukuk or upon such terms and conditions as to the rate of rental, redemption or otherwise as the Sponsor may determine but to rank pari passu in point of security with the Sukuk subject to the following conditions and provisions, namely:

- 15.1.1. any issued series of the Sukuk shall be constituted and secured by a deed(s) in favour of the Delegate Trustees in such form as the Delegate Trustees shall approve, and expressed to be supplemental or collateral to this Deed (the Supplemental Trust Deed).

16. COVENANTS BY THE SPONSOR

- 16.1. The Sponsor hereby covenants with the Delegate Trustees that at all time during the continuance of the security hereby constituted it shall:
 - 16.1.1. carry on and conduct its affairs properly and efficiently and in particular, will cause all proceeds of the Sukuk Issue to be applied exclusively to the Projects;
 - 16.1.2. keep proper books of account and ensure that the same shall at all reasonable times during working hours be open for inspection by the Delegate Trustees;

- 16.1.3. give to the Delegate Trustees such information as to all matters relating to the Projects, as it shall reasonably require;
- 16.1.4. supply to the Delegate Trustees all such documents and information as the Delegate Trustees may from time to time require relating to or in connection with the operation of the provisions contained in the conditions regarding redemption, or repayment of the Sukuk;
- 16.1.5. promptly inform the Delegate Trustees of any event or condition which might materially or adversely affect or delay the carrying out or bringing into operation of the Projects or the performance by the Sponsor of any of its obligations or covenants under these presents;
- 16.1.6. pay the Delegate Trustee such fees as may be pre-agreed between the Parties, and reimburse the Delegate Trustee all reasonable and proper out of pocket costs and expenses as it may incur based on the prior consent of the Sponsor had and received, in connection with the performance of its duties under this Deed including the costs for convening and holding meetings of Sukukholders;
- 16.1.7. enter into the Transaction Documents of each series.

17. COVENANT OF THE ISSUER

The Issuer hereby covenants with the Delegate Trustees that at all time during the continuance of the security hereby constituted it shall:

- 17.1 not do anything or carry out any activity not expressly permitted by its memorandum and articles of association;
- 17.2 not use the proceeds of the issue of the Sukuk for any purpose other than as stated in the Transaction Documents;
- 17.3 not enter into any contract, transaction, amendment, obligation or liability that may be detrimental to the interest of the Sukukholders; and
- 17.4 comply with and perform all the obligations expressed to be undertaken by it under this Deed.

20. TRUST RECEIPTS

- 20.1. All monies received by the Delegate Trustees hereunder shall be held by the Delegate Trustees (subject to the payment of any monies having priority to the Sukuk) upon trust to apply the same for the following purposes and in the following order of priority:
 - 20.1.1. Firstly, payment of all remuneration and agreed incidental expenses payable to the Delegate Trustees;
 - 20.1.2. Secondly, payment of the rental owing upon the Sukuk pari passu in proportion to the amount due to the Sukukholders respectively and without preference or priority;
 - 20.1.3. Thirdly, repayment of the Sukuk proceeds owing upon the Sukuk pari passu in proportion to the amount of Sukuk held by each Sukukholder and without preference or priority; and
 - 20.1.4. Fourthly, the excess cash flow (if any) shall be paid to the Sponsor PROVIDED that if the Delegate Trustees shall so determine, payments may be made on account of Sukuk proceeds and premiums before the rental or the whole of the rental on the Sukuk has been paid but such alteration in the order of payment of Sukuk proceeds, premium and rental shall not prejudice the right of the Sukukholders to receive the full amount to which it would have been entitled if the primary order of payment had been observed or any less amount which the sum ultimately received may be sufficient to pay.

25. POWERS, RELIEFS AND INDEMNITIES OF THE DELEGATE TRUSTEES

25.1. The Delegate Trustees shall enjoy all powers, reliefs, and indemnities of trustees by way of supplement to the Trustee Investments Act and all other relevant provisions of the Law as well as all other powers conferred on Delegate Trustees and provisions for its protection. The powers hereby conferred upon the Delegate Trustees shall be in addition to any powers, which may from time to time be vested in it by general law or by the Sukukholders.

IT IS HEREBY EXPRESSLY AGREED AND DECLARED as follows that:

Reliance on Experts' Advice

25.1.1. the Delegate Trustees may in relation to these presents, act reasonably on the opinion or advice of, or any information from any solicitor, valuer, surveyor, broker, auctioneer, accountant, or other experts, whether obtained by the Sponsor or by the Delegate Trustees or otherwise, and any such advice, opinion or information may be obtained or sent by letter, telex, telegram, facsimile or cablegram, electronic mail. The Delegate Trustees shall not be liable for acting on any advice, opinion or information purporting to be so conveyed even though the same shall contain some error or shall not be authentic where said advice, opinion or information is provided by an expert engaged by the Sponsor. The Delegate Trustee shall, however, be liable when acting on advice, opinions or information conveyed by experts so engaged by the Delegate Trustee;

Notice

25.1.2. the Delegate Trustees shall be bound to give notice to any person or persons in the execution hereof of their fiduciary duties, to the Sukukholders, created by virtue of this Deed or Transaction Documents. Failure to do so, however, shall not inhibit the Delegate Trustees from carrying out said fiduciary duties, nor shall it vitiate the execution of said fiduciary duties;

Conditional Consent

25.1.3. to facilitate any dealings under any provision of these presents, the Delegate Trustees shall have full power prospectively to consent (where such consent is required) to any specified transaction conditionally on the same conforming to specified conditions laid down or approved by the Delegate Trustees;

Application of Monies Subscribed

25.1.4. the Delegate Trustees shall not be responsible for the money subscribed by applicants for the Sukuk or be bound to see to the application thereof;

Defect in Sukukholder's Resolution

25.1.5. the Delegate Trustees shall not be responsible for having acted upon any resolution purporting to have been passed at any meeting of the Sukukholders in respect whereof minutes have been made and signed, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution with the effect that the resolution was not valid or binding upon the Sukukholders;

Indemnity

25.1.6. without prejudice to the right of indemnity by law given to trustees, the Delegate Trustees and every attorney, manager, agent or other person appointed by them hereunder shall be entitled to be indemnified by the Sponsor in respect of all liabilities and expenses incurred by them as a result of a final decision of a court of law arising in the lawful and professional execution of the powers and trusts hereof or of any powers, authorities or discretions vested in it or him pursuant to these presents, and the

Delegate Trustees may retain and payout of any monies in their hands upon the trusts of these presents the amount of any such liabilities and expenses and also the remuneration of the Delegate Trustees as hereinbefore provided, subject to the consent of the Sponsor;

Breach of Trust Fraudulently Committed

- 25.1.7. The Delegate Trustees shall be liable for breach of trust fraudulently committed by them and nothing contained in this Clause shall exempt the Delegate Trustees from or indemnify them against any liability for breach of trust where the Delegate Trustees fail to show the degree of care and diligence required of them having regard to the provisions hereof conferring on them any powers, authorities or discretions;

Liability of The Delegate Trustees

- 25.1.8. Delegate Trustees shall be held liable for any breach of the provisions of this Trust Deed occasioned by gross negligence or wilful misconduct on the part of the Delegate Trustees or any of their agents or persons acting on their behalf.

The Delegate Trustees shall advise the Sponsor when contributions to the Sinking Fund will be sufficient, with or without further accumulations of a coupon, but without further payments of contributions, to enable the Sponsor to redeem the Sukuk, at the time of their maturity; and shall also inform the Sponsor as to when to recommence contributions into the Sinking Fund.

Limitation to The Liability of The Delegate Trustees

- 25.1.9. the Delegate Trustees shall have all the rights and powers conferred upon them by the Trustee Investments Act, as may be amended from time to time, as though the same were expressly set out herein and by way of supplement hereto, in addition to the other powers conferred on the Delegate Trustees and provisions for their protection, and not by way of limitation or derogation of anything in these presents contained nor any statute limiting the liability of the Trustee.

27. DELEGATE TRUSTEES' DISCRETION AS TO ENFORCEMENT

- 27.1 Save as otherwise herein provided the Delegate Trustees shall be and are hereby authorised to assume without enquiry, and it is hereby declared to be the intention that they shall assume without enquiry in the absence of knowledge by or express notice to them to the contrary, that the Sponsor or the Issuer is duly performing and observing all the covenants and provisions herein contained and on its part to be performed and observed and notwithstanding knowledge by or notice to the Delegate Trustees of any breach of covenant or obligation by the Sponsor or the Issuer, it shall be in the discretion of the Delegate Trustees whether to take any action or proceedings or to enforce the performance thereof. The Delegate Trustees shall, however, be bound to declare the Sukuk immediately repayable or to take any steps to enforce payment thereof or any of the provisions of these presents upon receipt of a request to do so in writing by the Holders of at least one-tenth (1/10) of the nominal value of the Sukuk Series in question or by an Special Resolution, and then only if provisions shall have been made to the satisfaction of the Delegate Trustees for the costs, charges and expenses of the Delegate Trustees of or incidental to the exercise of any such power or the taking of any such steps.

PROVIDED THAT the Delegate Trustees shall, in any case, inform the Sukukholders of the happening of any event of default that comes within their knowledge.

28. POWER OF THE ISSUER AND DELEGATE TRUSTEES TO DELEGATE

The Issuer and any Delegate Trustee hereof being a body corporate may in the execution and exercise of all or any of the trusts, powers and discretions vested in it by these presents act by their duly authorized officer(s) and the Issuer and Delegate Trustees may also whenever they think it expedient in the interest of the Sukukholders delegated by power of attorney or otherwise to any person or persons or company all or any of the trusts, powers and discretions vested in them by these presents, and such delegation may be made upon such terms and conditions and subject to such regulations as the Issuer and Delegate Trustees may in the interests of the Sukukholders think fit. Provided always, that the Issuer and Delegate Trustees shall be responsible for the acts and defaults of all such persons so appointed.

30. UTILISATION OF PROCEEDS

The Sponsor shall, upon receipt of the proceeds of the Sukuk and after the deduction of the issue cost, apply same for the financing and developing affordable homes for people on a low income, through estate developers and State Governments as stated in supplementary Trust Deed.

33. REGISTER OF SUKUKHOLDERS

33.1 The Registrar shall establish and maintain the Registrar of the Sukukholders at such place and in such form as is reasonably and statutorily considered adequate and shall enter therein the following particulars:

33.1.1. the name and address of each Sukukholder;

33.1.2. the amount invested;

33.1.3. the date of investment;

33.1.4. the duration of the investment and the expected date of the maturity of the Sukuk;

33.1.5. the date on which the investor ceases to be a Sukukholder; and

33.1.6. other details that the Delegate Trustees may consider necessary or desirable.

33.2 The Delegate Trustees shall not incur any liability or responsibility on account of any mistake by the Registrar in the Register. For the avoidance of doubt, the Registrar will be solely responsible for any liability arising out of any mistake in the Register, which evidences the ownership, registration, transfers and/or other disposals of the Sukuk Certificates.

33.3 Every Sukukholder shall promptly notify the Delegate Trustees and the Registrar in writing of any change of name or address and the Registrar shall alter the Register accordingly.

33.4 An interest in the Trust Asset shall be said to be acquired by a person when the interest of the Sukukholder has been entered into the Register by the Registrar.

33.5 The Sponsor, Issuer, Delegate Trustees and the Sukukholders or any of them and any person authorized in writing by any of such persons shall be at liberty at all reasonable times during office hours to inspect the said Register and to make copies of and extracts from the same or any part thereof.

33.6 The said register shall be closed for twenty-one (21) days prior to each date on which the rental on the Sukuk shall fall due and no transfer shall be registered during that period.

37. GENERAL COVENANTS

The Sponsor and the Issuer hereby covenant with the Delegate Trustees that they will duly perform and observe the obligations hereby imposed on them.

41. NOTICES

41.1 Any notice may be given by the Sponsor or by the Delegate Trustees to any Sukukholder by sending the same through electronic mail or by post in a prepaid letter addressed to such Sukukholder at its address appearing on the Register of Sukukholders, and when deemed expedient so to do, any such notice may be communicated to any Sukukholder by advertisement in two widely circulated national newspapers.

41.2 Any notice, or other communication or document to be given or delivered pursuant to this Deed to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or by facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when dispatched or (where delivered by hand) on the day of delivery if delivered before 17.00 hours on a Business Day in the place of the addressee or otherwise on the next Business Day in the place of the addressee if delivered thereafter or (in the case of the first-class post) when it would be received in the ordinary course of the post and shall be sent to:

a. **FAMILY HOMES FUNDS LIMITED** at:

Address: 3rd floor, Sinoki House, Central Business District, Abuja
Telephone: 09062515621, +234 (0) 906 000 8041, +234 (0) 906 000 8043
Attention: Mr Femi Adewole

b. **STL TRUSTEES LIMITED** at:

Address: 30 Marina, Lagos Island, Lagos
Telephone: +234-1-6311264; +234-8103385944
Facsimile: stl@stltrustees.com
Attention: Funmi Ekundayo

c. **UNITED CAPITAL TRUSTEES LIMITED**

Address: Afriland Towers, 3rd & 4th floors, 97/105, Broad Street, Lagos
Telephone: +234 -703 -413-6068
Facsimile: Tokunbo.Ajayi@unitedcapitalplcgroup.com
Attention: Tokunbo Ajayi

d. **EAC TRUSTEES LIMITED**

Address: 13 Maitama Sule Street, Off Raymond Njoku, South West Ikoyi, Lagos
Telephone: +234 706 875 3588, +234 813 354 0432
Facsimile: trustees@emergingafriagroup.com
Attention: Olubusayo Adeniyi

e. **APEL CAPITAL AND TRUST LIMITED**

Address: 8 Alhaji Bashorun Street, off Norman Williams St, Ikoyi, Lagos
Telephone: 07046277071, 01-2932121
Facsimile: trustee@apel.ng
Attention: Omolola Iyinolakan

43. APPLICABLE LAW AND DISPUTE RESOLUTION

- 43.1. This Trust Deed shall be governed by and construed in all respects in accordance with the Laws of the Federal Republic of Nigeria. The Parties are satisfied that this Agreement complies with applicable Islamic law of commercial transactions and each Party agrees that it will not seek to challenge the enforceability of this Agreement in the future for reasons of non-compliance with Islamic law principles or non-applicability of Islamic law.
- 43.2. In the event of any allegation of breach or question of interpretation or dispute or controversy relating to this Agreement, the Parties to the dispute shall meet and negotiate in good faith to settle the matter amicably; provided that notification of any such dispute shall be given to the SEC within five (5) Business Days of its occurrence. If the Parties are unable to settle the matter or dispute within 10 (ten) Business Days after the afore-mentioned meeting, then the matter or dispute shall be referred to an arbitration panel, whose decision shall be final and binding on the Parties.
- 43.3. Each Party to the dispute shall be entitled to appoint an arbitrator and the two party-appointed arbitrators shall appoint a third arbitrator who shall be knowledgeable in Islamic law of commercial transactions. If either Party to the dispute fails to nominate an arbitrator within 5 (five) days of receiving the notice of the appointment of an arbitrator by the other party, the choice of the arbitrator shall be referred to the Director-General of the SEC, who shall nominate the arbitrator on behalf of the defaulting party. If the first and second arbitrator appointed fail to agree upon the appointment of a third arbitrator within 5 (five) days of the appointment of the second arbitrator, the third arbitrator shall at the request of either party be appointed by the Director-General of the SEC.
- 43.4. The arbitral proceedings shall be conducted in the Federal Capital Territory, Abuja, Nigeria in English Language and shall be governed by the Arbitration and Conciliation Act, Chapter A18, LFN 2004.
- 43.5. The arbitral award shall be binding on the Parties to the dispute and the cost of the arbitration shall be borne as determined by the arbitrators. Each Party to the dispute, however, shall bear its legal fees.
- 43.6. The arbitral panel shall have a maximum number of ten (10) Business Days, following the exchange of pleadings by the Parties to the dispute, to resolve the dispute; failing which the dispute shall be referred to the SEC for resolution.
- 43.7. Any Party aggrieved by the decision of the SEC reached may then refer the matter to the Investments and Securities Tribunal, established in accordance with the provisions of the ISA, for final resolution.
- 43.8. Each party hereby agrees that this Agreement is founded on the principle of interest-free and each party agrees to donate any penalty interest arising from any judgment or award to charity that neither party stands to benefit from.

44. SHARIA COMPLIANCE

The Parties are satisfied that this Shelf Prospectus complies with applicable Islamic law of commercial transactions and each Party agrees that it will not seek to challenge the enforceability of this Shelf Prospectus in the future for reasons of non-compliance with Islamic law principles or non-applicability of Islamic law.