

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria (“CBN”) Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, the CBN letter to all deposit money banks and discount houses dated July 12, 2016 on Mandatory Registration and Listing of Commercial Papers (together the “CBN Guidelines”) and the Commercial Paper Registration and Quotation Rules (the “Rules”) of FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “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 or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the members of the Board of Directors of Zedcrest Capital Limited, who jointly and individually accept full responsibility for the accuracy of all information given.



ZEDCREST CAPITAL LIMITED

(RC: 1104808)

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

₦15,000,000,000 (Fifteen Billion Naira) COMMERCIAL PAPER ISSUANCE PROGRAMME



Zedcrest Capital Limited (“Zedcrest” or the “Issuer”), a limited liability company incorporated in Nigeria, has established this ₦15,000,000,000 (Fifteen Billion Naira) commercial paper issuance programme (the “CP Programme”), under which Zedcrest may from time to time issue Commercial Paper notes (“CP Notes” or “Notes”), denominated in Nigerian Naira as may be agreed between the Issuer and the Dealer and/or the Arranger (as defined in the section entitled, “Summary of the Programme”, in separate series or tranches subject to the terms and conditions (“Terms and Conditions”) contained in this Programme Memorandum (the “Programme Memorandum”).

Each Series and each Tranche (as defined under the Terms and Conditions) 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 CP notes from time to time outstanding under the CP Programme shall not exceed ₦15,000,000,000.00 over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

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 Investment and Securities Act, No. 29 of 2007.

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.

The Notes issued under this Programme shall be issued in dematerialised form, registered, quoted, and traded over the counter (“OTC”) via the FMDQ Exchange platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of commercial papers as may be prescribed by the CBN and FMDQ Exchange from time to time, or securities exchange authorised by the CBN. The Notes will settle via any Central Securities Depository recognised by the Securities and Exchange Commission (“SEC”), acting as Registrars and Clearing Agents for the Notes. 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 is delivered (the “Recipient”). The Recipient shall not be capable of distribution to any other parties, nor shall the Recipient be capable of renunciation and assignment 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 this 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 CP Notes.

SOLE ARRANGER/DEALER	COLLECTING AND PAYING AGENT
 RC: 739441	 RC: 2392

This Programme Memorandum is dated 9 January, 2023

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1. DEFINITION AND ABBREVIATIONS

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 Collecting and Paying Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer;
“Applicable Pricing Supplement” or “Pricing Supplement”	The pricing supplement applicable to a particular Series or Tranche issued under the CP Programme;
“Arranger” or “Dealer”	CardinalStone Partners Limited and/or 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;
“BA”	Banker’s Acceptance;
“Board” or “Directors”	Board of Directors of Zedcrest Capital Limited;
“Business Day”	Any day (other than Saturday or Sunday or a public holiday declared by the Federal Government of Nigeria) on which banking institutions are open for business in Lagos, and the Federal Capital Territory, Abuja, Nigeria;
“Business Hours”	8.00 am to 5.00 pm on any Business Day;
“CAMA”	Companies and Allied Matters Act No. 3 of 2020 as may be amended;
“CBN”	Central Bank of Nigeria;
“CBN Guidelines”	CBN’s Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on September 11, 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, Cap C1, LFN 2004 as amended by the Finance Act 2019, 2020 and 2021;
“CITA”	Companies Income Tax Act, Cap C21, LFN, 2004 (as amended by the Companies Income Tax Act No 11 of 2007 and the Finance Act 2019, 2020 and 2021);
“Central Securities Depository” or “CSD”	Central Securities Clearing System Plc, FMDQ Depository Limited, and/or any other Central Securities Depository determined by the Issuer, and which expression shall include its successors or any additional or

1. DEFINITION AND ABBREVIATIONS

	alternative clearing system or any clearing system as may otherwise be specified in the Applicable Pricing Supplement;
"Collecting and Paying Agency Agreement"	The Collecting and Paying Agency Agreement between the Issuer and the Collecting and Paying Agent;
"Collecting and Paying Agent" or "CPA"	Sterling Bank PLC, a public limited liability company duly incorporated in Nigeria with RC No. 2392 and having its registered office at Sterling Towers, 20 Marina, Lagos, Nigeria; and any additional person(s) as may be appointed by the Issuer as a Collecting and Paying Agent; or any successor Collecting and Paying Agent;
"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 ₦15,000,000,000.00 (Fifteen Billion Naira);
"CSCS"	Central Securities Clearing System PLC;
"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 agreement dated on or about the date of this Programme Memorandum between the Issuer and the Dealer;
"Face Value" or "Nominal Amount"	The par value of the Notes;
"FGN"	Federal Government of Nigeria;
"FIRS"	Federal Inland Revenue Service;
"FMDQ Depository"	FMDQ Depository Limited;

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"FMDQ Exchange" or "Exchange"	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide an efficient platform for the registration, listing, quotation, trading and reporting of securities and financial products inter alia;
"FMDQ Exchange Rules"	The FMDQ Commercial Paper Registration and Quotation Rules, 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, an 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, election related issues and industrial unrest;
"Government"	Any federal, state or local government of the Federal Republic of Nigeria;
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement;
"Issue Date"	The date upon which the relevant Series/Tranche is issued as specified in the Applicable Pricing Supplement;
"Issue Price"	The price at which the relevant Series/Tranche is issued, as specified in the Applicable Pricing Supplement;
"Issuing and Placing Agent" or "IPA"	CardinalStone and any Additional Agent, or any successor Issuing and Placing Agent appointed in accordance with the Issuing and Placing Agency Agreement;
"Issuing and Placing Agency Agreement"	The agreement between the Issuer and the Issuing and Placing Agent;
"Sole Arranger" or "CardinalStone"	CardinalStone Partners Limited;
"LFN"	Laws of the Federation of Nigeria;
"Material Adverse Change"	A material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme;

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“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due;
“Naira”, “NGN”, or “₦”	The Nigerian Naira, the lawful currency of Nigeria;
“Nigeria”	The Federal Republic of Nigeria and “Nigerian” shall be construed accordingly;
“Noteholder” or “Holder”	The several persons for the time being, whose names are shown in the records of the CSD and/or entered in the Register as holders of the Notes and shall include the legal and personal representatives or successors of the Noteholders and those entered as joint Noteholders;
“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;
“OTC”	Over the Counter;
“Outstanding”	means, in relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none">▪ those Notes which have been redeemed pursuant to these Conditions;▪ 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;
“PITA”	Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act of 2011 and the Finance Act, 2019, 2020 and 2021);
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement;
“Programme”	The ₦15,000,000,000.00 (Fifteen Billion Naira) commercial paper issuance programme established by the Issuer which allows for the multiple issuance of Notes from time to time with varying maturity and discount rates or profit rates provided the aggregate face value of the Notes in issue does not exceed ₦15,000,000,000.;
“Programme Memorandum”	This information memorandum dated 9 th January, 2023 which details the aggregate size and broad terms and conditions of the CP Programme;

1. DEFINITION AND ABBREVIATIONS

“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, issuing houses and any other category of investors as may be determined by the Securities and Exchange Commission from time to time;
“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 Series or 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 CSD;
“Registrar”	The CSD or such other Registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme;
“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;
“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”;
“Tranche”	Notes which are identical in all respects;
“Unique Identifier”	Means a code specifically designated/assigned to identify a CP
“Validity Period”	The three (3) year period commencing from January 2023 to January 2026, during which the CP Programme is valid. Provided that the tenor of every issue (including any rollover of such issue) shall not exceed 270 (Two Hundred and Seventy) days. The maturity period of such outstanding CPs shall fall within the validity period of the Issuer/CP Programme rating filed with FMDQ Exchange at the commencement of the registration of the CP Programme;

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“VAT”	Value Added Tax as provided for in the Value Added Tax Act, Cap VI, LFN, 2004 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Act, 2019, 2020 and 2021);
“WHT”	Withholding Tax as provided for in section 78(2) of CITA and Section 70 (2) PITA;
“Zedcrest” or the “Issuer”	Zedcrest Capital Limited; and
“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.

2. IMPORTANT NOTICE

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 ₦15,000,000,000.00 (Fifteen 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, 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, neither the Sole Arranger nor 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 either the Sole Arranger or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Sole Arranger and other professional advisers accordingly disclaim 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 Sole Arranger 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 his/her own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness 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 constitutes the rendering of financial or investment advice or an offer or invitation by, or on behalf of, the Issuer, the Sole Arranger 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. Neither the Sole Arranger nor 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 taking any investment decision.

2. IMPORTANT NOTICE

Notes issued under the Programme shall be restricted to Qualified Institutional Investors who meet the qualification criteria prescribed by FMDQ Exchange from time to time.

The commercial paper is a Nigerian Naira denominated instrument and all currency risks assumed by investors upon purchase of the commercial paper issue are borne by the individual investors.

This Programme Memorandum is not for distribution and does not constitute an offer of securities for sale or subscription, in the United States of America, Canada, Japan, Australia, the United Kingdom and the European Economic Area or in any other jurisdiction in which such an offer for sale or subscription would be unlawful or would require qualification or registration. Securities may not be offered in the United States of America without registration or an exemption from registration under the securities laws of the United States of America or in any other jurisdiction, except in accordance with applicable law.

Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). Notes may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with Regulation S under the Securities Act.

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.

3. 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 issued under the Programme;
2. The audited 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 or a further supplement to the Programme Memorandum on the occasion of any subsequent issue of Notes, where there has been: -

- (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 substituted the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

The audited financial statements and documents incorporated by reference shall be made available by the Issuer, 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 or Arranger at their specified offices as set out in this Programme Memorandum.

4. SUMMARY OF THE PROGRAMME

This summary information should be read in conjunction with the full text of this Programme Memorandum and the Applicable Pricing Supplement, from where it is derived. It does not purport to be complete and is taken from and is qualified in its entirety by the remainder of this Programme Memorandum and the Applicable Pricing Supplement. The information below is a brief summary of the key features and summarized terms and conditions of the proposed CP Programme:

Issuer	Zedcrest Capital Limited;
Programme Description	Commercial Paper Issuance Programme;
Size of Programme	₦15,000,000,000 (Fifteen Billion Naira);
Issuance in Series	The Notes will be issued in Series, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series may have the same maturity date and identical terms. Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement;
Sole Arranger	CardinalStone Partners Limited;
Dealer	CardinalStone Partners Limited and/or 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;
Collecting and Paying Agent	Sterling Bank PLC
Issuing and Placing Agent	CardinalStone Partners Limited
Auditors	Ernst & Young;
Solicitor	Aluko & Oyeboode;
Custodian	Central Securities Clearing System PLC or FMDQ Depository Limited;
Use of Proceeds	Except otherwise stated in any Applicable Pricing Supplement, the Issuer will use the proceeds of the sale of any Notes for the purpose of financing the short-term funding requirements of the Issuer;

4. SUMMARY OF THE PROGRAMME

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 15 (Fifteen) days and a maximum of 270 (Two Hundred and Seventy) days (including rollover, from date of issue). The maturity period of such outstanding CPs shall fall within the validity period of the Issuer/CP Programme rating filed with FMDQ Exchange at the commencement of the registration of the CP Programme;
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 repayment of all obligations under the Programme will be funded from the cash flows of the Issuer unless otherwise specified in the Applicable Pricing Supplement;
Issue Price	The price at which the relevant Series/Tranche is issued, as specified in the Applicable Pricing Supplement;
Issue Size	As specified in the Applicable Pricing Supplement;
Currency of Issue	Nigerian Naira;
Redemption	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules;
Rating	<p>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;</p> <p>The Issuer has been assigned a rating of [BBB-] by GCR Ratings and [A⁻] by DataPro Limited</p> <p>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;</p>
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;

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Quotation	The Notes will be quoted on the FMDQ Exchange Platform or any other recognized trading platform. 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 the laws of the Federal Republic of Nigeria; and
Settlement Procedures	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer (“NEFT”) or Real Time Gross Settlement (“RTGS”).

5. USE OF PROCEEDS

Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of CPs will be used to support the Issuer's short term funding needs.

The applicable Pricing Supplement for each Series under the Programme will specify details of the use of proceeds of the particular Series.

Source of Repayment

The repayment of all obligations under the Programme will be funded from the operating cash flow of the Issuer.

6.1 History and Overview

Zedcrest Capital Limited (“Zedcrest” or the “Group” or the “Issuer”) is a new-age financial services Group which offers a variety of financial services to both institutional and retail clients. The Issuer has its corporate headquarters located at 65, Karimu Kotun street, Victoria Island, Lagos, Nigeria.

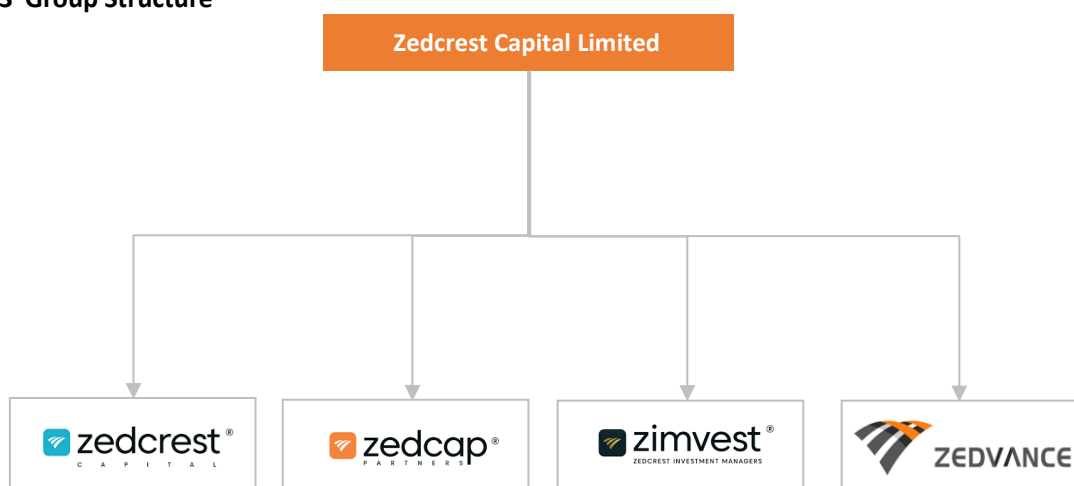
Zedcrest was founded in 2013 as a securities trading firm with a focus on providing fixed income trading services to pension fund administrators, asset managers, institutions and foreign investors. In 2014, Zedcrest launched Zedvance Finance Limited, a tech-driven lending company, to bridge identified gaps in the consumer finance sector. Zedvance Finance Limited disbursed collateral-free loans to over 10,000 Nigerians in its first year of operation and has disbursed over one million loans over its eight years of operation.

Zedcrest consolidated its securities broking business and restructured to Zedcap Partners, a SEC licensed inter-dealer brokerage firm in 2017. Zedcap Partners also entered into a Joint Venture arrangement with GFI group, South Africa, to improve product offerings to Foreign Investors. In 2019, Zedcrest further diversified its operations by launching Ventures@Zedcrest which supports early-stage companies and pre-funding stage projects across various industries. Zedcrest Investment Managers (Zimvest) was then introduced in February 2020 to provide portfolio advisory and investment management services to corporate and high net worth individual clients.

6.2 Principal activities

The principal activity of the Group continues to be the provision of financial services including securities brokerage, consumer lending, venture capital investment, portfolio advisory and investment management services to its corporate and individual clients.

6.3 Group Structure



6.3.1. Zedcrest Capital

Zedcrest Capital Limited is the proprietary and capital management arm of the Group. Zedcrest typically invests in the debt and equity capital markets, as well as business acquisitions and buyouts. Also, the subsidiary houses the Ventures@Zedcrest initiative that invests in early-stage business across various sectors like finance, infrastructure, education, healthcare and agriculture in Africa and emerging markets in Asia and Europe.

6.3.2. Zedcap Partners

Zedcap Partners is a leading indigenous interdealer brokerage firm that provides access and liquidity to the Fixed Income, Currencies and Commodities (FICC) markets to buy-side and sell-side

6. OVERVIEW OF ZEDCREST CAPITAL LIMITED

clients in Nigeria. Zedcap Partners is licensed by the Financial Markets Dealership Quotation (FMDQ) and the Securities Exchange Commission ("SEC") to provide broker-dealer services.

Through an exclusive partnership with GFI South Africa, Zedcap Partners has increased foreign participation in the Nigerian capital markets expanded its coverage of the Eurobond markets to improve its service offering to its local institutional clients.

6.3.3. Zedcrest Investment Managers Zinvest, licensed and regulated by SEC as a fund manager, provides portfolio advisory and wealth management solutions to individuals, businesses, institutions, and family offices through digital and innovative technology-driven processes.

6.3.4. Zedvance Finance

Zedvance Finance provides consumer-targeted loans to Nigerians through four channels – Unstructured Supplementary Service Data (USSD), mobile application, web and Whatsapp. By employing data-driven algorithms for credit profiling, Zedvance offers quick and flexible loans to consumers without collateral requirements. As part of Zedvance's strategy to expand its market share, the Company also has an existing physical sales team which can be leveraged to access the unbanked regions across the Country.

6.4 Share Capital and Shareholding Structure

As at December 31, 2021, the share capital and shareholding structure of the Issuer was as follows:

Authorised Share Capital: 300,000,000 @ ₦1.00 each	₦300,000,000
Issued and fully paid Share Capital: 300,000,000 @ ₦1.00 each	₦300,000,000

Shareholder

The registrar has advised that according to the register of members as of December 31, 2021, the following held more than 5% of the issued share capital of the Issuer:

Name of Shareholder	No of Holdings	Percentage Holdings
Adedayo Amzat	298,500,000	99.5%

Aside from the shareholder listed above, no other shareholder or institution has a 5% or more holding in Zedcrest.

6.5 Profiles of Board of Directors and Key Management Team

Babatunde Sanda, FCA – Chairman

Mr. Babatunde Sanda has over 36 years cognate in auditing and consulting, spanning three of the biggest international professional firms namely Coopers & Lybrand, Ernst & Whinney and PricewaterHouse where he rose to the position of Senior Consultant in 1990.

His banking career started in 1991 and he rose to the position of Executive Director, Finance in 1998 at Wema Bank Plc and was Managing Director in 2000 of Banque International du Benin, Cotonou – a universal bank in Cotonou, Benin Republic. He was appointed by the Central Bank of Nigeria in 2006 to serve as Director of Societe General Bank of Nigeria Ltd (while in holding action). He retired as a Senior Partner of EY in December 2016. He is now into Economic, business, and financial consulting.

Babatunde holds an honours degree in Business Administration from the University of Benin, is an alumnus of the Advanced Management Program of Stanford University, California, USA and has attended various Management and development courses in major international institutes across the globe. He is a Fellow of

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the Institute of Chartered Accountants of Nigeria (ICAN) and an Associate of the Chartered Taxation Institute of Nigeria.

Adedayo Amzat, CFA – Group Managing Director

Mr Adedayo Amzat is a consummate business leader in the financial services industry, a venture capitalist and a forerunner in the development of the securities market in Nigeria.

He is the Group Managing Director of Zedcrest Capital Limited. He started his professional career with the Treasury & Global Markets group of Access Bank Nigeria, where he oversaw Securities Dealing and Balance sheet management and was an active member of the Asset and Liability Management (ALM) unit, seeing the Bank through such turbulent times as the financial market crises of 2008/2009 and the successful integration of Access Bank with Intercontinental Bank.

He graduated from the University of Ilorin with a degree in Industrial Chemistry. He also holds an MBA (Management & Accounting) from Obafemi Awolowo University. He is currently pursuing his MBA in London Business School.

Dayo holds the prestigious CFA charter from the CFA Institute. He is a Fellow of the Institute of Credit Management (ICA) and a Fellow & Member of Faculty of the Institute of Investment Advisers and Portfolio Managers (IAPM).

Stella Duru – Non-Executive Director

Ms. Stella Duru is an astute lawyer and the only female Partner in Banwo & Ighodalo's Energy and Natural Resources Practice Group. Her core areas of practice are Energy & Natural Resources, Project Finance and Corporate Finance. She is renowned for her extensive experience in the power sector and authors articles in leading law publications. Stella has deep experience in oil, gas and power projects in Nigeria and has been involved in World Bank sponsored work streams advising on the power sector reforms in Nigeria. She was involved in the privatization and sale of government assets in the hitherto vertically integrated government owned power utility as well as in the new business units that were spun off this utility.

She is currently leading the initiative on renewable energy transactions in her Firm and in this regard, is advising several investors who are developing renewable projects in Nigeria. Stella continues to advise on transactions along the entire value chain of generation, transmission and distribution; as well as on deals pertaining to IPPs, off-grid and on-grid solutions to the power deficit in Nigeria. She is very passionate about monetizing and utilizing Nigeria's natural gas resources to get Nigeria powered up.

She obtained a law degree from the University of Lagos, Nigeria; and was admitted into the Nigerian Bar in January 2001. Stella is a member of the Nigerian Bar Association, International Bar Association (Section on Energy and Natural Resources Law) and Association of International Petroleum Negotiators. She is also an Associate of the Nigeria Leadership Initiative (a leadership development not-for-profit, affiliated with the Aspen Institute) as well as an Associate WimBiz (an association of Women in Management, Business & Public Service).

Adebola Williams – Non-Executive Director

Mr. Adebola is a Nigerian media entrepreneur, journalist, political consultant, and motivational speaker. He is the Group CEO of RED | For Africa. He co-founded and runs Red Africa, Africa's largest portfolio of youth media brands which include Red Media Africa, Statecraft Inc., The Future Awards Africa and YNaija.

His career in media and television began at the Nigerian Television Authority (NTA) with advocacy for youth, and eventually good governance.

His work in corporate marketing and communication in different decrypts from oil and gas to banking, technology to fast-moving consumer goods has earned him and Red Media Africa several awards on the

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continent from SABRE, Lapriga, Marketing Edge, Young Cannes and the C4F Marketing awards in Davos. He writes a monthly column on brands and communication in The Guardian Nigeria.

Oluseyi Olugbenga Akinbi – Executive Director

Mr. Oluseyi Olugbenga Akinbi is the Head, Securities Dealing and the Managing Director of Zedcap Partners Limited, the Group's Securities Dealing subsidiary. He has over 10 years' experience in the banking and finance sector.

Prior to joining Zedcrest Capital, he was with the Investor Services, Financial Institution Department at Access Bank Plc between October 2011 and June 2016. Oluseyi has a B.Sc. (Hons) in Cooperative and Business Management from Olabisi Onabanjo University.

Yemi Kehinde – Company Secretary

Mr. Yemi Kehinde is the Company Secretary and Group Head, Legal & Compliance, Zedcrest Capital Limited. He was previously a Senior Corporate & Commercial Solicitor at Giwa-Osagie & Co. from August 2016 to March 2019.

He holds a Bachelor of Laws (LL.B.) degree, Juris Doctor Equivalent from Nigeria law School and Master of Law (LL.M.), Corporate & Commercial Law from the prestigious University of Dundee, United Kingdom. He is also an alumnus of the Lagos Business School.

Babatunde Abdulqadir – Group Head, Internal Audit

Mr. Babatunde Abdulqadir is the Group Head, Internal Audit at Zedcrest Capital. He was previously an Audit Manager with Alli-Oluwafuyi, Ibisomi, Onibon & Co between June 2011 and September 2015. Babatunde holds a B.Sc Accounting Degree as well as ACA certificate and he is a member of the Institute of Chartered Accountants of Nigeria (ICAN).

Ever Obi – Acting Chief Executive Officer, Zedvance Finance Limited

Mr. Ever Obi is the acting Chief Executive Officer of Zedvance Finance Limited, the consumer lending subsidiary of the Group. He joined the company as Head, Risk Management before his appointment as CEO. He was previously part of Access Bank's Credit Portfolio Management Team in charge of overall monitoring of the Bank's risk assets portfolio to ensure internal and regulatory limits were adhered to. He also had a stint with Zenith Bank and Skype Bank in his early career days.

Ever had his first degree from the prestigious Nnamdi Azikiwe University and Masters in Risk Management at the University of Lagos. He is a member of the Risk Managers Association of Nigeria (RIMAN).

Renah Osiemi – Chief Operations Officer, Zedcrest Investment Managers

Renah Osiemi is the Chief Operations Officer of Zinvest, the Asset Management subsidiary of Zedcrest Capital Limited. She is a certified investment and wealth management professional with over 14 years' experience in sales, business development, strategy and product management. She has cognate experience in in-company business start-ups, and this is evidenced by the valuable contributions she has made to the organizations she has worked with over the course of her career.

Renah started her professional career as a Relationship Officer at Access Bank in 2008. After 5 years at the Bank, she joined AXA Mansard as Unit Head, Business Development in 2013 and later rose to the position of Head, Solutions Development, where she was responsible for driving scale and business growth, improving user experience and leveraging partnerships for distribution via technology.

She holds a BSc in Microbiology from Delta State University; a certificate in Digital Product Management: Modern Fundamentals issued by the University of Virginia and an International Certificate in Investment and

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Wealth Management (ICIWM). She is also an Alumnus of the Lagos Business School, and she is currently pursuing an EMBA degree at the Quantic School of Business and Technology

Mokolade Adelusi, CFA – Vice President, Principal Investments

Mr. Mokolade Adelusi is the Vice President, Principal Investments at Zedcrest Capital Limited. He has over eight years' experience in asset management, financial advisory, investment banking, corporate finance, principal investments, private equity and venture capital.

He started his professional career at Wizer Resource and Advisory Limited as a Financial Analyst in 2014; had a brief working period as a Treasury Analyst at Fidson Healthcare Plc before joining Platform Capital Investment as an Investment Analyst in 2018. Within three years at Platform Capital, he rose to the position of Senior Investment Associate. Mokolade was the Chief Investment Officer and Head of Treasury at Pan African Capital Holdings between March 2021 to February 2022 before joining Zedcrest.

Mokolade holds the prestigious Chartered Financial Analyst (CFA) charter from the CFA Institute and Bachelor's degree in Finance from the University of Lagos.

Oluwatosin Ayanfulu – Assistant Vice President, Securities Trading & Investment

Mr. Oluwatosin Ayanfulu is the Assistant Vice President, Securities Trading & Investment at Zedcap Partners, the Securities Dealing subsidiary of Zedcrest Capital Limited. He started his career in the financial markets with the Treasury Group of Skye Bank Plc, where he was an active member of the dealing/trading team in charge of securities dealing and balance sheet management. Oluwatosin later joined the Market Architecture Division of the FMDQ OTC Securities Exchange, to strategically drive the Exchange's Agenda through products and market development. Oluwatosin has a B.Sc. (Hons) in Computer Science from Babcock University.

Adegoke Orimolade – Executive Director, Business Development

Mr. Adegoke Orimolade is an astute professional with over 12 years' experience in Business development, Marketing communication and tactical sales penetration. He has had remarkable experiences in the consumer and retail lending spaces where he has spearheaded transformational business growth, working for the likes of FCMB, Credit Direct, Fast Credit and Zedvance Finance.

Currently, He is an Executive Director, Business Development for Zedvance Finance business, where he has grown the business volume from inception, to make Zedvance one of the leading players in consumer lending space.

Adegoke also has a Post graduate Diploma in Public Relations and Master's degree in Business Administration.

Oyinkansola Adeiye – Human Resources Lead

Oyinkansola Adeiye is the HR Lead at Zedcrest Capital. She has over 7 years' experience supporting businesses in achieving their strategic goals through people. She has relevant experience in leading culture initiatives and other people-oriented programs.

She was previously the HR Advisor, Business Partner, Business Support and Recruitment lead at Interswitch where she was responsible for driving end-to-end recruitment process and driving strategic employee-focused program in supported business groups.

She holds a BSc in Political Science and Public Administration from University of Benin, Benin City, Edo State; a Senior Professional in Human Resources – International (SPHRI) certification, and many other certificates in performance management, recruitment and onboarding of employees, agile learning organization

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program and many others. She is also an Associate Member of the Chartered Institute of Personnel Management (ACIPM).

Onyenaturuchi Urum Ezikpe – Finance Reporting Manager

Oyenaturuchi is the Finance Reporting Manager at Zedcrest Capital Limited. He started his professional career as a graduate management trainee at Royal Exchange Plc in 2013 and rose to the position of Group Finance & Accounts Manager before joining Zedcrest in October 2022. He holds a bachelor's degree in Accounting from Abia State University.

Ajibola Tobi-Osho – Senior Manager, Fixed Income and Commodities Trading

Ajibola is a Senior Manager, Fixed Income and Commodities Trading at Zedcap Partners. She is an experienced financial market professional with over seven years of experience in Liquidity Management, Financial Institution Client Engagement, Trade Structuring, Treasury Sales, and Trading in Fixed Income, Currencies, and Commodities.

She holds a degree in Accounting from Lead City University; a member of the Financial Markets Dealers Association of Nigeria (FMDA) and the Association of Chartered Certified Accountants (ACCA), and currently enrolled a Level II Candidate in the Chartered Financial Analyst (CFA) program with the CFA Institute.

6.6 Premises

Zedcrest currently operates from its main office at 65 Karimu Kotun Street, Victoria Island, Lagos, Nigeria.

6.7 Corporate Governance

Zedcrest remains committed to institutionalizing corporate governance principles as part of its corporate structure. It continues to ensure the regulation of the relationship between the investors and all shareholders.

As in the past, the Board continues to operate in line with its responsibilities as contained in Regulatory Codes of Corporate Governance, the Articles of Association of Zedcrest and CAMA. Its oversight of the operations and activities of Zedcrest are carried out transparently without undue influence.

Essentially, fair value corporate governance depends on the quality and integrity of our directors. Consequently, Zedcrest has undertaken to create the institutional framework conducive for defending the integrity of our directors and is convinced that on account of this, the Board of the Group is functioning in a highly effective manner.

6.8 Board Composition and Committees

The Group's Board of Directors ("the Board") is made up of five (5) members comprising one (1) Non-Executive Chairman, a Group Managing Director, two (2) Non-Executive Directors and one (1) Executive Director.

The Group's Board is led by the Non-Executive Chairman and includes individuals with vast experience and achievement in their respective fields. The Board members are professionals and entrepreneurs with vast experience and credible track records. The Board meets regularly at least four (4) times in each financial year comprising of quarterly board meetings and Annual General Meetings held at the end of the year. These meetings are for the purpose of setting broad policies for the Group's business and operations ensuring that actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Group and its shareholders.

Responsibilities of the Board are well defined and the Board is not dominated by one individual. The position of the Chairman is separate from that of the Managing Director/CEO and the Chairman is not involved in the day-to-day operations of the Group. The Non-Executive Directors on the Board will not be involved in the day-to-day operations of the Group, which shall be the primary responsibility of the Chief Executive Officer, Executive Directors and the Executive Management team.

6. OVERVIEW OF ZEDCREST CAPITAL LIMITED

The Board ensures the integrity of the Group's accounting and financial reporting system, including independent audit and that appropriate systems of control are in place, in particular, systems for monitoring all operational and business risks, financial control and compliance with the law. The Board also monitor and manage potential conflicts of interest of senior executive management, board members and shareholders on breaches of integrity, including misuse of corporate assets and abuse in related party transactions.

To enhance corporate governance, Board sub-committees are constituted to discuss broad policies for the Group's business and operations, help the Board properly assess management reports, proposals, carry out oversight functions and make recommendations to the main Board. In line with this the Board of Directors constituted the following committees through which the Board's oversight functions are performed:

Finance and General Purposes Committee

The objectives of the committee include: review, as the Committee deems appropriate, the Group's financial policies, strategies and capital structure / capital allocation, acting on behalf of the Group and in accordance with a resolution of the Board in approving the issuance or guarantee by the Group of securities or any financing that the Committee determines to be the equivalent of debt ('debt equivalents'), review and approve policies for finance and investment for the Group, monitor assets and liabilities of the Group, monitor budgetary control and compliance, oversight on operating standards of the Group, oversight on environmental, health and safety standards of the Group, and take such other action and do such other things as may be referred to it from time to time by the Board.

Audit and Risk Committee

The Audit & Risk Committee is established by and among the Board of Directors for the primary purpose of assisting the Board in: overseeing the integrity of the Group's financial statements, accounting and financial reporting processes and financial statement audits, overseeing the Group's compliance with legal and regulatory requirements, overseeing the independent auditor's qualifications, independence and performance, and overseeing the Group's systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Group.

7. TERMS AND CONDITIONS OF THE NOTES

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.

1. ISSUANCE OF NOTES

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate principal amount not exceeding ₦15,000,000,000.00 (Fifteen Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, subject to, and benefit from, the Deed of Covenant.

2. FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

- 2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and denominated in a minimum amount of ₦1,000.00 (One Thousand Naira) and integral multiples of ₦1,000.00 (One Thousand Naira) thereafter; and will be sold at such discount from their face amounts as shall be agreed upon by the Dealer and the Issuer; and shall have a maturity not exceeding 270 (Two Hundred and Seventy) days including the roll over from the Issue Date.
- 2.1.2 The Notes issued under the Programme shall be denominated in Naira.
- 2.1.3 The Notes shall be issued in the form of Zero-Coupon Notes and will not pay interest prior to final maturity.
- 2.1.4 The Notes will be delivered to the Dealer in dematerialised (uncertificated, book entry) form; shall be registered with the CSD, which shall serve as the custodian and central depository of the Notes; and the Dealer may deal in the Notes in accordance with the CSD procedures and guidelines.

2.2 Title

- 2.2.1 Title to the Notes will pass upon credit to the CSD account of the Noteholders.
- 2.2.2 Transfer of title to Notes shall be effected in accordance with the rules governing transfer of title in securities held by the CSD.
- 2.2.3 The Issuer, the Issuing and Placing Agent and the Collecting and Paying Agent may deem and treat the registered holder of any Note as indicated in the records of CSD and the Register as the absolute owner thereof for all purposes, including but not limited to the payment of outstanding obligation in respect of the Notes.

3. STATUS OF THE NOTES

- 3.1** The Notes shall constitute a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank *pari passu* among themselves and, save for certain debts preferred by law, *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.

4. REDEMPTION

The Notes are only redeemable at maturity and will be redeemed at the face value specified in the Applicable Pricing Supplement.

5. METHOD OF PAYMENTS

The face value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the relevant last date. The registered Noteholder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged by payment to, or to the order of, the registered Noteholder in respect of each amount so paid.

5.1 Method of Payments

- 5.1.1 Payment of outstanding obligations in respect of the Notes will be made by electronic funds transfer in Naira.
- 5.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Collecting and Paying Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Collecting and Paying Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders
- 5.1.4 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 5.1.5 If the Issuer or the Collecting and Paying Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of pandemics, epidemics, strike, lockout, fire explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, Government interference, or control or any other cause or contingency beyond the control of the Issuer), the Issuer or the Collecting and Paying Agent shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice). Such payments by cheque shall be sent by post to the address of the Noteholder as set out in the Register.
- 5.1.6 Cheques may be posted by registered mail, provided that neither the Issuer nor the Collecting and Paying Agent shall be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition.

7. TERMS AND CONDITIONS OF THE NOTES

5.2 Payment Day

Any payment in respect of the Notes shall be made on a Business Day. Where the day on or by which a payment of any amount in respect of the Notes is due to be made is not a Business Day, that payment shall be made on or by the next succeeding Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case that payment shall be made or that event shall occur on or by the immediately preceding Business Day.

6. EVENT OF DEFAULT

6.1 Event of Default

An event of default in relation to the Notes (each an “Event of Default”) shall arise if any one or more of the following events shall have occurred and is continuing if:

- 6.1.1 Non-payment default by the Issuer in the payment of the Redemption Amount to Noteholders in respect of the Notes on the Maturity Date and the continuance of such default; or
- 6.1.2 In line with section 9.2 of the FMDQ Exchange Rules, part payment of the CP value to investors shall also constitute a default; or
- 6.1.3 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 (through the Issuer) that the Notes have been liquidated and funds have been transferred to all Noteholders by 4:00pm on the Redemption Date; or
- 6.1.4 the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of 5 (five) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied; or
- 6.1.5 Should any representation, warranty made in connection with any documentation supplied by the Issuer be materially incorrect; or
- 6.1.6 If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestered, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors 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
- 6.1.7 Should the members of the Issuer pass a resolution for the winding up of the Issuer; or
- 6.1.8 If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer and is not discharged or stayed within 90 (ninety) days of service by the relevant officer of the court of such attachment, execution or other legal process.

6.2 Action upon Event of Default

Upon the occurrence of an Event of Default and where such Event of Default 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 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.

7. TERMS AND CONDITIONS OF THE NOTES

Where an Event of Default occurs prior to the Maturity Date, the amount payable to the Noteholder shall be the face value of the Note discounted at the Issue Price from the Maturity Date to the Default Date. Provided that the amount payable shall bear interest at the Default Rate from the Default Date to the date of payment thereof.

Where an Event of Default occurs on the Maturity Date, the amount payable to the Noteholder shall be the face value of the Note. Provided that the amount payable shall bear interest at the Default Rate from the Maturity Date to the date of payment thereof.

In addition, each Noteholder shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria.

7. REGISTER

- 7.1** The Register shall be maintained by the CSD, the Issuing and Placing Agent and the Collecting and Paying Agent. 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 issued to such Noteholder and the date of issue.
- 7.2** 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 Dealer as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3** The Register shall be open for inspection during the normal business hours of Issuing and Placing Agent and Collecting and Paying Agent to any Noteholder or any person authorized by the Noteholder.
- 7.4** The Issuing and Placing Agent and the Collecting and Paying Agent shall alter the Register in respect of any change in name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. NOTICES

8.1 Notices to the Noteholders.

- 8.1.1** All notices to the Noteholders will be valid if mailed to them at their respective addresses of record in the relevant register of Notes of a Series maintained by the registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the CBN, the FMDQ Exchange, the CSD or such other regulatory authority as may be applicable to the Notes.
- 8.1.2** 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.

8.2 Notices from the Noteholders

- 8.2.1** 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 Agent.
- 8.2.2** 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 CSD

7. TERMS AND CONDITIONS OF THE NOTES

9. MODIFICATION

9.1 The Dealer and the Issuer may agree, without the consent of the Noteholders, to any modification of the Terms and 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 prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least 1 (one) daily newspaper of general circulation in Nigeria and shall be deemed to have been given and received on the date of first publication.

9.2 Save as provided in condition 9.1 above, no amendment of the Terms and Conditions may be effected unless:

9.2.1 such amendment is in writing and signed by or on behalf of the Issuer; and

9.2.2 such amendment:

9.2.2.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% of the outstanding Principal Amount of all the Notes; or

9.2.2.2 if it affects only the rights, under the Terms and 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% of the outstanding Principal Amount of all the Notes held by that group.

9.2.3 Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. MEETING OF NOTEHOLDERS

10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (twenty-one) days prior written notice to such Noteholders. The notice is required to be given in terms of Condition 8. Such Notice shall specify the date, place and time of the meeting to be held, which place shall be in Nigeria.

10.2 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 Noteholder or as a proxy or representative of a Noteholder.

10.3 Noteholders holding not less than 10% in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of the Noteholder. Should the Issuer fail to requisition such meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.

10.4 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 authorized officer of the corporation, appoint any person (a "Proxy") to act on his or its behalf in connection with any meeting or proposed meetings of the Noteholders.

10.5 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.

7. TERMS AND CONDITIONS OF THE NOTES

- 10.6 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 .
- 10.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fails to convene such a meeting within 10 (ten) Business Days of such requisition, 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 by Proxy.
- 10.8 At any meeting of the Noteholders, 2 (two) or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of the Outstanding Notes outstanding 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.

11. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to issue further Notes under the Programme.

12. GOVERNING LAW

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

8. TAX CONSIDERATIONS

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. Applicable taxes shall apply on the CP except otherwise exempt.

Accordingly, the discount on the 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 Group 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 is taxable under the Companies Income Tax Act and would have been taxable under the Personal Income Tax Act but for the provisions of the Personal Income Tax (Amendment) Act, 2011.

The effect of 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 Personal Income Tax. The Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2012 (“CIT Exemption Order”), grants exemption to income and interest earned, by corporate bodies for a period of 10 years with effect from the commencement date of 2nd January 2012. The CIT Exemption Order applied to all categories of bonds, but in relation to short term securities, the order only refers to income from FGN short term securities and, therefore, it is not clear whether it extended to those issued by corporates.

The exemption granted under the CIT Exemption Order is for a period of 10 years commencing from January 2, 2012, whilst the exemption under the Personal Income Tax (Amendment) Act, 2011 is for an unstated duration. With the expiration of the CIT Exemption Order on January 2, 2022, companies income tax may now be 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 Value-Added Tax Act (Cap V1 LFN 2004) (as amended by the Value-Added Tax (Amendment) Act No. 12 of 2007) 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”). This exemption is for a period of ten (10) years from the date of the Order, and this lapsed on 01 January 2022. However, the Finance Act, 2020 now excludes securities from the payment of value added tax. As such, the Notes will not be liable to value added tax even after the expiration of the VAT Exemption Order.

Also, capital gains tax is not payable on sale of the Notes as gains are not made on the sale of the Notes.

The foregoing general summary is not intended to be and should not be construed to be tax advice to any particular subscriber. In particular, it does not constitute a representation by the Issuer, its tax advisers or the Dealer and Arranger 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 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, its tax advisers nor the Dealer and Arranger shall be liable to any subscriber 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 Nigeria – The Issuer operates in Nigeria, hence it faces general macroeconomic risks even as the performance of the financial services industry is highly correlated with the performance of the Nigerian economic climate

Political risks

These are risks associated with the political climate. Nigeria's diverse political, religious and ethnic landscape has led to struggles for power between rival groups, which has consistently hindered the smooth governance of the country. The continued criminal activity, unrest and political and religious conflicts in the country may lead to lower oil production, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy and consequently the operations of Zedcrest Capital Limited. Also, changes in government policies as affects the banking landscape could impact on the Issuer's business. In addition, the general election of Nigeria is proposed for next year 2023 and as such, potential changes in government and government policies could have an adverse effect on the economy.

Economic Risk

The Nigerian economy is significantly affected by the global slide in oil prices evidenced by the weakening of the currency, substantial drop in foreign currency reserves, withdrawal of foreign portfolio capital and a corresponding decline in stock market performance and government revenues. While the federal government advances in its efforts to diversify the economy from its dependence on oil revenue, a decline in global oil prices may have an adverse effect on the Nigerian economy which in turn might impact the Issuer's operations and profitability.

Frontier markets risk

Frontier markets such as Nigeria are subject to greater risk than more developed markets and financial turmoil in developing markets could cause the price of securities to decrease. Generally, investments in frontier markets are only suitable for sophisticated investors who better understand the instruments and fully appreciate the significance of the risks involved in and are familiar with investing in such markets.

Investors should also note that frontier markets, such as Nigeria, are subject to rapid change and that the information set forth in this Programme Memorandum may become outdated relatively quickly.

Moreover, financial turmoil in markets across the globe tend to adversely affect prices in the financial markets of developing countries in particular as investors move capital to more stable and resilient markets. Financial problems or an increase in the perceived risks associated with investing in developing economies could dampen foreign investments as companies face severe liquidity constraints as foreign funding sources are limited. Thus, even if the Nigerian economy remains relatively stable, financial turmoil in any developing markets could adversely affect the Issuer's business.

Inflation Risk

Inflationary impacts can reduce an investor's cash flow purchasing power. Investors may be exposed to the prospect of diminished purchasing power if the inflation rate increases. Prices of goods and services, which are subject to Value Added Tax ("VAT"), have continued to increase albeit at a slower rate. In June 2022, the inflation rate increased to 18.60% on a year-on-year basis from 17.75% recorded in the corresponding period of 2021. Also, Food inflation stood year-high at 20.60% in June 2022 from 21.83%. The rate changes in food prices compared to the same period last year was higher due to higher foods prices caused by COVID 19.

The CBN in its effort to curb inflation in the country has continued to engage in tightening monetary policies to keep inflation at bay.

Business Risks – These are the risks that Zedcrest Capital Limited faces in its operations and include the following:

The following are descriptions of the risk factors which are material in respect of the financial situation of Zedcrest. The sequence in which they are listed is not an indication of their likelihood of occurrence or the extent of their commercial consequences. The following statements are complete but not exhaustive, thus prospective investors must consider all the information provided in this Prospectus.

Regulatory risk

The industry in which the Issuer operates is highly regulated. Various SEC guidelines, circulars and directives contain provisions, which the Issuer is required to adhere to, failing which the Issuer risks incurring regulatory sanctions by the SEC or any other regulators. In particular, non-compliance by the Issuer with SEC directives may result in the revocation of the Issuer's licence or the imposition of penalties on the Issuer amongst other sanctions. Should the Issuer lose any of its licence, it may be unable to meet its obligations with respect to the CP Notes.

Operational risk

This is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events. Examples of these risks and their associated losses include rogue trading, fraud/forgery, penalties or expenses incurred settlement delays and regulatory infractions, inappropriate business practices, poor accounting processes, lapses in financial control, and legal settlements involving significant payments for losses alleged to have been caused by the financial institution.

Credit risk

As an organisation that engages in creation of risk assets, trading in government and financial securities such as treasury bills, bonds, commercial papers etc. Zedcrest is exposed to credit risk, through its lending and trading activities.

Zedcrest may incur a loss if a borrower, trading counterparty (such as a bank, corporate or sovereign) or an issuer of securities or other instruments that the Issuer holds fails to perform under its contractual obligations or upon a deterioration in the credit quality of third parties whose securities or other instruments Zedcrest holds. There is also credit risk in off-balance sheet financial instruments.

Liquidity risk

This is the risk that Zedcrest would be unable to meet its obligations as they become due. This may arise where the cushion provided by liquid assets is not sufficient to meet outstanding obligations. It may be triggered by consequences of other financial risks like credit risk and market risk such as interest rate risk, foreign exchange risk and security price risk.

Market risk

Zedcrest undertakes trading and investment activities in fixed income securities such as notes, treasury bills etc. all of which give rise to market risk exposure (i.e. the risk that the fair value or future cash flows of the Issuer's trading and investment positions or other financial instruments may fluctuate because of changes in market prices). Market risk is the risk arising from adverse changes in underlying market factors such as interest rates, foreign exchange rates, equity prices, commodity prices and other relevant factors such as market volatility.

a. Interest rate risk

The principal risk to which the Issuer's trading portfolios are exposed is the risk of loss arising from fluctuations in the future cash flow or fair values of financial instruments because of a change in the market

9 RISK FACTOR

interest rate. Interest rate risk occurs when there is a mismatch between interest rate sensitive assets and liabilities.

b. Foreign exchange risk

Foreign exchange (currency) risk is the risk that changes in foreign exchange rates would affect the value of the financial assets and liabilities as well as off-balance sheet items. Financial instruments that are exposed to this risk include foreign currency denominated securities, and future cash flows in foreign currencies arising from foreign exchange transactions.

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.

CSD

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 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 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 only banks (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 Participant is Sterling Bank PLC and any other Collecting and Placing Agents appointed as duly 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 would then notify the CSD to create a relevant sub-account for the Noteholder.
- iii. The CSD will assign a unique identification number (the “Trade Member Code”) to the Authorised Participant and also open the account(s) requested by the Authorised Participant.
- iv. FMDQ Exchange will request for the CP to be registered with the CSD, who in turn will furnish FMDQ Exchange and the Authorised Participant with the Unique Identifier for the registered CP, subject to receipt of CP registration fees from the Authorised Participant.
- v. The CSD will re-open the existing Unique Identifier for all Tranches with same maturity dates, however new Unique Identifier will be issued for Tranches with different maturity dates.

CUSTODY AND DEMATERIALISATION

- i. All holders of CP notes shall route the notes through the Authorised Participant who will then submit on the CSD authorised platform in dematerialized form.
- ii. Authorised Participants may also decide to keep the CPs in dematerialised form with a CSD (subject to service agreement with CSD), acting as the Custodian for the issue.
- iii. Authorised Participants can also lodge the CP(s) electronically by using the CSD e-lodgement format.
- iv. The Authorised Participants (or Arrangers) will advise the CSD, after dematerialisation or e-lodgement to transfer CPs to Noteholders’ (or their custodians’) accounts at the CSD before trading commences.

10 SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- v. Cut-off time for e-lodgement of CPs is 10.00 a.m. on the day before the value date, and the CSD shall process the same within 24 hours of receipt.

REDEMPTION

- i. No transactions or trades may be effected for any CPs two (2) working days prior to its maturity date.
- ii. The Issuing, Collecting and Paying Agent 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 two (2) Business Days before the Maturity Date.
- iii. The CSD shall expunge (knock-off) matured CPs on the Maturity Date or Redemption Date of the CP.
- iv. The Maturity Date shall be on a Business Day, however if the Maturity Date falls on a public holiday, payment will be made on the following Business Day.

ROLL-OVER

- i. All CPs including roll-overs shall not exceed 270 days (tenor) from the date of issue.
- ii. Every roll-over of a CP shall be treated or classified as a fresh/separate CP.
- iii. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participants with the new Unique Identifier, subject to receipt of CP rollover fees from the Authorised Participants.
- iv. The CSD shall expunge the existing Unique identifier from the system and replace with the new codes.

DEFAULT

- i. Where the Issuer is unable to repay the Noteholders and the CP will be in default status, the Issuing, Collecting and Paying Agent shall notify the CSD, FMDQ Exchange, as well as the Noteholders, latest two (2) Business Days before the Maturity Date, latest by 3.00pm.
- ii. In case of (i) above, the CP holdings must remain with the CSD until the Collecting and Paying Agent pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence. Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly. CPA pays off the Note holders and notifies the CSD with the evidence
- iii. The CSD shall make public the default status to the market latest by the date which is one (1) Business Day before the Maturity Date.
- iv. The Issuing and Placing Agent shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 4:00PM on the Maturity Date, failing which the Issuer shall be deemed to be in default

SECONDARY MARKET TRADING (OTC) GUIDELINES

- i. Standard settlement cycle is T+2.
- ii. FMDQ Exchange 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.

10 SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorised platform by 2.00 p.m. on the settlement date to FMDQ Exchange and the Nigeria Inter-Bank Settlement System ("NIBSS") simultaneously. Authorised Participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the FMDQ Exchange and CSD 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 three (3) Business Days before the Maturity Date.

REPORTING

- i. The CSD will effect the transfer of CPs on the settlement date as advised by Authorised Participants or the FMDQ Exchange and keep records of consideration for each transaction.
- ii. The CSD will advise the Authorised Participant or the FMDQ Exchange for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iii. Authorised Participants can visit the CSD website to ascertain its CP balances after each day's trade. This is available only to the institutions that subscribe to the CSD online service.

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.

ZEDCREST CAPITAL LIMITED



(RC 1104808)

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

**Issue of Up to ₦10,000,000,000.00 (Series 1) Commercial Paper Notes
Under its ₦15,000,000,000.00
Commercial Paper Issuance Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated 9th January, 2023, prepared by CardinalStone Partners Limited on behalf of Zedcrest Capital Limited in connection with its ₦15,000,000,000.00 (Fifteen Billion Naira) 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.

This document has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on 11th September 2019 and the FMDQ Exchange Rules. The document is not required to be registered with the Nigerian Exchange or the Securities and Exchange Commission ("SEC"). 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 consult his/her Banker, Stockbroker, Accountant, Solicitor any other professional adviser for guidance immediately.

LEAD ARRANGER/DEALER



RC: 739441

COLLECTING AND PAYING AGENT



RC: 2392

This Pricing Supplement Is Dated [●]

11. PRO FORMA APPLICABLE PRICING SUPPLEMENT

Issuer	Zedcrest Capital Limited
Sole Arranger/Dealer	CardinalStone Partners Limited
Solicitor	Aluko & Oyeboode
Issuing and Placing Agent	CardinalStone Partners Limited
Collecting and Paying Agent	Sterling Bank PLC
Auditor	Ernst & Young
Custodian	Central Securities Clearing System PLC/FMDQ Depository Limited
Series Number	[●]
Programme Size	₦15,000,000,000.00 (Fifteen Billion Naira)
Aggregate Nominal Amount	[●]
a. Series	[●]
b. Tranche	[●]
Face Value	[●]
Discounted Value	[●]
Nominal Amount Per Note	[●]
Issue Price	[●]
Issue Date	[●]
Tenor	[●]
Maturity Date	[●]
Final Redemption Amount	[●]
Minimum Subscription	₦5,000,000 and multiples of ₦1,000 thereafter
Specified Currency	Nigerian Naira (₦)
Status of Notes	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, and with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Form of Notes	Uncertificated

11. PRO FORMA APPLICABLE PRICING SUPPLEMENT

Quotation	Notes may be quoted on FMDQ Securities Exchange or any other recognised exchange
Taxation	Please refer to the 'Tax Considerations' section in the Programme Memorandum
Method of Offer	Fixed Price Offer
Book Closed Period	The Register will be closed from [●] to [●] until the Maturity Date
Implied Yield	[●]%
Discount Rate	[●]%
Any Other Formula or Basis for Determining Amount(s) Payable Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Lagos and the Federal Capital Territory Nigeria
Redemption/Payment Basis	Redemption at par
Issuer's Early Redemption	Not Applicable
Issuer's Optional Redemption	Not Applicable
Other Terms Applicable on Redemption	[●]
Offer Opens	[●]
Offer Closes	[●]
Allotment Date	[●]
Notification of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [●]
Payment Date	[●]
Settlement Date	[●]
Settlement Procedures and Settlement Instructions	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS etc.)
Details of Bank Account(s) to Which Payments are to Be Made in Respect of the Notes	Bank: Account Name: Account Number: Sort Code:
Issuer Rating	'BBB-' by GCR Ratings.; 'A-' by DataPro Limited

11. PRO FORMA APPLICABLE PRICING SUPPLEMENT

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 account.]

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 _____ 2023

For and on behalf of
Zedcrest Capital Limited

Name:
Capacity: Director
Who warrants his/her authority hereto

Name:
Capacity: Director
Who warrants his/her authority hereto

12. AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENT

This section contains the auditor's report on the summary financial statements of Zedcrest Capital Limited for the years ended 31 December 2019 to 31 December 2021. Also included in this section is the Issuer's summary statements of financial position, summary statements of comprehensive income and the summary statements of cashflows for the above referenced years.

In this Section,

Auditor's Report on the Summary Financial Statements



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Lagos, Nigeria

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ey.com

Report of the independent auditor on the summary financial information

To the members of Zedcrest Capital Limited

Report on the summary financial statements

Opinion

The summary financial statements (the "summary financial statements"), which comprise the summary statements of financial position as at 31 December 2019, 31 December 2020, and 31 December 2021 and the summary statements of comprehensive income for the year then ended were derived from audited financial statements (the "audited financial statements") of Zedcrest Capital Limited (the "Company")

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards (IFRS), relevant provisions of the Companies and Allied Matters Act 2020, the Investment and Securities Act 2007 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, the Banks and Other Financial Institution Act and other relevant Central Bank of Nigeria circulars applied in the preparation of the audited financial statements of the Company. Therefore, reading the summary financial statements and the auditor's report thereon, is not a substitute for reading the audited financial statements and auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our reports dated 5 July 2021, 17 January 2022 and 16 August 2022 for the financial years ended 31 December 2019, 31 December 2020, and 31 December 2021 respectively.

Director's responsibility for the summary financial statements

The Directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards (IFRS), relevant provisions of the Companies and Allied Matters Act 2020, the Investment and Securities Act 2007 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), 'Engagements to Report on Summary Statements.

Oluwasayo Elumaro
FRC/2012/ICAN/00000000139
For: Ernst & Young
Lagos, Nigeria
23 November 2022



A member firm of Ernst & Young Global Limited

The summary financial statements do not contain sufficient information to allow full understanding of the results of Zedcrest Capital Limited and state of affairs of the Issuer and their policies as would be provided by the Issuer's Annual Reports and Financial Statements.

13. HISTORICAL FINANCIAL INFORMATION

The financial information disclosed were derived from the full financial statements of Zedcrest Capital Limited for the year ended 31 December 2021 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

In millions of Nigerian Naira	2019	2020	2021
Interest revenue calculated using the effective interest method	4,922	8,984	10,686
Interest expense calculated using the effective interest method	(1,360)	(452)	(376)
Net interest and similar income	3,562	8,531	10,310
Fees and commission income	342	554	481
Net trading income	3,920	7,096	1,011
Other operating income	226	510	470
Operating income	8,051	16,691	12,271
Credit loss expense on financial assets	(606)	(3,208)	(2372)
Fair value gain on held for trading	35	747	(61)
Net operating income	7,480	14,231	9,838
Personnel expenses	(834)	(994)	(1,492)
Depreciation of property and equipment	(37)	(43)	(77)
Amortisation of intangible assets	(3)	(3)	(2)
Depreciation of right-of-use assets	(34)	(41)	(50)
Other operating expenses	(2,216)	(2,833)	(3,026)
Total operating expenses	(3,124)	(3,914)	(4,646)
Profit before income tax expense	4,356	10,316	5,191
Income tax expense	(71)	(112)	(193)
Profit for the year	4,285	10,204	4,999
Other comprehensive (loss)/income			
Items to be reclassified to profit or loss in subsequent periods			
Net Fair Value (loss)/gain on debt instruments at FVOCI	88	25	(79)
Allowance for expected credit losses on debt instruments at FVOCI	(5)	76	(21)
Net amount transferred to profit or loss	-	(104)	(17)
Total other comprehensive (loss)/income	83	(3)	(117)
Total comprehensive income for the year	4,368	10,200	4,882

13. HISTORICAL FINANCIAL INFORMATION

Statement of Financial Position

In millions of Nigerian Naira	2019	2020	2021
Assets			
Cash and Cash equivalents	656	5,323	4,905
Loans and advances	11,465	18,441	20,840
Trade and other receivables	1,038	1,308	3,542
Investment Securities	2,472	5,853	3,532
Intangible assets	3	35	33
Right of use assets	36	184	158
Property and Equipment	73	334	624
Deferred Tax assets	49	153	153
Total assets	15,791	31,631	33,786
Liabilities			
Managed Funds	-	847	651
Interest-bearing loans and borrowings	4,644	5,057	396
Trade and other payables	2,018	6,047	7,983
Current income tax liability	228	421	614
Deferred tax liability	-	53	53
Total Liabilities	6,889	12,425	9,698
Equity			
Share Capital	300	300	300
Retained Earnings	8,498	18,065	22,446
Fair value reserve	104	101	(16)
Regulatory risk reserve	-	572	1,190
Merger reserve	-	168	168
Equity Attributable to Equity Holders of Parent	8,902	19,206	24,088
Total Equity	8,902	19,206	24,088
Total Liabilities and Equity	15,791	31,631	33,786

13. HISTORICAL FINANCIAL INFORMATION

Statement of Cashflows

In millions of Nigerian Naira	2019	2020	2021
Operating activities:			
Profit before income tax expense	4,356	10,316	5,191
Adjustments for:	-	-	-
Depreciation of plant and equipment	37	43	77
Depreciation of Right-of-use assets	34	41	50
Amortisation of intangibles	3	3	2
Credit loss expense	606	3,208	2,372
Deferred tax reversal	-	31	-
Write-off	341	132	5
Interest expense	1,360	452	41
Fair value loss/(gain) on held for trading	(35)	(747)	61
Gain on disposal of PPE	-	-	(4)
Change in operating assets and liabilities:	-	-	-
Changes in trade and other receivables	(98)	(528)	(2,368)
Changes in trade and other payables	(198)	3,990	1,937
Changes in loan and advances	(5,536)	(9,369)	(4,513)
Changes in investment securities	-	-	-
Managed funds	-	847	(196)
Income tax paid	(10)	-	-
Net cash flows from operating activities	861	8,418	2,655
Investing activities:			
Proceed from redemption of debt instrument at FVOCI	7,044	-	-
Purchase of securities at FVTPL	(717)	(1,651)	(170)
Proceed from sale of investment securities at FVTPL	-	-	1,780
Proceed from redemption of investment securities	-	-	605
Proceed from sale of PPE	-	-	17
Purchase of debt instrument measured at FVOCI	(1,521)	(317)	(84)
Purchase of debt instrument measured at amortised cost	-	(859)	(22)
Purchase of property and equipment	(41)	(304)	(379)
Purchase of intangible assets	-	(36)	-
Purchase of right-of-use assets	(48)	(189)	(23)
Net cash flows from/(used) in investing activities	4,717	(3,356)	1,724
Financing activities:			
Proceed from interest bearing securities	3,125	-	-
Interest Paid on Bearing Securities	(8)	-	-
Principal repayment of interest-bearing securities	(9,247)	-	(4,702)
Net cash used in financing activities	(6,129)	-	(4,702)
Net increase in cash and cash equivalents	(551)	5,062	(323)
Impact of ECL on cash and cash equivalent	27	(395)	(95)
Cash and cash equivalents, beginning of year	1,180	656	5,323
Cash and cash equivalents, end of year	656	5,323	4,905

13. HISTORICAL FINANCIAL INFORMATION

Statement of Changes in Equity

In millions of Nigerian Naira	Share Capital	Retained Earnings	Merger Reserve	Fair Value Reserve	Regulatory Risk Reserve	Total Equity
FOR THE YEAR ENDED 31 DECEMBER 2021						
1 January 2021	300	18,065	168	101	572	19,206
Profit for the year	-	4,999	-	-	-	4,999
Net FV gain on debt securities	-	-	-	(100)	-	(100)
Net amount reclassified to income	-	-	-	(17)	-	(17)
Total Comprehensive Income	-	4,999	-	(117)	-	4,882
Transfer between reserves	-	(618)	-	-	618	-
At 31 December 2021	300	22,446	168	(16)	1,190	24,088
FOR THE YEAR ENDED 31 DECEMBER 2020						
1 January 2020						
Profit for the year						
Net FV gain on debt securities						
Net amount reclassified to income						
Total Comprehensive Income						
Transfer between reserves						
At 31 December 2020						
FOR THE YEAR ENDED 31 DECEMBER 2019						
1 January 2019	300	4,213	-	92	-	4,604
Profit for the year	-	4,285	-	-	-	4,285
Net FV gain on debt securities	-	-	-	(70)	-	(70)
Net amount reclassified to income	-	-	-	83	-	83
Total Comprehensive Income	-	4,285	-	13	-	4,298
Transfer between reserves	-	-	-	-	-	-
At 31 December 2019	300	8,498	-	104	-	8,902



CREDIT RATING ANNOUNCEMENT

GCR assigns Zedcrest Capital Limited national scale long and short-term issuer ratings of BBB_(NG)/A3_(NG); Outlook Stable

Rating Action

Lagos, 16 November 2022 – GCR Ratings ("GCR") has assigned Zedcrest Capital Limited national scale long and short-term issuer ratings of BBB_(NG) and A3_(NG) respectively, with a Stable Outlook.

Rated Entity	Rating class	Rating scale	Rating	Outlook
Zedcrest Capital Limited	Long Term issuer	National	BBB _(NG)	Stable Outlook
	Short Term issuer	National	A3 _(NG)	---

Rating Rationale

The ratings assigned to Zedcrest Capital Limited ("Zedcrest" or "the company") reflect its market position as a financial services provider with a strong consumer finance and securities dealing franchise, sound leverage, and a stable funding profile. The ratings strengths are counterbalanced by the company's high-risk position and its relatively modest contribution to the wider financial services sector.

Zedcrest is a financial services company with three subsidiaries namely – Zedvance Finance Limited ("Zedvance"), Zedcrest Investment Managers Limited ("ZIMVEST"), and Zedcap Partners Limited ("Zedcap"), collectively, ("the group"). The group's securities dealing business is driven by Zedcrest and Zedcap, the brokerage subsidiary. Over the years, earnings accumulation from the securities dealing business provided the impetus for the growth and scale of Zedvance, the consumer finance subsidiary which is now the core operating entity contributing the highest to the group's earnings and asset base. Further augmenting the company's market position are the potential diversification advantages conferred by ZIMVEST, the asset management subsidiary. The earnings profile of the group has shown some volatility due to the strong contribution of market sensitive income to operating revenues, arising from the company's proprietary trading activities. However, net interest income from Zedvance's high-margin lending business has been somewhat supportive of earnings stability for the group.

On management and governance standards, GCR takes note of the company's concentrated shareholding and owner-led structure, albeit balanced by the presence of an independent Board. Also, there were significant levels of recurring related parties' transactions throughout the review period.

Capital and leverage assessment is a strong ratings factor. This is reflective of Zedcrest's high capitalisation, strong internal capital generation, and earnings retention over the review period. The company's GCR leverage ratio has maintained a positive trajectory, increasing sizably from 48.5% as at December 2018 to 70.8% as at December 2021. We expect the GCR leverage ratio to moderate, with significant downside risks given the sensitivity of earnings to the volatile market conditions, macroeconomic pressures, and Zedcrest's high growth strategy.

Nigerian Non-Bank Financial Institutions | Public Credit Rating

Risk is a significant negative ratings factor. The credit risk metrics of the group mirror the inherently higher credit losses and default rates associated with unsecured consumer loans. Hence, through-the-cycle credit losses are above the market, averaging 12.7% through the review period. Similarly, the IFRS stage 3 loans ratio is elevated, registering at 15.2% as of December 2021 (December 2020: 14.9%).

Trading/investment risk is also key for the group, given that Zedcrest actively trades equity and fixed income securities using its capital. Tradeable securities made up 10.5% and 18.5% of the company's total assets as of December 2021 and December 2020 respectively, with the largest asset classes being locally quoted equities and corporate bonds. Adverse deviations of the mark-to-market value of the trading and securities portfolio add to potential earnings and capital volatility, more so considering that the interest rate environment and general market sentiment are expected to remain volatile in the near term.

Funding and liquidity assessment is positive to the ratings. Although the non-depository nature of the company and its subsidiaries limits funding flexibility, the funding base is largely equity-based, which is a highly stable funding source. In the near term, we expect the company to gradually introduce debt on its balance sheet, which will impact our view of funding stability. Notwithstanding, Zedcrest's long-term funding ratio has been maintained at over 100% throughout the review period and the liquidity profile is considered adequate. Given the short-tenored nature of the loan book, liquidity for Zedvance is highly driven by the receipt of loan repayments. Analysis of the receipting schedule shows relatively good collection levels, with an average monthly collection rate of 14.7% from January through September 2022. For the non-lending businesses, the managed funds are tied to liquid investment securities, with GCR liquid assets covering over 100% of the group's managed funds.

Outlook Statement

The Stable Outlook reflects GCR's expectation that Zedcrest will continue to implement its product and business line diversification strategy over the next 12-18 months while averting material weakening of its earnings, risk, and leverage position.

Rating Triggers

A positive review of the ratings could arise following sustained improvement in the risk position, such that market-sensitive income reduces significantly to register below 10% of operating revenues on a sustainable basis while recording lower credit losses and non-performing loans from the lending business. We would also expect to see the leverage ratio maintained at the current high levels alongside a significant reduction in related party exposures. A downward review of the assigned ratings could be triggered by a deterioration in earnings with an attendant impact on the leverage position. Secondly, a weakening of asset quality which impacts loan repayments will negatively affect the ratings. Moreover, increases in related party lending, and or evidence of credit quality deterioration of the related party exposures would also trigger a downward review.

14. EXTRACT FROM ISSUER'S RATING REPORT

Analytical Contacts

Primary analyst Lagos, NG	Abdul Mukhtar Abdullahim@GCRratings.com	Financial Institutions Analyst +2341 904 9462
Committee chair Johannesburg, ZA	Matthew Pirnie Matthew@GCRratings.com	Group Head of Ratings +27 11 784 1771

Related Criteria and Research

Criteria for the GCR Ratings Framework, January 2022
Criteria for Rating Financial Institutions, May 2019
GCR Rating Scales, Symbols & Definitions, May 2022
GCR Country Risk Scores, August 2022
GCR Financial Institutions Sector Risk Score, June 2022

Ratings History

Zedcrest Capital Limited

Rating class	Review	Rating scale	Rating	Outlook/Watch	Date
Long Term issuer	Initial/Last	National	BBB _(NG)	Stable	November 2022
Short Term issuer	Initial/Last	National	A3 _(NG)	---	

Risk Score Summary

Rating Components & Factors	Risk Scores
Operating environment	6.25
Country risk score	3.75
Sector risk score	2.50
Business profile	(2.50)
Competitive position	(2.50)
Management and governance	0.00
Financial profile	2.00
Capital and Leverage	3.00
Risk	(1.50)
Funding and Liquidity	0.50
Comparative profile	0.00
Group support	0.00
Government support	0.00
Peer analysis	0.00
Total Score	5.75

ZEDCREST GROUP

Long-Term Rating:

A⁻

Short Term Rating: A2
 Rating Outlook: Stable
 Trend: UP
 Currency: Naira
 Date Issued: 7 Dec., 2022
 Valid Till: 6 Dec., 2023

Reference:

Abiodun Adeseyoju, FCA.
 Abimbola Adeseyoju
 Oladele Adeoye

This report is provided by DataPro subject to the Terms & Conditions stipulated in our Terms of Engagement

EXECUTIVE SUMMARY

	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
Fund Income	12,647,305	17,890,913	9,446,072	7,037,324	2,270,891
Managed Fund	650,876	846,531	-	-	-
PBT	5,191,476	10,316,175	4,356,212	3,647,150	92,066
Total Asset	33,785,702	31,631,191	15,791,406	16,381,159	7,541,008
Equity	24,088,182	19,206,183	8,901,927	4,604,396	800,675
Fixed Asset	967,689	706,893	161,259	114,203	96,755

Rating Explanation

The Short-Term Rating of A2 indicates *Fair Credit Quality* and adequate capacity for timely payment of financial commitments.

The Long-Term Rating of A⁻ indicates *Low Risk*. It shows Very Good Financial Strength, Operating Performance and Business Profile when compared to the standard established by DataPro. This Company, in our opinion, has the strong ability to meet its ongoing obligations.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information was obtained from the Company's Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors:

- Good Liquidity
- Stable Management
- Diversified Earnings Profile

Negative Rating Factor

- High Non-Performing Loan Ratio

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.



www.aluko-oyebode.com

9 January 2023

CardinalStone Partners Limited
5 Okotie-Eboh Street
Off Awolowo Road
Ikoyi, Lagos State

Dear Sir,

RE: ESTABLISHMENT OF A ₦15,000,000,000.00 COMMERCIAL PAPER ISSUANCE PROGRAMME BY ZEDCREST CAPITAL LIMITED

We have acted as Counsel to Zedcrest Capital Limited (the “**Issuer**”) in connection with its establishment of a ₦15,000,000,000.00 (Fifteen Billion Naira) Commercial Paper Issuance Programme (the “**Programme**”), under which the Issuer, a private limited liability company incorporated under the laws of the Federal Republic of Nigeria, may from time to time issue Commercial Paper Notes (“**CP Notes**” or “**Notes**”), denominated in Nigerian Naira, in separate series or tranches subject to the terms and conditions (the “**Terms and Conditions**”) contained in the Programme Memorandum (defined below) and applicable Pricing Supplement.

We are giving this opinion pursuant to the Dealer Agreement (the “**Dealer Agreement**”) dated 9 January 2023 between the Issuer, and CardinalStone Partners Limited (the “**Dealer**”).

The Notes issued will be constituted by, subject to, and have the benefit of, a Deed of Covenant dated 9 January 2023, made by the Issuer, which shall take effect as a deed poll for the benefit of the holders of the Notes (the “**Deed of Covenant**”).

For avoidance of doubt, all capitalised terms used but not defined herein shall have the meanings assigned to such terms in the Programme Memorandum, or any Pricing Supplement, as applicable.

1. THE DOCUMENTS

In rendering our legal opinion (the “**Opinion**”), we have examined such documents as we have considered necessary for the opinions expressed in this Opinion and principally the following documents provided to us in physical or electronic form (unless otherwise stated):

- 1.1 A copy of the ₦15,000,000,000.00 (Fifteen Billion Naira) Commercial Paper Programme Memorandum dated 9 January 2023 including the Terms and Conditions relating to each Series or Tranche of Notes issued under the Programme (the “**Programme Memorandum**”);
- 1.2 An executed copy of the Dealer Agreement;
- 1.3 An executed copy of the Deed of Covenant;
- 1.4 An executed copy of the Issuing and Placing Agency Agreement dated 9 January 2023 between the Issuer and the Issuing and Placing Agent, (the “**IPA**”);

1 Murtala Muhammed Drive
Ikoyi, Lagos, Nigeria
P.O. Box 2293, Marina, Lagos

T +234 1 462 8360
E ao@aluko-oyebode.com



- 1.5 An executed copy of the Collecting and Paying Agency Agreement dated 9 January 2023 between the Issuer and the Collecting and Paying Agent, (the “CPA”);

(The documents referred to in paragraphs 1.2 to 1.5 are referred to as the “Transaction Documents”)

- 1.6 A copy of a Certificate of Incorporation of the Issuer dated 26 March 2013, issued by the Corporate Affairs Commission;
- 1.7 A copy of the Memorandum and Articles of Association of the Issuer certified by the Corporate Affairs Commission on 13 November 2017;
- 1.8 A copy of the resolution of the meeting of the Board of Directors of the Issuer dated 23 December 2022 authorising the establishment of the Programme;
- 1.9 A copy of the Form CAC 7A (Notice of Change of Directors, or in the Name, Residential Address or Postal Address of Director) certified by the Corporate Affairs Commission on 14 February 2019;
- 1.10 A copy of the Form CAC 2A Return of Allotment (Post Incorporation) certified by the Corporate Affairs Commission on 14 February 2019; and
- 1.11 A copy of the Status Report verified by the Corporate Affairs Commission on 11 April 2022.

(The documents referred to in paragraphs 1.6 to 1.11 are referred to as the “Corporate Documents”, while the documents referred to in paragraphs 1.1 to 1.11 are referred to as the “Documents”).

2. ASSUMPTIONS

For the purpose of this Opinion, we have assumed, without independent verification, each of the following:

- 2.1 the authenticity of all seals and signatures, the completeness and conformity with original documents of all copies of the Documents submitted to us in physical or in electronic form, and that any Document submitted to us continues in full force and effect;
- 2.2 the Transaction Documents referred to in paragraph 1 above have been validly authorised and duly executed and delivered in such form by each of the parties to them (other than the Issuer), by a person or persons duly authorised to do so;
- 2.3 the Transaction Documents which are governed by the laws of the Federal Republic of Nigeria are, or will be, legal, valid, binding and enforceable against all relevant parties, (other than the Issuer), in accordance with their respective terms under the laws of the Federal Republic of Nigeria;
- 2.4 the due compliance with all matters, (including without limitation, the obtaining of necessary consents, authorisations and approvals, and the making of necessary filings and registrations), required in connection with the



Transaction Documents to render them enforceable in all relevant jurisdictions, (other than the Federal Republic of Nigeria), has been effected and such compliance remains in full force and effect and will continue to be effected where required for the validity and enforceability, under such laws as applicable, (other than the laws of the Federal Republic of Nigeria), of the Transaction Documents (or any document in connection therewith); and

- 2.5 the power, authority and legal right of all parties under all the relevant laws and regulations, (other than the laws of the Federal Republic of Nigeria), to enter into, execute and perform their respective obligations under the Transaction Documents.

3. OPINION

Based on the assumptions above and subject to the qualifications below and to any matters not disclosed to us, we are of the opinion that:

3.1 Status, Power and Authority, Legal Validity

- 3.1.1 the Issuer (i) is a private limited liability company duly incorporated and validly existing under the laws of the Federal Republic of Nigeria; (ii) has perpetual corporate existence and the capacity to sue or be sued in its own name; (iii) has the corporate power and authority to enter into and perform the obligations expressed and assumed by it under the Transaction Documents to which it is a party and any Notes; (iv) has taken all necessary corporate and other action to authorise the entry into, execution of and performance of its obligations under the Transaction Documents to which it is a party and the Notes; and (v) has duly complied with all extant laws, regulations, circulars and guidelines issued by the Central Bank of Nigeria.

- 3.1.2 the Transaction Documents have been duly executed and delivered, and the Transaction Documents and the Notes have been duly authorised by the Issuer in accordance with the laws of the Federal Republic of Nigeria and the Corporate Documents of the Issuer;

- 3.1.3 the Transaction Documents constitute valid, legal, binding and enforceable obligations of the Issuer and are enforceable against it in accordance with their terms;

- 3.1.4 the holders of the Notes shall be entitled, severally, to enforce the Deed of Covenant against the Issuer;

- 3.1.5 the Notes, when issued, would constitute valid, legal, binding and enforceable obligations of the Issuer;

- 3.1.6 the issuance of the Notes in dematerialised form is valid and legal under Nigerian law;

3.2 Foreign Exchange Control

- 3.2.1 there are no foreign exchange control consents, licences or approvals required, (including without limitation by any governmental authority, including the Central Bank of Nigeria), for the entry into and performance by



the Issuer of its obligations under the Transaction Documents or the Notes; save that non-residents of Nigeria who have brought funds into Nigeria for the purchase of the Notes through an approved and lawful channel may upon liquidating their investment in the Notes repatriate the proceeds of their investment upon the submission of all relevant documentation including a Certificate of Capital Importation, which evidences the in-flow of the funds into Nigeria by the non-resident holders of the Notes in accordance with the provisions of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act¹ and the Foreign Exchange Guidelines issued by the Central Bank of Nigeria;

3.3 Consents, Filings and Form

3.3.1 no consent, approval, registration or filing with any court or governmental authority in the Federal Republic of Nigeria, (including the Central Bank of Nigeria and the Securities and Exchange Commission of Nigeria), is required in connection with the execution, delivery and performance of the Transaction Documents, including the issue of the Notes;

3.3.2 the Notes, when issued, would be issued in compliance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the Central Bank of Nigeria on 11 September 2019 and the Commercial Paper Registration and Quotation Rules issued by FMDQ in April 2021;

3.3.3 the Transaction Documents are in the proper form for their admissibility in evidence and their enforcement, (save for payment of stamp duty as described in paragraph 3.8 below), against the Issuer in the courts of the Federal Republic of Nigeria;

3.4 Non conflict with laws

the execution of and the performance by the Issuer of its obligations under the Transaction Documents and the Notes, and the compliance with the provisions of the Transaction Documents to which it is a party and the Notes will not contravene, violate or conflict with any law, statute, rule or regulation of the Federal Republic of Nigeria or the Corporate Documents of the Issuer;

3.5 Insolvency

to the best of our knowledge, no procedure has been commenced in the Federal Republic of Nigeria with a view to the winding up, reorganisation, or dissolution (or similar procedure) of the Issuer or with a view to the appointment of a liquidator, receiver, receiver/manager or similar officer in respect of the Issuer or any of its properties, assets or interest;

3.6 Immunity

the Issuer is not entitled to claim in relation to itself or any of its assets, any form of immunity on the grounds of sovereignty, diplomacy or otherwise from any legal action or proceeding or from execution of a judgement against it, instituted or initiated before a competent jurisdiction or any arbitral panel;

¹ Cap F34 Laws of the Federation of Nigeria 2004



3.7 Licensing and Qualifications etc.

- 3.7.1 under the laws of the Federal Republic of Nigeria, no party which is not registered in Nigeria will, by reason of its purchase of the Notes, and enforcing its rights thereunder, (i) be required to be registered, qualified, licensed or otherwise entitled to do business in the Federal Republic of Nigeria or be required to comply with any requirement as to foreign registration or qualification in the Federal Republic of Nigeria; or (ii) be required to make any filing with any court or other agency in the Federal Republic of Nigeria prior to any enforcement of the Transaction Documents (including the Notes); or (iii) be deemed to be resident, domiciled or carrying on business in the Federal Republic of Nigeria for tax or any other purpose;
- 3.7.2 the performance by any party of any of its rights, duties, obligations or representations under the Transaction Documents (including the Notes) will not violate any existing applicable law or regulation in the Federal Republic of Nigeria;

3.8 Stamp Duty

- 3.8.1 the provisions of the Stamp Duties Act² require any instrument executed in the Federal Republic of Nigeria, or relating, wheresoever executed, to any property situated or any matter or thing done or to be done in the Federal Republic of Nigeria to be stamped and the appropriate stamp duty paid in respect of the said instrument. Unstamped or insufficiently stamped instruments are not admissible in evidence (except in criminal proceedings) in the courts of the Federal Republic of Nigeria;
- 3.8.2 stamp duty is payable in the Federal Republic of Nigeria either at a *flat* rate or an *ad valorem* rate. Based on the Stamp Duties Act, the rate of stamp duty payable in the Federal Republic of Nigeria in respect of the Notes is 0.1% levied on an *ad valorem* basis on the value of the underlying transaction;
- 3.8.3 prior to the amendment of the Stamp Duties Act by the Finance Act 2019 (the “Finance Act”), dematerialised Notes were not subject to stamp duty as the Notes being in uncertificated form did not qualify as “instruments” as was previously defined under the Stamp Duties Act;
- 3.8.4 the Finance Act amends the definition of “instruments” in the Stamp Duties Act to include electronic documents, but neither defines nor sets out what would qualify as an “electronic document”. As such, it is not clear whether the electronic form of the dematerialised Notes would qualify the Notes as an electronic document which would be subject to stamp duty;
- 3.8.5 where the Federal Inland Revenue Service takes the view that the dematerialised Notes qualify as “electronic documents”, the Notes would be subject to stamp duty as stated in paragraph 3.8.2 above;
- 3.8.6 It is unclear whether the Deed of Covenant, the Dealer Agreement, the Collecting and Paying Agency Agreement and the Issuing and Placing Agency Agreement will be assessed for stamp duties at a flat rate or an *ad valorem*

² Cap 58 Laws of the Federation of Nigeria 2004 (as amended by the Finance Act of 2019, 2020 and 2021)



rate. Historically, the Deed of Covenant, the Dealer Agreement, the Collecting and Paying Agency Agreement and the Issuing and Placing Agency Agreement have each attracted a nominal stamp duty of ₦500.00 (Five Hundred Naira) for an original copy and ₦50.00 (Fifty Naira) for each counterpart. The Deed of Covenant, the Dealer Agreement, the Collecting and Paying Agency Agreement, and the Issuing and Placing Agency Agreement will be assessed and stamped at the prevailing stamp duties rate as of the time of stamping;

3.8.7 each of the Transaction Documents are required to be stamped in Nigeria within a period of 30 (thirty) days after their execution (where they are executed in the Federal Republic of Nigeria) or within a period of 30 (thirty) days after they are first brought into the Federal Republic of Nigeria (in the event that they are executed outside the Federal Republic of Nigeria);

3.8.8 no other stamp duty is payable, and no filing or registration is required in connection with the execution, delivery, issue, performance and enforcement of the Transaction Documents and the Notes;

3.9 Forum of Dispute Resolution

3.9.1 the submission to arbitration by the parties would be upheld in Nigeria as parties are permitted under Nigerian law to choose arbitration as a means of settling their disputes. Parties are also permitted to choose the seat and governing rules of the arbitration;

3.9.2 the courts of the Federal Republic of Nigeria will accept jurisdiction in any suit, action or proceedings against the Issuer arising out of or in connection with the Transaction Documents and the Notes and can give judgement in a currency other than the legal tender/lawful currency of the Federal Republic of Nigeria for the payment of any sum due under the Transaction Documents or the Notes; and

3.10 Pari Passu

the obligations of the Issuer under the Transaction Documents and the Notes will rank at least *pari passu* as to priority of payment with the claims of all other unsecured and unsubordinated creditors of the Issuer except for those claims which are mandatorily preferred solely by any bankruptcy, insolvency or liquidation or other similar laws of general application.

4. QUALIFICATIONS

This Opinion is subject to the following qualifications:

4.1 This Opinion is limited in all respects to the laws of the Federal Republic of Nigeria, as at the date hereof. We have not made any investigations of, and we do not express any opinion as to the laws of any other jurisdiction;

4.2 This Opinion is expressed as of the date hereof and we assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective;



- 4.3 Our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which the courts in the Federal Republic of Nigeria will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances as the validity, enforceability and/or binding nature of such obligations or documents under the laws of the Federal Republic of Nigeria will be subject to, amongst other things, the laws of bankruptcy, insolvency, receivership, reorganisation, liquidation, moratorium and other like laws. In particular, equitable remedies such as injunctions and specific performance are discretionary and are not generally available in circumstances where damages are considered by the courts in the Federal Republic of Nigeria to be an adequate remedy;
- 4.4 Save for paragraph 3.8 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein; and
- 4.5 Where any obligation is to be performed or observed in a jurisdiction outside the Federal Republic of Nigeria, it may not be enforceable under Nigerian law if and to the extent that such performance or observance would be unlawful, unenforceable or contrary to public policy of the Federal Republic of Nigeria or under the laws of such jurisdiction.

5. RELIANCE

This Opinion is issued at the request of the Dealer for the purpose of the Programme and any Note issuances thereunder. The opinion may be relied upon only by the Dealer and persons seeking to invest in the Notes, in connection with the matters dealt with herein and may not without our prior written consent be relied upon by any other person. Neither its contents nor its existence may be disclosed to any other person unless we have given our prior written consent.

This Opinion may be disclosed (a) if required by law or regulation; (b) to the officers, directors, employees, affiliates, professional advisers (including legal advisers), auditors or regulators of the Dealer; and (c) in connection with any actual or potential dispute or claim in respect of the Note issuance provided that such persons may not rely on the Opinion.

Yours faithfully,
ALUKO & OYEBODE

A handwritten signature in cursive script, appearing to read 'Aluko & Oyebode'.

16. GENERAL INFORMATION

Authorisation

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Zedcrest Capital Limited dated [•], 2022.

Auditors

Ernst & Young acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2019 to 31 December 2021 and was responsible for the audit and issued an unqualified report.

Commercial Paper Outstanding

The Issuer has no commercial paper outstanding as at the date of this Programme Memorandum. Within the financial year ending December 31, 2022, the Issuer does not anticipate the amount of CPs to be issued to exceed the Programme Size.

Going Concern

The Issuer is at the date hereof a going concern and can be reasonably expected to meet all of its obligations as and when they fall due.

Litigation

The Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings, the result of which might have or have had a material effect on the financial position or the operations of the Issuer, nor is the Issuer aware of any such proceedings being threatened or pending.

Material Contracts

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


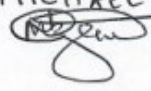

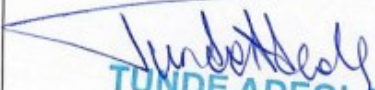
S/N	Narration	Date
	Zedcrest Capital Limited ₦15 Billion Commercial Paper	
1	Deed of Covenant	9 th January 2023
2	Dealers' Agreement	9 th January 2023
3	Issuing and Placing Agency Agreement	9 th January 2023
4	Collecting and Paying Agency Agreement	9 th January 2023

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.

17. PARTIES TO THE PROGRAMME

17. PARTIES TO THE PROGRAMME	
ISSUER Zedcrest Capital Limited 65 Karimu Kotun St Victoria Island Lagos State Website: www.zedcrest.com Email address: info@zedcrestcapital.com Phone number: 016311667	ADEDAYO AMZAT 
SOLE ARRANGER/ISSUING AND PLACING AGENT CardinalStone Partners Limited 5 Okotie Eboh Street Off Awolowo Road Ikoyi, Lagos	MICHAEL NZEWI 
AUDITORS Ernst & Young Nigeria 10th Floor, UBA House 57, Marina Lagos	Sayo Aluman 
COLLECTING AND PAYING AGENT Sterling Bank PLC Sterling Towers 20, Marina Lagos	 TUNDE ADEOLA Executive Director
SOLICITOR Aluko and Oyebo 1 Murtala Muhammed Dr Ikoyi Lagos	