

₦50,000,000,000 (Fifty Billion Naira) Commercial Paper Issuance Programme

C&I Leasing Plc (“C & I” or “C&I Leasing”, the “**Issuer**” or the “**Company**”), a public liability company incorporated in Nigeria has established this ₦50,000,000,000 (Fifty Billion Naira) commercial paper issuance programme (the “**CP Programme**”), under which C & I may from time to time issue commercial paper notes (“**CP Notes**” or “**Notes**”), denominated in NGN (₦), in separate series or tranches subject to compliance with all relevant laws and in accordance with the terms and conditions (“**Terms and Conditions**”) contained in this programme memorandum (the “**Programme Memorandum**”).

Each Series and each Tranche (as defined herein) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the pricing supplement applicable to such series or tranche (the “**Applicable Pricing Supplement**”). The maximum aggregate ~~nominal~~ amount of all Notes from time to time outstanding under the CP Programme shall not exceed ₦50,000,000,000 (Fifty Billion Naira) over the three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

This Programme Memorandum 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 or Tranche (as defined herein), together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

This Programme Memorandum, the Applicable Pricing Supplement and the Notes have not been and will not be registered with the Securities and Exchange Commission, or under the Investments and Securities Act, No. 29 of 2007 (as amended).

The Notes issued under this Programme shall be issued in dematerialised form, registered, quoted and traded over the counter via the FMDQ Securities Exchange Limited (“**FMDQ Exchange**”) platform in accordance with the rules, guidelines and such other regulations with respect to the issuance, registration and quotation of commercial paper as have been and may be prescribed by the Central Bank of Nigeria (“**CBN**”) and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The CPs issued under the Programme will settle via FMDQ Depository Limited (“**FMDQ Depository**”), acting as Central Securities Depositories.

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement are delivered (the “**Recipient**”) and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party.

In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in the Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of Notes. This Programme Memorandum has been seen and approved by the Board of Directors of the Issuer and they individually and jointly accept full responsibility for the accuracy of all information given.

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued September 11, 2019, and the CBN Circular to all deposit money and discount houses dated July 11, 2016 on Mandatory Registration and Listing of Commercial Paper (together the “**CBN Guidelines**”) and the Commercial Paper Registration and Quotation Rules (the “**FMDQ Exchange Rules**” or the “**Rules**”) of FMDQ Exchange in force as at the date thereof. The document is important and should be read carefully, if any recipient is in any doubt about its contents or the actions to be taken, such recipient should please consult his/her banker, stockbroker, accountant, solicitor and/or any other professional adviser for guidance immediately.

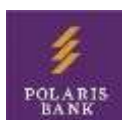
JOINT ARRANGERS / DEALERS



JOINT ISSUING AND PLACING AGENTS



COLLECTION AND PAYING AGENT



RC:1525101

THIS PROGRAMME MEMORANDUM IS DATED AUGUST 19, 2022

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DEFINITIONS AND INTERPRETATIONS

In this Programme Memorandum, unless a contrary indication appears, the following expressions shall have the meanings indicated in the table below. Words in the singular shall include the plural and vice versa, references to a person shall include references to a body corporate, and reference to a gender includes the other gender.

“Agency Agreements”	The Issuing and Placing Agency Agreement and the Collections and Paying Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer and the Issuing and Placing Agents and the Collecting and Paying Agent.
“Applicable Pricing Supplement”	The pricing supplement applicable to a particular series or tranche of Notes issued under the CP Programme.
“Arranger”	Cordros Capital Limited, Kairos Capital Limited, and any other additional arranger appointed pursuant to the Dealer Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Arranger pursuant to the Dealer Agreement
“BA”	Banker’s Acceptance.
“Board” or “Directors”	Board of Directors of C&I Leasing Plc.
“Business Day”	Any day other than a Saturday, Sunday or a public holiday on which commercial banks are open for business in Lagos, Nigeria.
“Business Hours”	8.00 am to 5.00 pm on any Business Day.
“Collection and Paying Agent” or “CPA”	Polaris Bank Limited and any successor Collecting and Paying Agent
“CAMA”	Companies and Allied Matters Act, 2020 (as may be amended from time to time).
“CBN”	Central Bank of Nigeria.
“CBN Guidelines”	CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on 11th September 2019, and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers as amended or supplemented from time to time.
“CGT”	Capital Gains Tax as provided for under the Capital Gains Tax Act, 1967 (as amended by the Finance Acts).
“CITA”	Companies Income Tax Act, 1977 (as amended by the Companies Income Tax Act No 11 of 2007 and the Finance Acts).
“Commercial Paper”, “CP”, “CP Notes” or “Notes”	Quoted senior unsecured commercial paper notes to be issued by the Issuer in the form of short-term zero-coupon notes under the CP Programme.
“Conditions” or “Terms and Conditions”	Terms and conditions, in accordance with which the Notes will be issued, set out in the section headed “Terms and Conditions of the Notes”.
“CP Programme” or “Programme”	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several, separate series of Notes

	from time to time with varying maturities and discount rates, provided however, that the aggregate Face Value of Notes in issue does not exceed ₦50,000,000,000 (Fifty Billion Naira).
“Central Securities Depository” or “CSD”	Means FMDQ Depository Limited or such other central securities depository registered or recognised by the Securities and Exchange Commission and approved by the Issuer or as may be specified in the Applicable Pricing Supplement.
“Day Count Fraction”	Such method of Calculating the interest/discount as specified in the Applicable Pricing Supplement.
“Deed of Covenant”	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders.
“Dealer Agreement”	The Dealer and Arranger Agreement dated on or about the date of this Programme Memorandum between the Issuer and the Dealers;
“Dealers”	Cordros Capital Limited, Kairos Capital Limited, and any other additional dealer appointed pursuant to the Dealer Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer pursuant to the Dealer Agreement.
“Eligible Investor” or “EI”	An Investor that is not a QII as defined by the FMDQ Exchange Rules, that has exercised a declaration attesting to his/her eligibility in the manner prescribed in the FMDQ Exchange Rules
“Face Value”	The par value of the Notes.
“FGN”	Federal Government of Nigeria.
“Finance Acts”	the Finance Act 2019, the Finance Act 2020 and the Finance Act 2021
“FIRS”	Federal Inland Revenue Service.
“FMDQ Depository”	The central securities depository
“FMDQ Exchange” or the “Exchange”	FMDQ Securities Exchange Limited, is a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration and trading of debt securities.
“FMDQ Exchange Rules”	The FMDQ Exchange Commercial Paper Registration and Quotation Rules issued in April 2021 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time.
“Force Majeure”	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, lockout, plague, epidemic, pandemic, outbreak of infectious disease or any other public health crisis, including quarantine or other restrictions, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest.
“GCR”	Global Credit Rating
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement.

“Issuer”	C&I Leasing Plc.
“Issue Date”	The date upon which the relevant Series/Tranche of Notes is issued as specified in the Applicable Pricing Supplement.
“Issue Price”	The price at which the relevant Series/Tranche of Notes is issued, as specified in the Applicable Pricing Supplement.
“Issuing and Placing Agents” or “IPAs”	Cordros Capital Limited and Kairos Capital Limited and any successor Issuing and Placing Agent appointed in accordance with the Agency Agreement.
“Joint Arrangers”	Cordros Capital Limited and Kairos Capital Limited
“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due.
“Naira” or “₦” or “NGN”	The Nigerian Naira, the lawful currency of Nigeria.
“Nigeria”	The Federal Republic of Nigeria and “Nigerian” shall be construed accordingly.
Notes	The commercial paper issued by the Issuer from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialised form by the Noteholders through the CSD
“Noteholder”	The holder of a Note as recorded in the Register in accordance with the Terms and Conditions.
Outstanding	In relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none"> i. those Notes which have been redeemed pursuant to these Conditions ii. those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption, in accordance with the relevant conditions, has occurred and the redemption moneys have been duly paid in accordance with the provisions of this Deed and those Notes which have become void under the provisions of this Deed
“OTC”	Over-the-Counter.
“PITA”	Personal Income Tax Act, 1993 (as amended by the Personal Income Tax (Amendment) Act of 2011 and the Finance Acts).
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement.
“Programme Memorandum”	This information memorandum dated August 23, 2022 details the aggregate size and broad terms and conditions of the CP Programme.
“Qualified Institutional Investor” or “QII”	Banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be determined by the Securities and Exchange Commission from time to time. Clean CPs shall only be sold to QIIs and EIs.
Redemption Amount	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date

Redemption date	Means, in relation to any Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement
“Register”	The register of Noteholders, maintained by the Issuing and placing Agents.
“Relevant Date”	The payment date of any obligation due on the Notes.
“Relevant Last Date”	The date stipulated by the CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered.
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices.
“Special Resolution”	A resolution passed by at least three-fourths (3/4) majority of the total number of Noteholders at any point in time.
“Tranche”	Notes which are identical in all respects.
“Unique Identifier”	A code specifically designated/assigned to identify a CP.
“Validity Period”	The three (3) year period commencing from August 23, 2022 to August 23, 2025, during which the CP Programme is valid. Provided that the tenor of every issue (including any rollover of such issue) shall not exceed two hundred and seventy days (270)
“VAT”	Value Added Tax as provided for in the Value Added Tax Act, 1993 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Acts, and as may be amended from time to time).
“WHT”	Withholding Tax as provided for in section 78(2) of CITA and Section 70 (2) PITA.
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its Face Value and which will not bear interest, other than in the case of late payment.

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦50,000,000,000 (Fifty Billion Naira). The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained or incorporated in this Programme Memorandum is correct and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is material in the context of the CP Programme and the offering of the Notes, and that the information contained in this Programme Memorandum is true and accurate in all material respects and is not misleading and that there are no other facts the omission of which would make this document or any of such information misleading in any material respect.

To the fullest extent permitted by law, none of the Arrangers and other professional advisers accept any responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by any of the Arrangers or on their behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Arrangers and other professional advisers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save to the extent precluded by law) which it might otherwise have in respect of this Programme Memorandum or any such statement.

No person has been authorised by the Issuer to give any information or to make any representation not contained or not consistent with this Programme Memorandum or any information supplied in connection with the CP Programme and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, unless explicitly delivered by the Issuer.

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation or should be considered as a recommendation by the Issuer, the Arrangers or any other professional adviser that any recipient of this Programme Memorandum or any other information supplied in connection with the CP Programme should purchase any Notes.

Each person contemplating the purchase of any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment and any other factors which may be relevant to it in connection with such investment. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitute the rendering of financial or investment advice or an offer or invitation by, or on behalf of, the Issuer, each of the Arrangers or any other professional adviser, to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. None of the Arrangers and the other professional advisers expressly or impliedly undertake to review the financial information or affairs of the Issuer during the life of the Programme. Investors should review, among other things, the most recent audited annual financial statements of the Issuer prior to making any investment decision. The Commercial Paper is a NGN denominated instrument and all currency risks assumed by investors upon purchase of the Commercial Paper issue are borne by the individual investors.

FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS CP PROGRAMME, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROGRAMME MEMORANDUM.

INCORPORATION OF DOCUMENTS BY REFERENCE

This Programme Memorandum should be read and construed in conjunction with:

1. each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme;
2. the audited annual financial statements of the Issuer (and notes thereto) and any audited interim financial statements published subsequent to such annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme; and
3. any supplements and/or amendments to this Programme Memorandum circulated by the Issuer from time to time in accordance with the Programme Memorandum,

which shall be deemed to be incorporated into, and to form part of, this Programme Memorandum and which shall be deemed to modify and supersede the contents of this Programme Memorandum as appropriate.

The Issuer may for so long as any Note remains outstanding, publish an amended and restated Programme Memorandum, a further supplement to the Programme Memorandum on the occasion of any subsequent issue of Notes, where there has been:

- (a) a material change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Programme Memorandum or any supplement to the Programme Memorandum; or
- (b) any modification of the terms of the Programme, which would then make the Programme materially inaccurate or misleading.

Any such new Programme Memorandum or Programme Memorandum as supplemented and/or modified shall be deemed to have been substituted for the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

The Issuer will provide, at its registered office, as set out in this Programme Memorandum, free of charge and to each prospective investor upon request, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded (and which documents may at the Issuer's option be provided electronically). Requests for such documents shall be directed to the Issuer at its registered office as set out in this Programme Memorandum.

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 Programme Memorandum and the Applicable Pricing Supplement:

ISSUER:	C&I Leasing Plc.
PROGRAMME DESCRIPTION:	Domestic Commercial Paper Issuance Programme.
SIZE OF PROGRAMME:	₦50,000,000,000 (Fifty Billion Naira) aggregate principal amount of Notes outstanding at any point in time.
ISSUANCE IN SERIES:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement.
JOINT DEALERS, ISSUING AND PLACING AGENTS AND ARRANGERS:	Cordros Capital Limited and Kairos Capital Limited
COLLECTING AND PAYING AGENT:	Polaris Bank Limited
AUDITOR:	PKF Professional Services.
SOLICITOR:	G. Elias
REGISTRARS/CUSTODIAN:	FMDQ Depository Limited
USE OF PROCEEDS:	The net proceeds from each issue of Notes will be used to augment the Issuer's working capital requirements and for the Issuer's business or as may otherwise be described in the Applicable Pricing Supplement.
METHOD OF ISSUE:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement, within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement.
MATURITY DATE:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of Fifteen (15) days and a maximum of Two Hundred and Seventy (270) days (including rollover, from date of issue).

INTEREST PAYMENTS:	Notes issued will be in the form of Zero-Coupon Notes and will not pay interest prior to final maturity.
SOURCE OF REPAYMENT:	The CPs will be paid from the cashflow from the Issuer.
ISSUE PRICE:	The Notes shall be issued at a discount. The effective rate of interest will be calculated on the basis of such Day Count Fraction specified in the Applicable Pricing Supplement.
ISSUE SIZE:	As specified in the Applicable Pricing Supplement, subject to an initial minimum value of ₦100,000,000 (One Hundred Million Naira) and multiples of ₦50,000,000 (Fifty Million Naira) thereafter.
CURRENCY OF ISSUE:	The Notes issued under this programme will be denominated in Naira.
REDEMPTION:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules.
RATING:	Pursuant to the CBN Guidelines and FMDQ Exchange Rules, either the Issuer or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN. The Issuer has been assigned a long-term national rating of BBB and short-term rating of A3 by GCR. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
STATUS OF THE NOTES:	Each Note constitutes a senior, direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves and, save for certain debt obligations preferred by law, <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.
QUOTATION:	The Issuer will quote all Series or Tranches issued on FMDQ Exchange's platform or any other recognised trading platform/exchange. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation or listing of any Series or Tranche quoted or listed on the relevant trading platform.
TAXATION:	Refer to the section of this Programme Memorandum titled " <i>Tax Considerations</i> ".
GOVERNING LAW:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law.

BACKGROUND

On 11th September 2019, the CBN revised its circular titled “Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers” (the “**Guidelines**”), in an attempt to facilitate the effective and efficient functioning of the Nigerian money market and provide a regulatory framework for the issuance of **CPs** and **BAs** in Nigeria.

REGULATORY FRAMEWORK

Issuance of CPs in Nigeria is subject to the provisions of the Guidelines. The provisions applicable to CPs are as highlighted below:

QUALIFICATION

A CP qualifies as a financing vehicle if:

- i. The issuer has three (3) years audited financial statements, the most current not exceeding eighteen (18) months from the last financial year end; and
- ii. The issuer has an approved credit line with a Nigerian bank acting as a Collecting and paying agent, where the bank guarantees the issue.

SIZE AND TENOR

CPs shall be issued at the primary market for a minimum value of ₦100,000,000 (One Hundred Million Naira) and multiples of ₦50,000,000 (Fifty Million Naira), thereafter.

Furthermore, they shall be issued for maturities of between 15 (Fifteen) days and 270 (Two Hundred and Seventy) days, including rollover, from the date of issue. The discount element on maturing CPs may not be capitalised and rolled over.

RATING

Either the issuer of CP or the specific issue shall have an investment grade rating (minimum of BBB- or similar rating) by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.

An indicative rating should have been obtained prior to the submission of declarations and information to the CSD.

INVESTORS IN BANKERS ACCEPTANCES AND COMMERCIAL PAPERS

CPs may be issued to and held by individuals, deposit money banks, other corporate bodies registered or incorporated in Nigeria and unincorporated bodies, non-resident Nigerians and foreign institutional investors.

Clean CPs (i.e., CPs not backed by a guarantee or such other credit enhancement shall only be sold to Qualified Institutional Investors and Eligible Investors. Eligible Investors seeking to invest in clean CPs shall first execute a declaration attesting to his/her/its eligibility in the manner/form prescribed in Template I of the FMDQ Commercial Paper Registration and Quotation Template Guide, or such other regulation as may be prescribed by the FMDQ from time to time.

FORMS OF MAINTAINING CPs

Issuers and investors in CPs may issue or hold CPs in dematerialised or physical form. Issuers and investors are encouraged to issue and hold CPs in a dematerialised form.

ISSUING, COLLECTING AND PAYING AGENT (ICPA)

Only a deposit money bank or discount house (licensed by the CBN) that is a registered member of the FMDQ Exchange may act as an ICPA for the issuance of a CP.

GENERAL REQUIREMENTS

- i. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- ii. Investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.
- iii. Any proposed issue of CPs shall be completed within the period of 2 (two) weeks from the date of opening of the issue for subscription.
- iv. All CPs issued in Nigeria shall be registered with the CSD, which shall serve as the custodian of all issues and central depository for all dematerialised instruments.

MANDATORY REGISTRATION & QUOTATION

CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers requires CPs to be registered and quoted on an authorised securities exchange. Accordingly, banks are prohibited from transacting in CPs (that are not quoted or intended for quotation on an authorised securities exchange), in any capacity whatsoever, including to act as issuer, guarantor, issuing, placing, paying and Collecting agent, etc.

The CBN having approved the quotation rules of the FMDQ Exchange has cleared it for the quotation of CPs in Nigeria.

COMPLIANCE WITH THE CBN GUIDELINES AND FMDQ RULES

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines and FMDQ Exchange Rules. A legal opinion confirming adherence to the CBN Guidelines and FMDQ Exchange Rules is incorporated on page 46 of this Programme Memorandum.

COMPLIANCE WITH SECURITIES REGULATION

There is no obligation for the Issuer to register the Notes with the SEC. This is by virtue of Rule 8 of the SEC Rules, which exempt short-term securities (including notes) with maturity dates not exceeding 9 months from the date of issuance from registration with the SEC.

The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Programme. The provisions of the Applicable Pricing Supplement to be issued in respect of any Note are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of that Note. The Applicable Pricing Supplement in relation to any Series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such Series of Notes.

CONDITION 1

CURRENCY, FORM, TITLE AND DENOMINATION

1.1 Issue and Currency

1.1.1 The Notes may be issued from time to time by the Issuer in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued, provided that the aggregate Principal Amount of all Notes Outstanding under the Programme at any one point in time does not exceed the Programme size. The Applicable Pricing Supplement for each Tranche/Series of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of those Notes.

1.1.2 The Noteholders are by virtue of their subscription to, or purchase of, the Notes deemed to have notice of, and are entitled to the benefit of and are subject to all the provisions of the Applicable Pricing Supplement and the Deed of Covenant.

1.1.3 The Notes shall be registered electronically and serially numbered.

1.1.4 Notes issued under the Programme will be Zero-coupon Notes.

1.1.5 The Notes may be issued in the Relevant Currency.

1.2 Form and Title

1.2.1 The Notes will be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSD.

1.2.2 Title to the Notes passes upon credit to the CSD account of the Noteholder. The CSD statement of account shall be conclusive and binding for all purposes save in the case of manifest error and such Noteholder shall be treated by the Issuer and the Collecting and Paying Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes and no person will be liable for so treating the Noteholder.

1.3 Denomination

1.3.1 The aggregate Principal Amount of the Notes will be as specified in the Applicable Pricing Supplement.

1.3.2 The minimum denominations of Notes denominated in other currencies will be in accordance with any applicable legal and regulatory requirements.

1.4 Closed Periods

No Noteholder may require the transfer of the Notes: (i) during the period of fifteen (15) days ending on the relevant Redemption Date; (ii) following the issuance of default notice to the Issuer pursuant to Condition 9 (Events of Default); or (iii) following the Relevant Last Day.

CONDITION 2

STATUS OF THE NOTES

2.1 Each Note constitutes a direct, unconditional, unsubordinated and senior unsecured obligation of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Notes shall, save for such obligations as may be mandatorily preferred by applicable legislation relating to creditor's rights, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

CONDITION 3

REDEMPTION

3.1 Unless previously redeemed or purchased and cancelled as specified below, the Notes will be redeemed at the Redemption Amount, specified in or determined in the manner specified in the Applicable Pricing Supplement, on the Redemption Date subject to the provisions contained in Condition 4 (Payments).

CONDITION 4

PAYMENTS

4.1 Only Noteholders named in the Register as at the close of business on the Relevant Last Day shall be entitled to payment of amounts due and payable in respect of Notes. The Noteholder shall be the only person entitled to receive payments in respect of Notes and the Issuer will be discharged by payment to, or to the order of the Noteholder in respect of each amount so paid.

4.2 Payments of any outstanding obligation regarding the Notes will be made in the Relevant Currency by electronic funds transfer to the specified bank account of the Noteholder.

4.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the first-named Noteholder in the Register. Payment by electronic transfer to the first-named Noteholder in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

4.4 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) of any such amounts made payable to the relevant Noteholder.

Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder of registered Notes as set forth in the Register on the Relevant Last Day or, in the case of joint Noteholders of registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note. Cheques shall be posted by registered post, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 4.4.

4.5 Where the Issuer fails to redeem the Notes on the Redemption Date (and only in this event), interest shall begin to accrue on the Redemption Amount at the Default Rate from the Redemption Date until the date on which all amounts due in respect of such Note have been paid.

4.6 If the Redemption Date is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the Redemption Amount until the next Business Day, and the Noteholder shall not be entitled to any interest, return or other payment in respect of any such delay.

4.7 On the Redemption Date, payment shall only be made to the Noteholders if the Issuer has made funds available to the Collecting and Paying Agent.

4.8 In respect of payments relating to Notes under a Tranche, (notwithstanding that such Notes may have the same Issue Date), where the total Discount Amount payable by a Noteholder in respect of the said Notes has not been received by the relevant Issue Date but is at the discretion of the Issuer accepted within 5 (five) Business Days thereof, the Discount Amount payable by the Noteholder in respect of such Notes shall be adjusted to reflect the reduced tenor of the investment as applicable.

CONDITION 5

TRANSFER OF NOTES

5.1 All Notes issued under the Programme in dematerialized or immobilized (book entry) form may be transferred only in accordance with the rules of the relevant CSD

5.2 The Notes shall be transferred on the FMDQ Exchange in accordance with the rules and regulations of the FMDQ Exchange.

CONDITION 6

REGISTER

6.1 The Register shall be maintained by the IPAs and CSD. The Register shall reflect the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes held by each Noteholder and the Issue Date.

6.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Collecting and Paying Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.

6.3 The Register shall be open for inspection during the normal business hours of the Registrar to any Noteholder or any person authorised by the Noteholder.

6.4 Each Tranche or Series shall be registered in the applicable Register.

6.5 The CSD shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Conditions.

CONDITION 7

TAXATION

7.1 The Notes issued under the Programme will be Zero-coupon Notes and as such, will be offered and sold at a discount to Face Value. With the expiration of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011, this commercial paper will be subject to WHT where the Noteholder is a company liable to companies income tax.

CONDITION 8

PRESCRIPTION

8.1 The Notes will become void unless presented for payment in respect of the Redemption Amount within 3 (three) years from the appropriate Relevant Date.

CONDITION 9

EVENTS OF DEFAULT

Upon the happening of any of the following events ("events of default") which is continuing, any noteholder may, by written notice to the issuer at its specified office(s), effective upon the date of receipt thereof by the issuer declare the notes held by that noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of force majeure or the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction. In addition, the Noteholders shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria.

Upon the occurrence of an Event of Default, the Issuer shall pay Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full. In addition, the Noteholder shall have the right to exercise all other remedies available to them under the laws of Nigeria.

9.1 Non-Payment or Part-Payment: the Issuer fails to make payment or makes part-payment by the Redemption Date in respect of any Tranche or Series of Notes, save for where its failure to pay is as a result of an administrative or technical error and payment is made within ten (10) Business Days of its due date; or

9.2 Breach of other Obligations: the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or where capable of remedy, is not remedied within thirty (30) days after written notice of such default shall have been given to the Issuer at its specified office; or

9.3 Breach of Representation: any representation, warranty or undertaking made in connection with any documentation supplied by the Issuer pursuant to the Programme is in the reasonable opinion of the Arrangers, materially incorrect or misleading; or

9.4 Winding-Up: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer applies or petitions for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders; or

9.5 Insolvency: the Issuer is, or is deemed by law or a court of competent jurisdiction to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; or

9.6 Enforcement Proceedings: a distress, attachment, execution or other legal process is levied, enforced or sued out, on or against a material or substantial part of the property, assets or revenues of the Issuer, and such distress, attachment, execution or other legal process is not discharged or stayed within 90 (ninety) days; or

9.7 Failure to take action: any action, condition or thing (including the obtaining of any consent or approval) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the Notes is not taken, fulfilled or done, or any such consent, or approval is revoked, modified, withdrawn or withheld or ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme for the issuance of the Notes.

9.8 In line with section 9.2 of the FMDQ Exchange Rules, part payment of the CP value to investors shall also constitute a default

9.9 In line with section 9.8 of the FMDQ Exchange Rules, in respect of any Tranche or Series, if the Issuer fails to notify FMDQ Exchange (through the IPA) that the Notes have been liquidated and funds have been transferred to all Noteholders by 4:00pm on the Redemption Date

CONDITION 10

NOTICES

10.1 Notices to the Noteholders

10.1.1 All notices to the Noteholders will be valid if mailed to them at their respective addresses of record contained in the relevant Register. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the CBN Guidelines, the FMDQ Exchange Rules or the rules and guidelines of such other regulatory authority as may be applicable to the Notes.

10.1.2 Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

10.2 Notices from the Noteholders

10.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging the same, with the Issuing and Placing Agents.

10.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and subsequently, the Register shall be altered accordingly following notifications to the IPAs and CSD.

CONDITION 11

CHANGE OF THE AGENT

11.1 The Issuer is entitled to vary or terminate the appointment of the Issuing and Placing Agents, Collecting and Paying Agent and or appoint additional or other agents and/or approve any change in the Specified Office through which any agent acts, provided that there will at all times during the subsistence of the Programme, be an agent with Specified Offices.

11.2 The Issuing and Placing Agents and the Collecting and Paying Agent act solely as agents of the Issuer and does not assume any obligation towards or any relationship of agency or trust for or with any Noteholder.

CONDITION 12

MODIFICATION

12.1 The Arrangers may agree with the Issuer, without the consent of the Noteholders to any modification of any of these Conditions which is of a formal, minor or technical nature or is made to correct a manifest error, or to comply with the mandatory provisions of any law in Nigeria and which is not materially prejudicial to the interests of the Noteholders.

12.2 Save as provided in Condition 12.1 above, no amendment of the Conditions may be effected unless;

(i) such amendment is in writing and signed by or on behalf of the Issuer; and

(ii) such amendment:

(a) If it affects the rights, under the Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes; or

(b) If it affects only the rights, under the Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes held by that group.

12.3 Any such modification, authorisation or waiver shall be binding on the Noteholders and shall be notified to the Noteholders, as soon as practicable in accordance with Condition 10 (Notices).

CONDITION 13

MEETINGS OF NOTEHOLDERS

13.1 The Issuer may at any time convene a meeting of all Noteholders upon at least twenty-one (21) days prior written notice to such Noteholders. The notice is required to be given in accordance with Condition 10 (Notices). Such Notice shall specify the date, place and time of the meeting to be held, which place shall be in Nigeria.

13.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.

13.3 Two (2) or more Noteholders holding or representing by proxy a simple majority of the Principal Amount of the Notes that are outstanding for the time being, shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within ten (10) days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.

TERMS AND CONDITIONS OF THE NOTES

13.4 A Noteholder may by an instrument in writing (a **"Form of Proxy"**) signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a **"Proxy"**) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.

13.5 Any Noteholder which is a corporation may by resolution of its directors or other governing body, authorise any person to act as its representative (a **"Representative"**) in connection with any meeting or proposed meeting of the Noteholders.

Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.

13.6 The chairman of the meeting of the Noteholders shall be appointed by the Issuer or majority of Noteholders present in person or proxy. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 13. Should the Noteholders request a meeting, and the Issuer fails to convene such a meeting within 10 days of such request, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a majority of Noteholders present in person or Proxy.

13.7 At any such meeting, two (2) or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one-third (1/3rd) of the Principal Amount of Notes shall form a quorum. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.

13.8 If within thirty (30) minutes after the time appointed for any such meeting, a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than fourteen (14) days nor more than twenty- one (21) days thereafter and at the same time and place. At such adjourned meeting, one or more Noteholders present or represented by proxy shall form a quorum and shall have power to pass any Special Resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite

quorum been present.

13.9 A resolution in writing duly signed by 75% (seventy-five percent) of the Noteholders for the time being outstanding, shall be as effective for all purposes as a Special Resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all of the Noteholders.

CONDITION 14

FURTHER ISSUES

14.1 The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes (the **"Additional Notes"**) having terms and conditions which are identical to any of the other Notes already issued under the Programme (the **"Existing Notes"**) or the same in all respects save for their respective issue prices, issue dates and aggregate Principal Amounts, so that the Additional Notes shall be consolidated by the Issuer to form a single Series with the Existing Notes.

CONDITION 15

GOVERNING LAW

15.1 The provisions of these Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

The tax consequences of investments in the Notes are broadly summarised below. The summary is not intended and should not be construed, to be tax advice to any particular investor. Any prospective investor who is in any doubt as to his/her tax position or who is subject to taxation in any jurisdiction other than Nigeria should consult his/her own professional advisers without delay as to the consequences of an investment in the Notes in view of his/her own personal circumstances. Neither the Issuer nor its advisers shall be liable to any subscriber in any manner for placing reliance upon the contents of this section.

Prior to the suspension by the Central Bank of Nigeria in July 2009, of the use of commercial papers and bankers acceptance as off-balance sheet instruments by banks and discount houses, zero-coupon commercial papers were exempt from withholding tax. This position has been maintained with commercial papers now being issued on the basis that a zero-coupon commercial paper is a “discount” instrument. As a “discount” instrument, no “interest” (properly so-called) is paid by the Issuer to the purchaser of the commercial paper.

Accordingly, the discount on commercial paper is not caught by the provisions of the law requiring payment of withholding tax on interest. However, there is taxable income made by a company or individual when it purchases such commercial paper at a discount (i.e. the difference between the discounted value and the face value of the commercial paper), which income would have been taxable under the CITA or the PITA, as may be applicable, but for the provisions of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 and Personal Income Tax (Amendment) Act, 2011. The effect of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011 and the Personal Income Tax (Amendment) Act, 2011 is to exempt otherwise taxable income earned by holders of short-term debt securities issued by corporate bodies from the imposition of companies incometax and personal income tax respectively.

The exemption granted under the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011 is for a period of 10 years commencing from January 2, 2012, while the exemption under the Personal Income Tax (Amendment) Act, 2011 is for an indefinite period. With the expiration of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order on January 2, 2022, companies’ income tax is now chargeable on the difference between the discounted value and the face value of the commercial papers.

Further, the proceeds from the disposal of the Notes were exempt from tax chargeable under the VAT Act (as amended) by virtue of the Value Added Tax (Exemption of the Proceeds of the Disposal of Government and Corporate Securities) Order 2011, commencing from January 2, 2012 (“VAT Exemption Order”). The VAT Exemption Order is for a period of ten (10) years from the date of the Order, and expired on 2 January 2022. However, the Finance Act, 2020 now excludes securities from the payment of VAT. As such, the Commercial Papers are not liable to VAT even after the expiration of the VAT Exemption Order.

The foregoing summary does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective purchaser of Notes 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 Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences

applicable to each actual or prospective purchaser of the Notes may vary. Any actual or prospective purchaser of the Notes 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 Notes, 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.

The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes. The risks in the following section are provided as general information only. Prospective investors should refer to and carefully consider the risks described below and the information contained elsewhere in this Programme Memorandum, which may describe additional risks associated with the Notes.

Investors should also seek professional advice before making investment decisions in respect of the Notes.

RISKS RELATING TO THE COUNTRY

a.) Economic Risk

The Nigerian economy is largely dependent on global oil prices and country's level of oil and gas production as the oil sector remains a major contributor to the GDP. In addition, the oil sector plays a central role in Nigeria's economy, as it accounts for a substantial portion of its export earnings. This dependence makes the Nigerian economy vulnerable to oil price fluctuations, as many economic sectors and state governments in Nigeria depend upon public spending and private consumption driven by oil revenues.

b.) Political Risk

The diverse political, religious and ethnic landscape in Nigeria has led to struggles for power between rival groups, which has consistently hindered the smooth governance of the country, especially as the country prepares for the 2023 elections. The risks related to political instability, continued criminal activities including banditry, kidnapping, security challenges as well as political and religious tensions in the country could adversely impact Nigeria's economy and by extension, the operations of C&I Leasing Plc.

C. Foreign Exchange Risks

The Nigerian foreign exchange market has remained volatile following declines in foreign exchange reserves which was largely driven by the nation's low crude oil production and weakened participation of foreign portfolio investments.

Further depreciation or devaluation of the Naira may negatively impact the Company's cost profile, considering the nature of its business.

RISKS RELATED TO THE MARKET AND THE EQUIPMENT LEASING SECTOR

1. Service Delivery Management

This refers to inadequate service/ project management leading to inappropriate activities, increased costs, inadequate change management, and late delivery of services. The risk can be mitigated by maintaining quality standards and excellent service delivery to preserve existing business contract.

2. Information and Information System Risk

These risks relate to the availability, integrity retention and safeguarding of information and dependence on information technology as a business within areas of availability of information and integrity of information systems and effectiveness of information systems.

3. Credit Risk

This is the risk of failure by corporate borrowers to perform their payments, guarantees and other obligations. It also includes the risk of suffering financial losses, should any of Company's customers, borrowers or counterparties fail to honour their contractual obligation to perform on payments, guarantees and obligations. These losses could in turn impact the Issuer's financial condition.

BUSINESS RISKS**1. Lease payment risk**

This risk is associated with the customers of the Company not paying their lease rental payments as at when due. This is the risk of the lease rental payment been paid late or not paid at all.

2. Risks of Growth and Expansion

The Company's strategy includes future expansion and development plans, based on forecasts, patterns and estimates. There is no guarantee that such forecasts, patterns and estimates are correct or sound. Accordingly, should such forecasts, patterns, or estimates prove to be untrue then it may adversely affect the Company's business, financial position, operating result and future prospects.

Additionally, the future of the company will depend in part on its ability to manage its growth in a profitable manner. The Company's Management will need to expand operations for achieving the necessary growth, while retaining and supporting its existing customers, attracting new ones, recruiting, training, retaining personnel, and managing their affairs in an effective manner and maintaining financial controls. If the company fails to achieve such growth, then it may adversely impact the company's business and financial position.

RISKS FACTORS RELATING TO THE NOTES**a) Market Price Risk**

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Company's results, adverse business developments, changes in the macroeconomic environment and the actual or expected sale or purchase of a large number of Notes. Each investor needs to assess the market risk prior to trading their Notes.

In addition, the Notes may vary inversely with changes in prevailing interest rates as the Notes could be offered at a fixed rate benchmarked against treasury bills. In this instance, where the interest rates rise, the prices of fixed rate securities fall and when interest rates drop, the prices increase.

Therefore, the extent of the fall or rise in the prices is a function of the existing interest, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Notes.

b) Liquidity Risk

Although the listing of the Notes increases the possibility of trading activity, the Notes issued under the Programme will be new securities which may not be widely distributed. The liquidity of the Notes may be limited, and investors may not be able to trade the Notes actively or realise a yield comparable to that of similar instruments, if any, in developed secondary markets. The trading market for debt securities may be volatile and may be adversely impacted by many events. The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates as well as global events, which may also have an adverse effect on the price of the Notes.

c) Ranking

The Notes will constitute senior unsecured obligations of the Issuer. Therefore, holders of secured indebtedness, if any, will have claims that are prior to the claims of the holders of the Notes, to the extent of the assets securing such indebtedness. Thus, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, the pledged assets would be available to satisfy obligations on the secured indebtedness before any payment could be made on the Notes.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Words used in this section shall bear the same meanings as used in the section headed "Definitions and Interpretations", except to the extent that they are separately defined in this section or the meaning if applied, would be clearly inappropriate for the context.

CLEARING SYSTEM

The Notes will be issued in dematerialised form and will not be represented by any certificate or written instrument. As stipulated by the CBN Guidelines, each Series or Tranche of Notes will be held in custody by the CSD, either in the name of the beneficial owner or nominee.

All transactions in the Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Subject as aforesaid, each Tranche of Notes will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through Authorised Participants (as defined below) who will follow the electronic settlement procedures prescribed by the CSD.

AUTHORISED PARTICIPANTS

The CSD will maintain a central securities account for the Collecting and Paying Agent/Issuing and Placing Agents and the Dealing Members (the "**Authorised Participants**") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants.

Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants. For purposes of Notes issued under this Programme, the Authorised Participants are Cordros Capital Limited, Kairos Capital Limited, Polaris Bank, any other bank or dealer or arranger appointed by the Issuer

REGISTRATION

- i. The Authorised Participant is required to register with the CSD before dealing in CPs.
- ii. Noteholders are required to route their account opening applications and transactions through the Authorised Participant, who will officially notify the CSD to create sub-accounts for these Noteholders and attach Noteholders' mandates to this effect.
- iii. The CSD will assign a unique identification number (the "**Trade Member Code**") to the Authorised Participant and also provide an account number (and sub-account numbers for Noteholders) after creation as requested by the Authorised Participant to enable them to trade the CPs.
- iv. FMDQ Exchange shall request for the CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participant with the CP Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the Authorised Participant
- v. The CSD will re-open the existing ISIN code for all Tranches with same maturity dates, however new ISIN codes will be issued for Tranches with different maturity dates.

LODGEMENT

- i. The Authorised Participant will electronically lodge CPs with the CSD and advise the CSD after lodgement to transfer the CPs to the sub-account of the beneficial owners of the Notes.
- ii. The CSD shall process same within 24 (twenty-four) hours of receipt.

REDEMPTION

- i. No transactions or trades may be effected for any CPs 5 (five) working days prior to its maturity date.
- ii. The Authorised Participant will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by 12.00 noon on the date which is 2 (two) Business Days before the Maturity Date.
- iii. The Authorised Participant must notify the CSD to expunge (knock-off) matured CPs latest by 3.00pm on the Maturity Date of the CP.
- iv. In case of default by the Issuer, the Issuing and Placing Agents and the Collecting and Paying Agent must notify the CSD and FMDQ latest by 3.00pm on the Maturity Date to make public, the default status of the CP to the market.
- v. In case of (iv) above, the CP must remain with the CSD until the CPA pays off the Noteholders and notifies the CSD and the FMDQ with evidence.
- vi. Thereafter, the CSD will notify the public and expunge the CP accordingly.

SECONDARY MARKET TRADING (OTC) GUIDELINES

- i. Standard settlement cycle is T+2.
- ii. FMDQ shall submit the confirmed CP trade details on trade day in the specified format via the CSD authorised platform, based on the following settlement timelines:
 - Same Day Settlement: 12.30 p.m.
 - T+1 or T+2 Settlements: 3.00 p.m.
- iii. The CSD shall deliver securities and send confirmation of transfers via the authorised platform by 2.00 p.m. on the settlement date to the Nigeria Inter-Bank Settlement System ("**NIBSS**") and to the FMDQ simultaneously.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the CSD, and the Authorised Participant simultaneously.
- v. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is five Business Days before the Maturity Date.

REPORTING

- i. The CSD will effect the transfer of CPs on the settlement date as advised by the buyer and seller ("**Transaction Parties**") and also keep records of consideration for each transaction.
- ii. The CSD will advise the Authorised Participant or the FMDQ for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iii. The Authorised Participant and Noteholders can ascertain their CP balances after each day's trade via the CSD website (if applicable).

TRANSFER OF NOTES

Title to beneficial interest in the Notes will pass on transfer thereof by electronic book entry in the securities accounts maintained by the CSD and may be transferred only in accordance with rules and operating procedures of the CSD.

CASH SETTLEMENT

Transaction parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement, National Electronic Funds Transfer or any other transfer mode agreed by the Transaction Parties and recognised by the CBN.



RC 161070

**Issue of [Aggregate Nominal Amount of Series/Tranche] [Title of Notes]
Under its ₦50,000,000,000 (Fifty Billion Naira)
Commercial Paper Issuance Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated August 23, 2022, prepared by C&I Leasing Plc in connection with its ₦50,000,000,000 (Fifty Billion Naira) Domestic Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the “**Programme Memorandum**”).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Programme Memorandum.

This document constitutes the Applicable Pricing Supplement relating to the issue of commercial paper notes (“**CP Notes**” or the “**Notes**”) described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES	
1. ISSUER	C&I Leasing Plc
2. DEALERS/ARRANGERS	Cordros Capital Limited and Kairos Capital Limited
3. ISSUING AND PLACING AGENTS	Cordros Capital Limited and Kairos Capital Limited
4. COLLECTING AND PAYING AGENT	Polaris Bank Limited
5. AUDITORS	PKF Professional Services Limited
6. SOLICITORS	G. Elias
PROVISIONS RELATING TO THE	
7. SERIES NUMBER	[]
8. TRANCHE	[]
9. (a) PROGRAMME SIZE	₦50,000,000,000
(b) ISSUED AND OUTSTANDING AT THE DATE OF THE PRICING SUPPLEMENT	[]
10. AGGREGATE NOMINAL AMOUNT	[]
11. FACE VALUE	[]

12. DISCOUNTED VALUE	[]
13. NOMINAL AMOUNT PER NOTE	[]
14. ISSUE PRICE	[]
15. TENOR	[]
16. MATURITY DATE	[]
17. FINAL REDEMPTION AMOUNT	[]
18. SPECIFIED DENOMINATION	[]
19. SPECIFIED CURRENCY	[]
20. STATUS OF NOTES	[]
21. FORM OF NOTES	[]
22. LISTING	[]
23. TAXATION	[]
24. METHOD OF OFFER	[]
25. BOOK CLOSED PERIOD	The Register will be closed from [] to [] until the Maturity Date

ZERO COUPON NOTES

26. (a) DISCOUNT RATE ("DR")	[]
(b) IMPLIED YIELD	[]
(c) ANY OTHER FORMULA OR BASIS FOR DETERMINING AMOUNT(S) PAYABLE	[]
27. DAY COUNT FRACTION	[]
28. BUSINESS DAY CONVENTION	[]

PROVISIONS REGARDING REDEMPTION

29. REDEMPTION/PAYMENT BASIS	[Redemption at par] [other (specify)]
30. ISSUER'S EARLY REDEMPTION	[Applicable/Not applicable]
31. ISSUER'S OPTIONAL REDEMPTION	[Applicable/Not applicable]
32. OTHER TERMS APPLICABLE ON REDEMPTION	[]

GENERAL

33. OFFER OPENS	[]
34. OFFER CLOSES	[]
35. ALLOTMENT DATE	[]
36. NOTIFICATION OF ALLOTMENT	All applicants will be notified through an email and/or telephone of their allotment by no later than []
37. PAYMENT DATE	[]
38. DETAILS OF BANK ACCOUNT(S) TO WHICH PAYMENTS ARE TO BE MADE IN RESPECT OF THE NOTES	[]
39. SETTLEMENT PROCEDURES AND SETTLEMENT INSTRUCTIONS	[]
40. DELIVERY DATE	[]

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no significant change in the financial position of the Issuer since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since [insert date of last published annual accounts].

RESPONSIBILITY

The Issuer and its Board of Directors accept responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Programme Memorandum [and supplemental Programme Memorandum, if any], contains all information that is material in the context of the issue of the Notes.

Signed at _____ on this _____ day of _____ []

For and on behalf of
C&I Leasing Plc

Name
Capacity: Director
Who warrants his/her authority hereto

Name
Capacity: Director
Who warrants his/her authority hereto

1. Background

C&I Leasing Plc listed on the Nigerian Exchange Limited in 1997 and has been in operation for over three decades and since evolved from being a simple consumer finance leasing company licensed by the Central Bank of Nigeria in 1991 to becoming a diversified, leasing and business service conglomerate providing support services to various indigenous and multinational organizations in West Africa along three lines: Fleet Management, Personnel Outsourcing and Marine Services. The C&I Leasing group of companies has a cumulative staff strength of over 5,000 (five thousand) employees across Nigeria and has its operational offices in Lagos, Benin, Port-Harcourt, Calabar, Enugu and Abuja.

2. Business Segments.

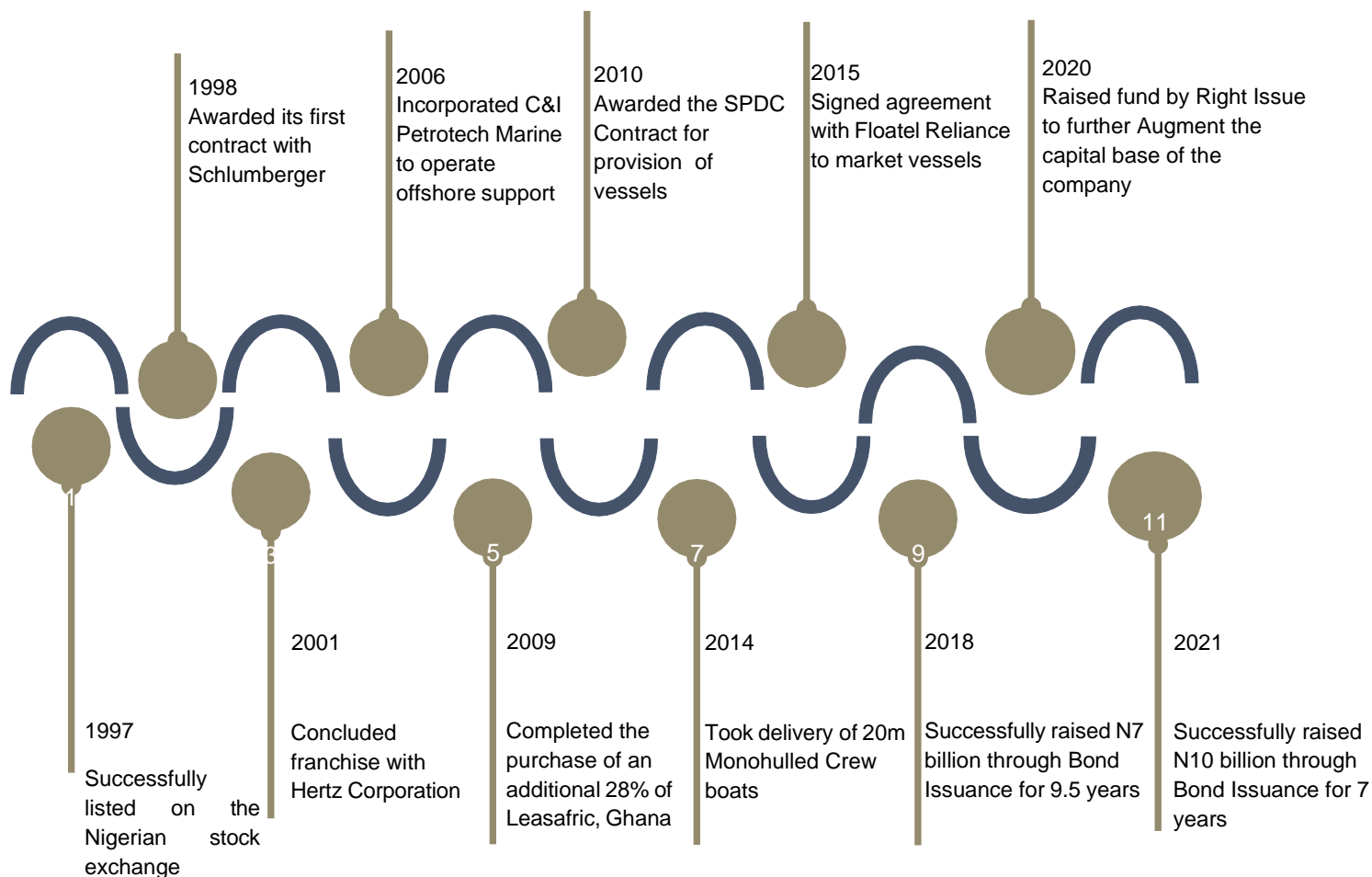
The Company's principal activities are providing transportation logistics solutions in the form of car and marine vessel rental, fleet management and automobile distribution as well as human resource solutions.

C&I Leasing is managed along four business units, namely:

- a) Hertz/Fleet Management: The unit primarily comprises Hertz car rental, light fleet management and heavy-duty automobiles which operates outsourced fleet services and serving major organizations across the 36 (thirty-six) states and the FCT of Nigeria. The company currently manages over 2000 (two thousand) vehicles in its fleet.
- b) Marine Services: The unit offers services such as line and hose handling, berthing and escort services, mooring support, fire-fighting, pollution control, security and floating and self-elevating platforms. The company currently owns 17 (seventeen) vessels, 3 (three) vessels on JV and other chartered vessels.
- c) Personnel Outsourcing: The unit provides human resource outsourcing, human resource consultancy, personnel evaluation and training, and manpower development services.
- d) Citracks: The unit provides web-based, end-to-end tracking and other logistics and fleet management solutions to its clients.

3. Key Milestones

In its 30 (thirty) years of operation, C&I Leasing has become the foremost brand for finance leases, and other ancillary services in Nigeria.



Description of Shareholding

The authorized share capital of the company is 1,500,000,000 divided into 3,000,000,000 of N0.50 each while the issued share capital is ₦390,823,083.5 divided into 781,646,167 ordinary shares of ₦0.50 each.

The list of shareholders is as follows;

Shareholders	Number of shares	Percentage Holding
PMT Global Investments Nig Ltd	209,806,920	21.00%
CIL Acquico Limited	154,455,747	19.76%
Petra Properties Limited	40,304,265	5.16%
Others	377,079,235	48.24%

2. Profile of Directors

Dr. Samuel Maduka Onyishi - Chairman

Dr Samuel Maduka Onyishi got a degree in Social Works and Community from the University of Nigeria, Nsukka. He later earned an MBA in Entrepreneurship from the Institute for Transformative Thought and Learning in the Doctoral Research Centre of the University of Arizona, Phoenix, in the United States and founded the transportation company – Peace Mass Transit Limited (PMT) in 1996. He joined the Board of C & I Leasing Plc. in 2020.

Chukwuemeka E. Ndu - Vice Chairman

Mr. Ndu has served as the Chairman of the Shipping and Marine Services Sub-Committee of the National Consultative Forum set up by the Nigerian National Petroleum Corporation (National Content Division) to promote indigenous content in the Nigerian oil & gas industry. Mr Ndu is the pioneer MD of C & I Leasing Plc.

Mr Ugoji Lenin Ugoji – Group Managing Director / CEO

Mr. Ugoji Lenin Ugoji holds a Bachelors' Degree in Estate Management from the University of Lagos, and an MBA in Banking & Finance from the ESUT Business School, Enugu. He is also a Chartered Pension professional, and an associate of the Certified Pension Institute of Nigeria. Ugoji joins C & I Leasing with over 20 years' experience in Commercial/Investment Banking, Leasing and Asset Management. His last assignment was with The Mellanby Trust Company, a Commodity focused Asset Management Company registered with the Securities & Exchange Commission (SEC), where he was a founding Director and the Chief Investment Officer responsible for directing the company's Investment Portfolio structure for purposes of its corporate and individual clients.

Ugoji's extensive experience in the Leasing Industry commenced in 2005 as a Pioneer member of the Aquila Capital Group where he served as the pioneer Group Head Treasury & Wealth Management. He was responsible for creating the Group's, Equipment Leasing focused Funding and Investment structure, which was targeted at attracting Capital from Private Equity, Foreign Development Financial Institutions and Local sources. From 2010 to 2015, he served as the pioneer Managing Director for 'Aquila Asset Management Ltd', a Management Buy-Out firm from the Aquila Group. Prior to his time at the Aquila Group, Ugoji worked at Continental Trust Bank (now UBA) and NAL Bank Plc (now Sterling Bank) in the Treasury, International Operations and Domestic operations groups respectively.

Mrs Florence Okoli – Non-Executive Director

Mrs. Florence Okoli has over 20 years multi-industry cross functional experience spanning energy, telecommunications and advisory services. She is an alumna of Harvard Business School and University of Lagos. She previously worked with Arthur Anderson, MTN Nigeria Communication, Mobil Producing Nigeria Unlimited and Shell Petroleum Development Company. She is presently the Executive Director (Commercial) of Eraskorp Nigeria Limited. Mrs. Okoli's appointment is awaiting the approval of the Central Bank of Nigeria, other regulators and members at Annual General Meeting.

Mr. Omotunde Alao Olaifa – Non-Executive Director

Mr. Omotunde Alao-Olaifa has extensive experience across the corporate spectrum which includes Capital Raising, Deal Structuring, Acquisition, Project Financing as well as asset Management. He holds a degree in Political Science from the University of Ibadan and an MBA from Pan Atlantic University (Lagos Business School). He represents Leadway Assurance Company Limited on the Board as a Non- Executive Director.

Alhaji Sadiq Abubakar Adamu - Non-Executive Director

Alhaji Abubakar Adamu is the former General Counsel, ExxonMobil Affiliated Companies in Nigeria, Executive Director, Mobil Producing Nigeria Unlimited, Executive Director Esso Exploration & Producing Nigeria Limited, Executive Director Esso Exploration & Producing (Offshore East) Limited and Director Lagos Court of International Arbitration. He is an alumnus of Bayero University and obtained a Master of Laws degree from Harvard University Law School in the United States. He equally attended Oxford University College Petroleum and Energy Resources for a postgraduate certificate in advance negotiation. Alhaji Adamu's appointment is awaiting the approval of the Central Bank of Nigeria, other regulators, and members at Annual General Meeting.

Mr. Babatunde Olakunle Edun – Non- Executive Director

Mr Babatunde Edun is a serial entrepreneur with demonstrated expertise in the Telecommunication, Logistics, and Distributed Power Industries. His capacity for developing start up business has built several businesses of scale. Mr. Edun is member of the Institute of Directors (IoD), the Lagos Polo and Ikoyi clubs and serves on the PTA Executive of the Saint Saviour's School Ikoyi Lagos. He attended King's College Lagos, the University of Lagos and the Lagos Business School. He is a Director of Prudential Mortgage Bank, Biswal Limited, Tranos Contracting Limited, Accat (Nigeria) Ltd., Exchange Telecommunications Limited and the Iluburin Development Project Company Limited.

The Company has nominated the following persons as its directors although their nomination has not been approved by the CBN, (i) Mr. Ugoji Lenin Ugoji, (ii) Mrs. Florence Okoli, (iii) Alhaji Sadiq Abubakar Adamu, (iv) Mr. Oluyemi Abaolu Johnson, and (v) Mr. Tom Oko Achoda.

Mr Oluyemi Abaolu Johnson – Non-Executive Director

Mr. Oluyemi Abaolu-Johnson is an Accountant with years of well-rounded accounting, auditing, tax, finance and risk management experience. He assisted and still assists many multinational companies and public sector entities with their processes. He has attended several skills training and is an Associate of the Institute of Chartered Accountants of Nigeria. He previously worked with Access Bank Plc., Standard Trust Bank Plc., Nigerian Breweries Plc., Deloitte Nigeria, PricewaterhouseCoopers amongst others. He is currently the Chief Executive Officer of BVS Professional Services. Mr. Abaolu-Johnson's appointment is awaiting the approval of the Central Bank of Nigeria, other regulators and members at Annual General Meeting.

Mr. Tom Oko Achoda – Non-Executive Director

Mr. Tom Oko Achoda is a graduate of Economics with firm grounding in Business income and process streamlining related expertise. He is an alumnus of the University of South Wales and University of Port Harcourt. He has attended several trainings and has worked with both private and public sectors. He has equally worked in several banks including United Bank for Africa Plc., Standard Trust Bank Plc. and NAL Bank Plc. He is presently the Chief Executive Officer of Treasure Capitals and Trusts Limited. Mr. Achoda's appointment is awaiting the approval of the Central Bank of Nigeria, other regulators and members at Annual General Meeting.

1. Profile of Management Team**Mr Ugoji Lenin Ugoji – Group Managing Director / CEO**

Mr. Ugoji Lenin Ugoji holds a Bachelors' Degree in Estate Management from the University of Lagos, and an MBA in Banking & Finance from the ESUT Business School, Enugu. He is also a Chartered Pension professional, and an associate of the Certified Pension Institute of Nigeria. Ugoji joins C & I Leasing with over 20 years' experience in Commercial/Investment Banking, Leasing and Asset Management. His last assignment was with The Mellanby Trust Company, a Commodity focused Asset Management Company registered with the Securities & Exchange Commission (SEC), where he was a founding Director and the Chief Investment Officer responsible for directing the company's Investment Portfolio structure for purposes of its corporate and individual clients. Ugoji's extensive experience in the Leasing Industry commenced in 2005 as a Pioneer member of the Aquila Capital Group where he served as the pioneer Group Head Treasury & Wealth Management. He was responsible for creating the Group's, Equipment Leasing focused Funding and Investment structure, which was targeted at attracting Capital from Private Equity, Foreign Development Financial Institutions and Local sources. From 2010 to 2015, he served as the pioneer Managing Director for 'Aquila Asset Management Ltd', a Management Buy-Out firm from the Aquila Group. Prior to his time at the Aquila Group, Ugoji worked at Continental Trust Bank (now UBA) and NAL Bank Plc (now Sterling Bank) in the Treasury, International Operations and Domestic operations groups respectively.

Alex Mbakogu - Chief Operating Officer/Group Deputy Managing Director

Alexander Mbakogu graduated from the University of Nigeria, Nsukka with a B.Sc. in Accounting in and an MBA in Finance from the University of Lagos. He has held several positions since joining C&I, including Management Accountant; Head, Treasury; Manager, Finance and Accounts (2007), Managing Director, Leasafric Ghana (2013) and was the company's CFO for over 5 years. Mr. Mbakogu is a fellow Institute of Chartered Accountants of Nigeria, associate member Institute of Credit and Risk Administration of Nigeria and the institute of Chartered Management Accountants of Nigeria.

Mr. Olumuyiwa Oshomoji-Chief Marketing Officer (Marine)

Muyiwa is an alumnus of the University of Lagos where he studied Civil, Structural & Environmental Engineering and holds a Diploma in 'Shipping Education for emerging Managers' from the Moller Maersk International Shipping Education, in South Africa. He also holds an Executive MBA from EM Lyon Business School, Lyon, France. Muyiwa joins C & I after 12 years of experience with the Bourbon group where he exited as the Director Business Management in 2020. During his time in Bourbon he served in various leadership, strategy, commercial and operational roles - both locally and internationally. While at Bourbon he was responsible for increasing company revenue while also focusing on cost optimization by aligning internal operations and support functions in order to maximize company value for its Marine, Mobility and Subsea Business segments. Before joining Bourbon he was with Maersk for 4 years where he started his oil and gas career as 'supervisor, chartering and operations', and he rose to become the operations manager before exiting Maersk. Through the years, Muyiwa has gathered relevant skills and experience in leadership, strategy, business development and management, operations and high-stake negotiations. Muyiwa has a keen interest in technology as he believes that aspects of human life can be effectively harnessed for rewarding human experience & economic benefits, especially considering that it is becoming increasingly inevitable for the future of global businesses.

Mrs. Adetutu Sanni -Chief Commercial and Strategy Officer

Adetutu is an alumnus of Obafemi Awolowo University where she studied Economics and she is currently wrapping up an Executive MBA program with Business School, Netherlands. Prior to joining C & I

Leasing, Adetutu served as Chief Operating Officer for Courierplus Services Limited where she supported the CEO in the management of the sales and operations of the company. She served various capacities in five of Superflux Group companies during her fifteen-year stint with the company including her role as pioneer Chief Operating Officer of Superflux International (Ghana) Limited between 2009 and 2010. She started her career in 1996 with Vigeo Holdings, managing various business development positions and left the company in 2005 as Head of Marketing and Business Development at CitiServe Limited, a subsidiary of Vigeo Holdings. Her over 20 years career experiences span Sales & Marketing, Product Development, Strategy Formulation & Implementation, Corporate Communications and Development and Human Capital Management at executive management level. Adetutu enjoys watching international news, documentaries, discussing politics and volunteering in educational programmes. She is married with two children.

Mr. Okechukwu Nnake - Chief Finance Officer

Mr. Okechukwu Nnake is responsible for leading and overseeing the Group's Financial Control, Operations, and reporting functions as well as Information Technology functions. Okey has over 16 years of business leadership experience in multinational corporations cutting across Audit/Advisory services, Oil & Gas, and Technology sectors. He has a record of designing and implementing efficient business processes and driving productivity. His expertise includes Finance, Treasury, Tax Strategy, Business Operations, and Supply Chain management. He holds an MBA, is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Chartered Institute of Taxation of Nigeria. He started his career in Diamond Bank before moving on to KPMG and then General Electric Nigeria where he rose to the role of Country Finance Senior Manager and Sub-Sahara Africa Fixed Assets Leader. He joins C & I Leasing from NewGlobe Nigeria where he was the Finance Director and actively participated in growing the Company into a major player in the EdTech and Public Education space in Nigeria.

Wisdom Nwagwu - Executive Director & General Manager C & I Marine

Mr. Wisdom Nwagwu, a well-experienced Marine engineer, got his Class One certificate of competency from the South Tyneside College, South Shields, United Kingdom, in 1993. He holds a diploma in Ship's Superintendency from the prestigious Lloyds Maritime Academy, United Kingdom in 2005 and a PGD in Business Administration from the University of Liverpool, 2013. Prior to joining C&I Petrotech Marine (now C&I Marine) in December 2011, Mr. Nwagwu spent 11 years at Lamnalco Ltd. with his last 4 years in the capacity of Fleet Manager - West Africa, responsible for Lamnalco's operations in Cameroon, Equatorial Guinea, Angola and Ivory Coast.

Chiobi Ikechukwu Edwin - Managing Director Leasafric Ghana

Mr. Chiobi Ikechukwu Edwin. He is an associate member of the Institute of Chartered Accountants of Nigeria and has worked in several financial advisory positions prior to joining C&I Leasing, including, Elmack Nigeria Limited as the Head of Financial Control & Logistics. He is a Member, Chartered Institute of Personnel Management of Nigeria (MCIPM) and also an Associate of Nigeria Institute for Training and Development.

Babatunde Oguntunrin – Head Treasury

Babatunde Oguntunrin joined C&I Leasing plc in October 2008. His current working experience spans over 15 years in Banking, Consulting, Leasing and Fleet Management. A trained Accountant and Chartered Banker, Babatunde has his Master's degree in Financial Management with emphasis on Financial Accounting. He has attended courses both in the country and overseas in Treasury Management, Leasing, Budgeting and Budgetary Control, International Fleet Management Programme and Category Management. He also attended the Senior Management Application Programme at the Lagos Business School (LBS), Pan-Atlantic University.

Adesoji Aiyeola - Head Finance

Aiyeola Sunday Adesoji joined C&I Leasing plc in August 2008 as an Accountant. Prior to joining the company, he worked in various capacities with Dangote Group and rose to the position of Head of

Accounts (Dangote Flour). A trained Chartered Accountant by profession, Soji holds a B.Sc. in Economics, with over 15 years of professional experience. He is also a member of the Chartered Institute of Bankers of Nigeria.

Stephen Adoloro – Group Head, Supply Chain

Stephen Adoloro became part of the C&I Leasing team in April 2020, having garnered over 20 years cumulative work experience, with various responsibilities in Treasury, Finance and Supply Chain in Notore Chemical Industries Plc and in Lafarge group where he rose to become the Country Head of Procurement Operation in 2015. He is a member of the Africa Resource Center (ARC) Expert Pool (Nigeria & UK) which focuses on supply chain in the health sector, a graduate of Accountancy from Ondo State Polytechnic Owo, a Fellow of the Institute of Chartered Accountants of Nigeria, a Chartered Logistics & Supply Chain Manager and a Chartered International Procurement & Purchasing Manager from the American Certification Institute.

Ayodele Johnson Babatunde - Head, C&I Fleet Management/ Country Manager, Hertz

Adetayo Abiodun Olugbenga joined C&I Leasing plc in 2007, as an Internal Control Officer. He obtained an HND in Accountancy from the Lagos City Polytechnic, Ikeja, Lagos in 2006. Prior to joining C&I Leasing, he had worked as an Internal Auditor for Sweet Sensation Confectionary. Mr. Adetayo is a member of the Institute of Chartered Accountants of Nigeria, 2009; and a Certified Internal Control Professional, 2012.

Uche Nwachukwu - Head C&I Outsourcing and Training

Uche Nwachukwu joined C&I Leasing as a Human Resources and Admin Executive and later became head of Operations in the Outsourcing unit effective March 2013. Prior to this, she worked as a Customer Relations Executive at Bruswich Nigeria Limited between February 2001 and June 2002. Ms. Nwachukwu obtained her MBA from the Ladoke Akintola University, with a specialization in Human Resources Management and Services (2010- 2012). She is an Associate Member of CIPMN and NIM. She has been serving as Head of C&I Outsourcing in an acting capacity, since March 2020.

Ruth Nwigwe - Head Citracks

Ruth Nwigwe is a value-driven leader focused on growing company bottom line through cost optimization, business process efficiency and implementation of corporate governance principles translating into profitability and business sustainability. Her 20 (twenty) year experience spans Procurement, Logistics, Administration, Business Strategy and Change Management, with over 16 (sixteen) years spent in C & I Leasing handling strategic roles in the aforementioned areas and building proficiency in organizational operations. Ruth Nwigwe's transition into core Business Management has deepened her interest in managing sustainable companies. She has a certificate in Design Thinking from Stanford Graduate School of Business and an MBA from the University of Wales.

PKF Professional Services



20 May 2022

The Board of Directors
C& I Leasing Plc
2, C & I Leasing Drive
Off Bisola Durosinmi Etti Drive
Off Admiralty Way, Lekki Phase 1
Lagos.

and

The Directors
Cordros Capital Limited
70, Norman Williams Street
Ikoyi
Lagos.

and

The Directors
Kairos Capital Limited
Elephant House
214 Broad St, Marina
Lagos.

Dear Sirs,

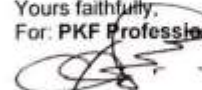
**AUDITOR'S COMFORT LETTER –
C& I LEASING PLC N50 BILLION COMMERCIAL PAPERS PROGRAMME**

We have reviewed the audit of the financial records of C& I Leasing Plc for the years ended 31st December 2019-2021. In line with the requirements of International Standard on Auditing (ISA) 570 (Revised) Going Concern, we confirm as follows:

- i. The financial statements were prepared by management using the going concern basis of accounting, and management had neither intention nor need to reduce substantially its business operations or liquidate the entity, or to cease operations.
- ii. That we obtained sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements and to conclude, based on the audit evidence obtained, whether a material uncertainty exists about C& I Leasing Plc's ability to continue as a going concern.

Based on our review, we conclude that, as at the date of the financial statements, there were no threats to Going Concern, and there was no material uncertainty about the ability of C& I Leasing Plc to continue in business in the foreseeable future.

Yours faithfully,
For: **PKF Professional Services**


Banji Olaokun
Director

JIB
23-05-2022



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Partners: TA Akande (Managing) • NA Abdus-salam • O. Ogundeyin • BO Adejayan • AK Sonuwan • EF Adenuga • A. Aremu
Offices in: Abuja • Kaduna • Kano • Jos • Port Harcourt

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HISTORICAL FINANCIAL INFORMATION

The financial information set out on pages 34 to 36 of this Programme Memorandum has been extracted from the audited annual financial statements of the Issuer and is available at the specified office(s) of the Issuer. This section should be read and construed in conjunction with any audited interim financial statements published subsequently, for the financial years prior to each issue of Notes under this Programme.

Income Statement for the year ended 31 December 2021, 2020 and 2019

	2021 N'000	2020 N'000	2019 N'000
Gross Earnings	19,882,846	19,416,685	24,958,663
Lease income	16,221,939	16,071,637	22,330,750
Lease Expense	(7,967,319)	(6,453,783)	(10,615,783)
Net lease income	8,254,620	9,617,854	11,714,967
Outsourcing income	11,485,100	10,576,344	8,533,765
Outsourcing expenses	(10,212,380)	(8,973,914)	(7,532,511)
Net outsourcing income	1,272,719	1,602,430	1,001,254
Vehicle sales and repairs	-	-	-
Cost of sales and repairs	-	-	-
Net income from vehicle sales	-	-	-
Tracking income	153,639	178,123	70,187
Tracking expenses	(83,202)	(54,138)	(61,240)
Net tracking income	70,437	123,985	17,947
Interest income	35,977	109,796	202,274
Other operating income	1,606,950	1,073,445	766,177
income from joint venture	591,620		
Finance Cost	(4,616,663)	(5,478,718)	(5,742,408)
Net Operating Income	7,215,660	7,048,792	7,960,211
Impairment write back (charge)	(65,816)	(3,206)	(74,801)
Depreciation expense	(4,290,909)	(4,006,717)	(3,942,596)
Personnel expenses	(1,288,624)	(1,376,966)	(1,682,923)
Distribution expenses	-	(17,378)	(18,690)
Other operating expenses	(1,085,453)	(1,535,651)	(1,807,561)
Share of gain from joint venture		381,254	579,021
Profit on continuing operations	484,858	490,128	1,012,661
Income tax expense	(588,073)	(168,890)	(73,239)
Profit for the year	(103,215)	321,238	939,422

HISTORICAL FINANCIAL INFORMATION

Statement of Financial Position as at 31 December 2021, 2020 and 2019

	2021 N'000	2020 N'000	2019 N'000
Assets			
Cash and balances with banks	1,133,584	1,418,970	1,989,532
Loans and receivables	859,026	499,410	557,587
Trade receivables	18,010,614	6,556,967	8,700,509
Finance lease receivables	1,847,130	2,286,385	3,090,821
Available-for-sale assets	9,686	-	-
Equity instruments at FV / Investment Securities	-	7,335	5,562
Investment in joint ventures	3,695,333	2,460,320	1,334,226
Other assets	283,618	7,792,043	7,544,148
Operating lease assets	30,106,654	32,631,064	30,556,351
Property, plant and equipment	1,291,111	1,438,021	1,579,191
Intangible assets	42,581	431	23,190
Current income tax assets	-	-	-
Deferred income tax assets	854,607	854,607	854,607
Total assets	58,133,944	55,945,553	56,235,724
Liabilities			
Balances due to banks	1,032,615	928,135	1,311,860
Commercial notes	11,614,608	15,438,233	14,333,056
Trade and other payables	5,659,299	4,770,861	7,204,081
Current income tax liability	609,239	220,271	185,180
Loans and Borrowings	23,431,386	19,170,768	21,335,227
Retirement benefit obligations	23,832	-	-
deposit for shares	1,975,000	-	-
Deferred income tax liability	13,506	13,545	88,146
Total liabilities	44,359,485	42,516,813	46,432,550
Equity			
Share capital	390,823	390,823	202,126
Share premium	3,361,609	3,361,609	1,285,905
Statutory reserve	1,262,038	1,262,038	1,234,788

Statutory credit reserve	643,413	625,728	858,253
Retained earnings	2,879,061	3,583,738	3,224,284
Foreign currency translation reserve	3,848,909	2,856,142	2,020,101
AFS fair value reserve	6,706	6,706	4,933
Revaluation reserve	716,490	716,490	716,490
	13,109,049	14,778,274	11,521,880
Non-controlling interest	665,406	625,466	256,294
Total equity	13,774,455	13,428,740	9,803,174
Total liabilities and equity	58,133,940	55,945,553	56,235,724

HISTORICAL FINANCIAL INFORMATION

Statement of Cash Flows for the year ended 31 December 2021, 2020 and 2019

	2021 N'000	2020 N'000	2019 N'000
Cash flows from operating activities			
Profit after Tax	(103,212)	310,508	1,019,313
Adjustment for:			
Depreciation of Property, Plant and Equipment	43,684	195,867	231,167
Depreciation of Plant and Equipment for lease	4,247,225	3,810,033	3,706,248
Amortization of intangible assets	14,372	817	5,180
Impairment charge/(write back)	-	3,206	74,801
Write back of trade and other receivables	-	-	-
Write back of other assets	-	-	-
Profit on disposal of property, plant and equipment	(1,182,173)	(206,206)	(23,115)
Profit of disposal of plant and equipment for lease	-	(175,769)	(128,323)
Foreign currency translation difference	156,254	1,237,178	55,951
Exchange loss/gain adjustment	(117,188)	-	-
Loss on sale of investment securities	-	-	15,565
Prior year adjustment	453,742	-	-
Interest Income	-	(109,796)	(202,274)
Gain on revaluation of AFS assets	(141)	-	-
Finance Cost	4,616,663	5,478,718	5,742,408
Tax expense	<u>588,073</u>	<u>168,890</u>	<u>185,179</u>
	8,717,299	10,713,446	10,682,100
Change in operating assets and liabilities			
Loans and advances	(315,152)	59,207	(171,799)
Finance lease receivables	466,043	814,909	(1,030,230)
Trade and other receivables	(2,265,251)	1,510,470	(1,091,573)
Other assets	364,102	(269,209)	(773,361)
Commercial notes	(3,834,567)	1,105,177	3,605,899
Trade and other payables	956,529	(2,433,222)	129,109
Deferred Income tax liability	-	-	-
Pension contribution	(19,569)	-	-
Deferred tax paid	(75,479)	-	-
Tax Paid	(140,456)	(175,199)	(144,493)

Net cash from operating activities	3,853,499	11,325,579	11,205,652
Proceeds from sale of property, plant and equipment	-	207,373	35,183
Purchase of property, plant and equipment	(4,644)	(19,579)	(230,086)
Proceeds from sale of plant and equipment for lease	388,980	223,053	179,109
Purchase of plant and equipment for lease	(3,143,014)	(5,577,329)	(3,934,988)
Acquisition of intangible assets	(47,625)	(98)	(332)
Proceeds from sale of investment securities	-	-	4,698
Management and operational fee from Joint Venture	-	(105,162)	-
Additional investment in subsidiaries	-	-	-
Additional Investment in Joint Ventures	(742,960)	-	-
Share of profit from joint ventures	-	(381,254)	(579,021)
Interest income	-	109,796	202,274
Net cash used in investing activities	(3,549,263)	(5,543,200)	(4,323,163)
Repayment of loans and borrowings	-	2,608,470	12,055,316
Proceeds from loans and borrowings	4,051,921	(5,217,169)	(13,236,141)
Finance Cost	(4,616,663)	-	-
Proceeds from right issued during the year	-	2,264,401	-
Share of profit/(loss) by non-controlling interest	413,407	10,129	(79,891)
Dividend Paid	-539,082	(156,329)	(30,319)
Interest Paid	-	(5,478,718)	(5,742,408)
Net cash from financing activities	(690,417)	(5,969,216)	(7,033,443)
Increase/(decrease) in cash and cash equivalents	(386,181)	(186,837)	(150,954)
Cash and cash equivalents at 1 January	487,151	677,672	828,626
	100,970	490,835	677,672

The following information is an extract from the rating report prepared by **Global Credit Ratings Company Limited**



Credit Rating Announcement

GCR affirms C&I Leasing Plc's Long and Short-term National Scale Issuer Ratings of BBB_(NG) and A3_(NG) respectively, Outlook Evolving.

Rating Action

Lagos, 31 January 2022 - GCR Ratings ("GCR") has affirmed C&I Leasing Plc's national scale long-term and short-term issuer ratings of BBB_(NG) and A3_(NG) respectively, with an Evolving Outlook.

Rated Entity	Rating class	Rating scale	Rating	Outlook / Watch
C&I Leasing Plc	Long Term Issuer	National	BBB _(NG)	Evolving Outlook
	Short Term Issuer	National	A3 _(NG)	

Rating Rationale

The ratings of C&I Leasing Plc ("C&I") reflects its strong earnings metrics and competitive position as one of the top leasing companies in Nigeria. However, this is partly offset by the moderate cashflow, leverage, and liquidity metrics. The evolving outlook reflects our view of the recent acquisition of majority stake in the company by an individual shareholder and the potential impact of such acquisition on the credit profile of C&I going forward.

C&I is one of the top players in equipment leasing, logistics and outsourcing in Nigeria, with track record of up to three decades. The group comprises; C&I as the parent, with the subsidiaries, namely: Leasafric Ghana Limited, EPIC International FZE, United Arab Emirates and C&I Leasing FZE, Nigeria. Also, C&I has interest in two Joint Ventures, SIFAX C&I Marine Limited, Nigeria and SIFAX C&I Leasing Marine Limited, Seychelle, East Africa. The company is licenced by the Central Bank of Nigeria as a finance company and currently offers both operating and finance leasing services across its various markets. Competitive position is considered sound, given the good level of diversification displayed across its operation in terms of geography, business, and product lines. However, this was moderated by the concentration of services to the oil and gas sector. We expect the competitive position to remain strong, albeit concentration in clientele base may remain unchanged over the short to medium term.

While we consider management and governance to be neutral at this time of the review, management has informed us of the likelihood of a major shareholder emerging (with over 60% in interest) over the next 12-18 months, given a recent share transfer between two existing shareholders. As such, we intend to monitor the implication of this on the credit profile and business strategy going forward.

Earnings is considered strong in support of the rating. EBITDA margin appears strong, largely supported by continuous business expansion and investments. Cognisance is taken of the fact that despite the strong EBITDA margin, overall profitability is constrained by high interest expense and depreciation charge. Management is currently exploring the use of information technology to improve service delivery on existing business lines and potential opportunities within the industry to improve earnings and profitability going forward. Risk exposure is considered moderate, given its minimal credit losses and non-performing loan ratios of not more than 2%. We expect earnings metrics and risk exposures to remain sound over the next 12-18months.

Cashflow and leverage is considered to be at an intermediate range. While leverage position measured by net debt to EBITDA and fund from operation to debt ranged within the intermediate band, interest expense coverage of EBITDA

Nigeria Financial Services| Public Credit Rating

appears low. Further supporting the accorded risk score is the fact that C&I's regulatory leverage falls within tolerable limit. Going forward, we expect cashflow to remain sufficient to support risk exposures over the next 12 to 18 months.

Liquidity is considered neutral to the rating, albeit supported significantly by unutilised credit lines. While the company may currently be able to meet its day-to-day liquidity requirements, a sudden withdrawal of some of the available credit lines or short tenored funds may result in liquidity pressure. Thus, management needs to raise more stable funds in form of equity or long-term funds to minimise liquidity pressure going forward.

Outlook Statement

The Evolving outlook reflects our expectation that a new strategy or ultimate parent may evolve following the onboarding of the new majority shareholder, which could materially impact the credit profile of the group positively or negatively over the short to medium term. Also, our expectation is that management will continue to manage liquidity to support operations.

Rating Triggers

The ratings may be downgraded should gearing or cashflow metrics fall below the set ranges within our criteria or should C&I be consolidated with another entity with no available credit support. However, the ratings may move upward following a sizeable equity raise and /or reduction in overall gearing levels.

Analytical Contacts

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Related Criteria and Research

Criteria for the GCR Ratings Framework, January 2022
Criteria for Financial Services Companies, May 2019
GCR Ratings Scale, Symbols & Definitions, May 2019
GCR Country Risk Scores, December 2021
GCR Financial Institutions Sector Risk Score, December 2021

C&I Leasing Plc					
Rating class	Review	Rating scale	Rating	Outlook/Watch	Date
Long-term	Initial	National	BBB _(NIG)	Stable Outlook	June 2006
Short-term		National	A3 _(NIG)		
Long term	Last	National	BBB _(NIG)	Negative Outlook	November 2020
Short-term		National	A3 _(NIG)		



979 1st Avenue CBD Lagos Nigeria
(+234 1 1000000)

August 26, 2022

The Directors
C & I Leasing Plc
C & I Leasing Drive, Off Bisola Durosinmi Etti Drive
Off Admiralty Way, Lekki Phase 1
Lagos, Nigeria

Dear Sirs,

Re: Legal Opinion with respect to the ₦50,000,000,000 (Fifty Billion Naira) Commercial
Paper Issuance Programme by C & I Leasing Plc

1. INTRODUCTION

- 1.1 We have acted as legal counsel in respect of the ₦50,000,000,000 (Commercial Paper Issuance Programme by C & I Leasing Plc (the "Issuer") (the "Programme").
- 1.2 In this Legal Opinion (this "Opinion"), unless otherwise defined or the context otherwise requires, the following capitalised terms shall have the following meanings:
- 1.2.1 "Agents" means Cordros Capital Limited ("Cordros") and Kairos Capital Limited ("Kairos") (together "Joint Issuing and Placing Agents") in their capacity as the issuing and placing agents and Polaris Bank Plc in its capacity as the calculating and paying agent respectively in connection with the Programme;
- 1.2.2 "CAC" means Corporate Affairs Commission;
- 1.2.3 "CBN" means the Central Bank of Nigeria;
- 1.2.4 "Dealer and Arranger Agreement" means an agreement of the same name dated August 23, 2022 and executed between the Issuer and Cordros and Kairos in their capacity as arrangers and as dealers in connection with the Programme;
- 1.2.5 "Deed of Covenant" means a deed of the same name dated August 23, 2022 and executed by the Issuer as a deed poll in favour of the Noteholders;
- 1.2.6 "FMDQ Exchange Rules" means the FMDQ Exchange Commercial Paper Registration and Quotation Rules issued in April 2021 as may be amended or supplemented from time to time;
- 1.2.7 "Guidelines" means the CBN guidelines on the issuance and treatment of bankers acceptances and commercial papers dated September 11, 2019 as amended or supplemented from time to time and the circular issued to all deposit money banks

and discount houses by the CBN on July 12, 2016 titled "Mandatory Registration and Listing of Commercial Papers";

- 1.2.8 **"Issuing and Placing Agency Agreement"** means the deed of the same name dated August 23, 2022 and executed by the issuing and placing agents;
- 1.2.9 **"Nigerian Courts"** means the Supreme Court of Nigeria, the Court of Appeal, the Federal High Court and the various State High Courts;
- 1.2.10 **"Nigerian Law"** includes without limitation any statutes or regulations made or imposed by any Nigerian authority and any treaty or international convention, which the Federal Republic of Nigeria has ratified and incorporated into domestic law;
- 1.2.11 **"Notes"** means the debt instruments issued by the Issuer under the Programme;
- 1.2.12 **"Noteholders"** means the persons who have invested in the Notes and **"Noteholder"** shall be construed accordingly;
- 1.2.13 **"Programme Memorandum"** means the memorandum dated on or about the date hereof disclosing details of a programme for the issuance by the Issuer of Notes for tenors not exceeding 270 days;
- 1.2.14 **"SEC"** means the Securities and Exchange Commission established pursuant to the Investments and Securities Act, 2007 (as amended); and
- 1.2.15 **"Transaction Documents"** means the Programme Memorandum, the Dealer and Arranger Agreement, the Deed of Covenant and the Issuing and Placing Agency Agreement.

2. DOCUMENTS

In our capacity as solicitors to the Programme, we have reviewed the various executed agreements, documents and matters of law as we have deemed necessary, including the following documents:

- 2.1 a copy of the certificate of incorporation of the Issuer;
- 2.2 a copy of the Memorandum and Articles of Association of the Issuer;
- 2.3 copy of the rating report issued by Global Credit Rating dated January 31, 2022 in respect of the Issuer;
- 2.4 the resolution of the Board of Directors of the Issuer passed on January 28, 2022 approving the Programme, authorizing the management of the Issuer to apply for and obtain all necessary approvals and sign all documents required to execute the Programme; and

2.5 the Transaction Documents.

3. SCOPE

3.1 This Opinion is confined to Nigerian Law as interpreted and applied by Nigerian Courts and we neither express nor imply any opinion on any matter insofar as it may be affected by the law of a country other than Nigerian Law, or as to matters of fact. We express no opinion nor make any comment on the content, adequacy or sufficiency of the commercial terms negotiated by the parties to the Transaction Documents.

3.2 Except for the enquiries at the CAC conducted on May 30, 2022, on the Issuer's file, we have not assisted in the investigation or verification of the facts, or the reasonableness of any assumption or statement of opinion (including, without limitation, as to the solvency of any other person expressed to be a party to the Transaction Documents or any other person), contained in the Transaction Documents or in determining whether any material fact has been omitted therefrom.

4. EXTENT OF REVIEW AND EXAMINATION

4.1 For the purpose of providing this Opinion, we have examined only executed copies of the Transaction Documents, but not any document or agreement cross-referenced in any of the Transaction Documents save for such other documents we have considered necessary, for purposes of giving this Opinion.

4.2 We have made no searches or enquiries concerning any person (other than the Issuer) or on any corporate records of a person (other than the Issuer's) nor have we examined any documents, other than the documents referred to in clause 2 (*Documents*) of this Opinion.

5. ASSUMPTIONS

The Opinion set out herein is based upon the following assumptions:

5.1 Genuineness and Authenticity

5.1.1 the genuineness of all signatures and seals on all and any document reviewed by us;

5.1.2 the completeness and conformity to the originals of all Transaction Documents and other documents supplied to us as certified, electronic, faxed or photocopies;

5.1.3 the genuineness and authenticity of all approval letters, consents and authorizations sighted;

5.1.4 the genuineness and authenticity of all documents in the files of the Issuer at the CAC;

5.1.5 the accuracy and completeness of all corporate minutes, resolutions, certificates and records which we have seen;

- 5.1.6 the accuracy of all representations of facts expressed in or implied by the documents we have examined;
- 5.1.7 the documents in the file of the Issuer held at the CAC on May 30, 2022 are the most recent records of the Issuer;
- 5.1.8 the absence of any amendments or variations to the terms of the Transaction Documents and the authenticity of the originals of such Transaction Documents;
- 5.1.9 that each of the Transaction Documents has been duly authorised, and duly executed, by or on behalf of the parties thereto and that the performance thereof is within the capacity and powers of the parties thereto;
- 5.1.10 that the terms of the Transaction Documents are or will be observed and performed by the Issuer; and
- 5.1.11 the absence of any other contractual or similar arrangements between any of the parties to the Transaction Documents which modify or supersede any of the terms of the Transaction Documents.

5.2 Completeness

All statements as to matters of fact contained in the Transaction Documents are correct, save to the extent that they relate to matters specifically opined upon herein.

5.3 Good Faith, etc.

The lack of bad faith and absence of fraud, coercion, duress or undue influence on the part of any of the parties to the Transaction Documents, their respective directors, officers, employees, agents and advisers.

5.4 Consents

All necessary consents, authorizations and licences for the execution, delivery and performance of the Transaction Documents have been obtained and have not been withdrawn as at the date hereof.

5.5 Restrictions

There are no agreements, letters or other arrangements having contractual effect which render a party to the Transaction Documents incapable of performing its obligations under such documents and there are no contractual or similar restrictions contained in any agreement or arrangement (other than those in the Transaction Documents) that are binding on any party to such Transaction Document which would affect the conclusions made in this Opinion.

6. OUR OPINION

Based on the foregoing assumptions and subject to the qualifications set out below, we are of the following opinion:

6.1 Enforceability

6.1.1 There is no provision in the Issuer's constitutional documents and no Nigerian Law which will be contravened by:

- (i) any provision in any Transaction Document; or
- (ii) the carrying out of any relevant transaction contemplated by the Transaction Documents.

6.1.2 There has been obtained and there is in full force and effect every consent, approval or authorization by any Nigerian authority which is either necessary or desirable in connection with:

- (i) the execution by the Issuer of any of the Transaction Documents; or
- (ii) the validity or enforceability of any of the Transaction Documents.

6.1.3 All the Transaction Documents are governed by Nigerian Law and constitute obligations of the parties thereto that are legal, valid, and binding upon the parties and enforceable against the parties in accordance with their terms.

6.1.4 Without prejudice to Clause 6.1.3 above, all the Transaction Documents are in a proper form to be enforced under Nigerian Law and would be recognised by a Nigerian Court as constituting legal, valid, and binding obligations of the parties thereto, enforceable against the parties thereto in accordance with their terms.

6.1.5 Each Note when issued by the Issuer will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with its terms.

6.1.6 It is not necessary in order for any Noteholder to exercise or enforce any of its rights under the Transaction Documents that it should be licensed, registered, resident or otherwise authorized to carry on any business in Nigeria.

6.2 Legal Status of the Issuer

6.2.1 The Issuer is duly incorporated and validly exists under Nigerian Law. To the best of our knowledge, no steps have been taken to wind up the Issuer, to terminate its

existence or to appoint a receiver in respect of it or otherwise to place its business or any of its assets outside the control of its directors¹

6.2.2 The Issuer is empowered to issue the Notes in compliance with the CBN Guidelines and the FMDQ Exchange Rules and perform its obligations under the Transaction Documents.

6.2.3 The Issuer holds all licences, approvals and authorizations from all governmental authorities in Nigeria necessary for the conduct of its business as set out in the Programme Memorandum.

6.3 Authorisation

6.3.1 The Issuer has the full power, authority and capacity to execute, deliver, perform and observe the terms and conditions of the Transaction Documents.

6.3.2 All corporate and other actions that are necessary or advisable to authorise the Issuer to enter into, execute, deliver, perform and observe the terms and conditions of the Transaction Documents have been taken.

6.3.3 The resolution referred to under Clause 2 (*Documents*) is valid under the Issuer's constitutional documents and Nigerian Law. The resolution is sufficient corporate authorization for the Issuer to execute the Transaction Documents and to carry out all relevant transactions; and the resolution need not be filed, recorded or registered with any authority in Nigeria.

6.4 SEC Matters

It is permissible for the Issuer to issue the Notes and invite investors to invest in the Notes without requiring SEC approval or registration with the SEC.

6.5 CBN and FMDQ Exchange Compliance

6.5.1 The Notes have been issued in compliance with the Guidelines and the FMDQ Exchange Rules.

6.5.2 The Issuer has been rated as required by and in compliance with the Guidelines and the FMDQ Exchange Rules.

¹ We say to the best of our knowledge, because winding-up petitions (including other analogous steps) are filed and heard before the courts and there are no systematic records of court filings to allow for such a check. Public notice of such events only occurs when such an order is published in the newspapers or filed at the CAC. However, based on our recent search carried out at the CAC on the Issuer on May 30, 2022, no order or resolution for any administration, suspension of payments, receivership, winding-up or similar insolvency proceedings has been registered in relation to the Issuer nor has there been registered any notice of the appointment of an administrator, receiver, liquidator or similar insolvency representative over any part of the assets, business or undertaking of the Issuer, or notice of any application for such an appointment.

6.6 Exchange Control Compliance

- 6.6.1 The issuance of the Notes in Nigerian Naira is permitted by law.
- 6.6.2 Residents and non-residents of Nigeria may deal in, invest in, acquire or dispose of the Notes.
- 6.6.3 Non-residents of Nigeria who have brought funds into Nigeria for subscription to the Notes through approved and lawful channels may upon liquidating their investment in the Notes repatriate the proceeds of their investment upon presentation of certificates of capital importation issued in respect of the funds brought into Nigeria.
- 6.6.4 Nigerian Courts will give judgment in foreign currency.

6.7 Registration

- 6.7.1 Other than the stamping of the Transaction Documents at the Stamp Duties Office of the Federal Inland Revenue Service, it is not necessary or desirable for any further action to be taken in the future (including the making of any registrations or filings) in order to preserve as a matter of law, the interests of the Noteholders.
- 6.7.2 Save for the stamping of the Transaction Documents, no consent, licence, authorization or similar approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body is required in Nigeria for the due execution, delivery and performance by the Issuer of the Transaction Documents.

6.8 Insolvency

- 6.8.1 Subject to bankruptcy and insolvency laws generally applicable in bankruptcy or insolvency proceedings involving the Issuer, the obligations of the Issuer under the Transaction Documents will remain valid, binding and enforceable.
- 6.8.2 Subject to bankruptcy and insolvency laws generally applicable to Nigerian companies and banks in particular, upon the maturity of the Notes, in the event that the Issuer is unable to discharge any of its obligations to the Noteholders, the unsatisfied Noteholders as creditors of the Issuer are entitled to apply for the winding up of the Issuer on the ground of the Issuer's inability to pay its debts.
- 6.8.3 The Notes are unsecured and no security interests have been created in favour of the Noteholders by any Transaction Documents.
- 6.8.4 Upon the insolvency of the Issuer, Nigerian Law would treat the Noteholders as unsecured creditors of the Issuer for all purposes.

6.9 Tax Matters

- 6.9.1 The Issuer may be entitled or required to withhold tax on payments to any Noteholder on the zero-coupon Notes.
- 6.9.2 The Noteholders may be required to pay income taxes on the discount enjoyed on the Notes.²
- 6.9.3 Save for the Dealer and Arranger Agreement which will be charged at an *ad valorem* stamp duties rate, The Transaction Documents will be charged with nominal stamp duties at the rate of ₦500 per Transaction Document and ₦50 for every additional copy of each Transaction Document.
- 6.9.4 On buying or selling the Notes, investors will pay no value added tax.³
- 6.9.5 A sale of a Note by a Noteholder will not give rise to a charge to capital gains tax.
- 6.9.6 Value Added Tax will be payable on the commission payable to the Central Securities Clearing System Plc.⁴

6.10 *Pari passu* ranking

The obligations of the Issuer under the Transaction Documents to which it is a party and the Notes (when issued) will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, other than those claims which are preferred by any bankruptcy, insolvency, liquidation, or other similar laws of general application.

6.11 Choice of Law and Jurisdiction

The choice of Nigerian law as the governing law of the Transaction Documents is a valid choice of law and a Nigerian court or arbitral tribunal will apply the relevant governing law of a Transaction Document to give effect to the provisions contained therein.

² Order 1(iv) of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 and Personal Income Tax (Amendment) Act, 2011 (Amendment to the Third Schedule) exempt interest earned by holders of short term securities issued by corporate bodies from the imposition of companies income tax and personal income tax respectively. The exemption granted under the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 is for a period of 10 years commencing from January 2, 2012. With the expiration of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011, these exemptions are no longer applicable. Thus, where there is no extension, the Noteholders may be required to pay applicable income taxes.

³ Finance Act, 2020.

⁴ Order 1 of the Value Added Tax (Exemption of Commissions on Stock Exchange Transaction) Order, 2014 exempts the imposition of Value Added Tax on commissions payable to the Central Securities Clearing System Plc for a period of five (5) years from the date of commencement of the order. The order expired on July 24, 2019 and therefore the CSCS has commenced charging value added tax on commissions payable to it.

6.12 Dispute Resolution

The submission to arbitration by the parties under the Dealer and Arranger Agreement, the Issuing and Placing Agency Agreement and the Calculating and Paying Agreement are permitted under the laws of Nigeria and an arbitral award rendered by a recognised arbitral tribunal would be enforced by the courts of Nigeria as a legal, valid, and binding submission to arbitration subject to the provisions of the Arbitration and Conciliation Act, Chapter A18, Laws of the Federation of Nigeria 2004.

6.13 Miscellaneous

6.13.1 The Issuer's assets are not entitled to any immunity from service of process, suit, judgment, execution or attachment (including pre-judgment attachment) in respect of any obligation under any of the Transaction Documents; and

6.13.2 The Transaction Documents do not contain any provision or provide for any transaction or other action which could have the consequence of making the Noteholders liable in Nigeria in respect of any debt, liability or obligation of the Issuer or in respect of any non-compliance by the Issuer with any Nigerian Law.

7. QUALIFICATIONS

This opinion is subject to the following qualifications:

- 7.1 our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which Nigerian Courts generally will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances and with regard to a final judgment or award, certain defences to its application or grounds for setting it aside may be accepted or applied, in spite of an agreement to the contrary;
- 7.2 a judgment given in any foreign currency may be satisfied by the payment of the Naira equivalent thereof at the time of payment;
- 7.3 the assessment of stamp duties on documents by the Stamp Duties Office is erratic and largely untested in Nigeria Courts;
- 7.4 upon the presentation of a winding-up petition against a financial institution, proceedings commenced against it to enforce a liability may be stayed or restrained by a Nigerian Court;
- 7.5 no attachment or execution can be levied against the assets of a financial institution after the commencement of its winding-up;
- 7.6 the enforcement of the rights of the parties under the Transaction Documents may with the passage of time become statute-barred under the limitation laws of the Federal Republic of Nigeria; and

- 7.7 the power of Nigerian Courts to order specific performance of an obligation or to order any other equitable remedy is discretionary and, accordingly, a Nigerian Court might make an award of damages where specific performance of an obligation, or any other equitable remedy was sought.

8. **BENEFIT OF OPINION**

This Opinion is prepared exclusively for the purpose of the Programme and for the benefit of the Issuer, its advisers and persons seeking to invest in the Notes. Other than for the Programme and for the benefit of the persons to whom it is meant, it is not to be used by any other person or for other purposes or quoted or referred to in any public document or filed with anyone without our express written consent which shall not be unreasonably withheld or delayed. This Opinion is not to be distributed, in whole or in part, to any person other than as agreed between the Issuer and us and then only for purposes directly relating to the Programme; provided however that this Opinion may be disclosed without our consent to:

- (a) any person to whom disclosure is required to be made by applicable law or court order or arbitral award or pursuant to the rules or regulations of any supervisory or regulatory body, or the rules of any applicable stock exchange or any rating agency; or
- (b) to the officers, employees, auditors, regulators, and professional advisers of the Issuer on a strict need-to-know basis and only in relation to the Programme.

Where this Opinion is sought to be disclosed in connection with any potential or actual judicial proceedings, prior written notice of its intended disclosure must be given to us.

Yours faithfully,


Fidelis Adewole
For G. Elias

Authorisation

The establishment of this CP Programme and issuance of Notes thereunder was approved by the resolution of the Board of Directors of C&I Leasing Plc dated 9th May, 2022.

Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead. If any event occurs as a result of which the above statement is no longer true and accurate, the Issuer will give notice thereof to the Noteholders

Auditors

PKF Professional services acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2019, 2020 and 2021. The auditors have in respect of those years for which they were responsible for the audit, issued unqualified reports.

Litigation

As at completion of the legal due diligence, the Issuer in the ordinary course of business was involved in about Six (6) cases as a defendant and Five (5) cases as a claimant. The total amount claimed in the 6 cases instituted against the Issuer was estimated at ₦125,672,170.03 (One Hundred and Twenty-Five Million, Six Hundred and Seventy-Two Thousand, One Hundred and Seventy Naira, Three Kobo Only), while the total amount claimed in the 5 cases instituted by the Issuer was estimated at ₦59,421,847.76 (Fifty-Nine Million, Four Hundred and Twenty-One Thousand, Eight Hundred and Forty-Seven Naira, Seventy-Six Kobo). Also, an estimated total claim of US\$734,915 (Seven Hundred and Thirty-Four Thousand, Nine Hundred and Fifteen United State Dollar) was instituted in favour of the Issuer

Material Contracts

The following agreements have been entered into and are considered material to this Programme:

- i. An Issuing and placing agency agreement dated August 23, 2022 between the Issuer, Cordros Capital Limited and Kairos Capital Limited;
- ii A collecting and Paying agency agreement dated August 23, 2022 between the Issuer and Polaris Bank Limited;
- ii. A Deed of Covenant dated August 23, 2022 issued by the Issuer as a deed poll in favour of the Noteholders; and
- iii. A Dealer and Arranger Agreement dated August 23, 2022 between the Issuer and the Joint Arrangers/Dealers.

Other material contracts in respect of any issuance of Notes under the Programme will be disclosed in the Applicable Pricing Supplement issued in respect of that Series or Tranche.

Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

ISSUER

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*Tunde Alao-Olati
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*Banji Olaokun
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*Felix Adewole
Partner*

ISSUING AND PLACING AGENTS

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Tel No: 07002673767

Contact: Femi Ademola

*Mr WAE
ADAMAWA
DIRECTOR*

Kairos Capital Limited

Registered Office: I.B.T.C. Place

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Nigeria

Tel No: +234 (0) 908 748 2171

Contact: Sam Chidoka

*Sam Chidoka
Director*

COLLECTING AND PAYING AGENT

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Tel No: +234 1 2701600

Contact: Olawale Ibironke

*Seun Opeke
Director*