

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers and the FMDQ Exchange Commercial Paper Registration and Quotation Rules in force as at the date hereof. THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. If you are in any doubt about its content or the action to take, kindly consult your Stockbroker, Accountant, Banker, Solicitor, or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the Board of Directors of O3 Capital Nigeria Limited who jointly and individually accept full responsibility for the accuracy of all information given herein.



RC: 928650

₦5,000,000,000.00 (Five Billion Naira) Commercial Paper Issuance Programme

O3 Capital Nigeria Limited (“O3 Capital” or “the Issuer” or “the Company”), a private limited liability company incorporated in Nigeria, has established a ₦5,000,000,000.00 (Five Billion Naira) commercial paper issuance programme (the “CP Programme” or “the Programme”) under which O3 Capital may from time to time issue commercial paper notes (“CP Notes” or “Notes”), denominated in Nigerian Naira (“NGN or ₦”) or such other currency as may be agreed between the Issuer and the Arranger and Dealer (as defined in the section entitled, “Summary of the Programme”) in separate series or tranches, subject to compliance with all relevant laws and in accordance with the terms and conditions (“Terms and Conditions”) contained in this programme memorandum (the “Programme Memorandum”).

Each Series or Tranche (as defined herein) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such series or tranche (the “Applicable Pricing Supplement”). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦5,000,000,000 (Five Billion Naira) over the three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

This Programme Memorandum is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any Series or Tranche, together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

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

The Notes issued under this Programme shall be issued in dematerialised form, registered, quoted and traded on the FMDQ Securities Exchange Limited (“FMDQ Exchange”) in accordance with the rules, guidelines and such other regulation as may be prescribed by the Central Bank of Nigeria (“CBN”) and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The securities will be settled via any Central Securities Depository recognised by the SEC, acting as Clearing Agent 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”) and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party. In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the accuracy or otherwise of 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.

ARRANGER/DEALER



UCML CAPITAL LIMITED
RC:370890

ISSUING AND PLACING AGENT



UCML CAPITAL LIMITED
RC: 370890

COLLECTING AND PAYING AGENT



FIRST CITY MONUMENT BANK LIMITED
RC: 46713

THIS PROGRAMME MEMORANDUM IS DATED 15th February, 2023

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DEFINITIONS AND INTERPRETATIONS

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

TERMS	DEFINITION
"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 and the Agents.
"Agents"	The Collecting and Paying Agent and the Issuing and Placing Agent.
"Applicable Pricing Supplement"	The pricing supplement applicable to a particular Series or Tranche of notes issued under the CP Programme.
"Arranger" and/or "Dealer"	UCML Capital Limited and any other additional arranger and/or 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 Arranger and/or Dealer pursuant to the Dealer Agreement.
"Authorized Participant"	Dealing Members of the FMDQ Exchange who are licenced members authorised to market securities admitted to trade on the FMDQ Exchange platform.
"Board" or "Directors"	Board of Directors of O3 Capital Nigeria Limited.
"Business Day"	Any day (except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria) on which banks are open for general business in Nigeria.
"CBN"	Central Bank of Nigeria.
"CBN Guidelines"	CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11th September 2019, and the CBN Circular of 12th July 2016 on Mandatory Registration and Listing of Commercial Paper, as amended or supplemented from time to time.
"Central Securities Depository" or "CSD"	FMDQ Depository Limited.
"CITA"	Companies Income Tax Act 1977 (as amended by the Companies Income Tax Act No 11 of 2007 and the Finance Acts).

DEFINITIONS AND INTERPRETATIONS

“Collecting and Paying Agent” or “CPA”

First City Monument Bank Limited or any successor collecting and paying agent appointed in accordance with the Agency Agreement.

“Commercial Paper”, “CP”, “CP Notes” or “Notes”

The Commercial Paper issued by the Issuer under the CP Programme 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.

“Conditions” or “Terms and Conditions”

Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum 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 or tranches 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 ₦5,000,000,000.00 (Five Billion Naira).

“Day Count Fraction”

The method of calculating the discount/interest in respect of a Note as specified in the Applicable Pricing Supplement.

“Dealer Agreement”

The Dealer and Arranger Agreement dated on or about the date of this Programme Memorandum between the Issuer and the Dealer.

“Eligible Investors”

Has the meaning given to it in the FMDQ Exchange Rules.

“Event of Default”

An event of default by the Issuer as set out in 6 of the “Terms and Conditions of the Notes”.

DEFINITIONS AND INTERPRETATIONS

“Face Value”	The par value of the Notes.
“FGN”	Federal Government of Nigeria.
“Finance Acts”	The Finance Act 2019, the Finance Act 2020 and the Finance Act 2021.
“FMDQ Exchange” or “FMDQ”	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the SEC to provide a platform for, amongst others, listing, quotation, registration and trading of securities.
“FMDQ Exchange Rules”	The FMDQ Commercial Paper Registration and Quotation Rules issued in April 2021 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ 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, protests, curfews, national emergency, riot, insurrection, war, embargo, legislation, acts of God, acts of terrorism, epidemics, pandemics, outbreak of diseases and industrial unrest.
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement.
“ISA”	ISA means the Investments and Securities Act, No. 29 of 2007 as may be amended, supplemented or replaced from time to time.
“Issue Date”	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement.
“Issue Price”	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement.

“Issuing and Placing Agent” or “IPA”	UCML Capital Limited or any successor issuing and placing agent appointed in accordance with the Agency Agreement.
“Issuer”, O3 Capital or the “Company”	O3 Capital Nigeria 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 obligation(s) under the CP Programme.
“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due. The maturity date of all outstanding CPs shall also not exceed the validity period of the applicable Issuer/CP Programme rating designated at the commencement of the registration of the CP Programme
“Naira” or “₦” or “NGN”	The Nigerian Naira, the official currency of the Federal Republic of Nigeria.
“NIBOR”	The Nigerian Inter-Bank Offered Rate.
“Noteholder”	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions.
“Outstanding Notes”	<p>In relation to the Notes, all the Notes issued, other than:</p> <ul style="list-style-type: none"> (i) those Notes which have been redeemed pursuant to the provisions of the Conditions; (ii) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption moneys have been duly paid in accordance with the provisions of the Conditions; and (iii) those Notes which have become void under the provisions of the Conditions.
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011 and the Finance Acts).

DEFINITIONS AND INTERPRETATIONS

“Qualified Institutional Investors” or “QII”	This include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be determined by the SEC 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”	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 the Applicable Pricing Supplement.
“Register”	The register of Noteholders, maintained by the Issuing and Placing Agent.
“Relevant Date”	The payment date of any obligation due on the Notes.
“Relevant Last Date”	The date specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered.
“SEC”	The Securities and Exchange Commission established pursuant to the ISA.
“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.
“Tranche”	Notes which are identical in all respects.
“Unique Identifier”	A code specifically designated/assigned by the CSD to identify a CP.

DEFINITIONS AND INTERPRETATIONS

“VAT”

Value Added Tax as provided for in the Value Added Tax Act, 1993 (as amended by the Value Added Tax Act No 12 of 2007 and the Finance Acts and as maybe amended from time to time).

“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 default interest in the case of late payment.

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have Outstanding Notes at any time up to a maximum aggregate amount of ₦5,000,000,000.00 (Five 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 by reference in this Programme Memorandum is correct and does not omit any material fact that is 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 reasonably material in the context of the CP Programme and the offering of the Notes, that the information contained in this Programme Memorandum and the Applicable Pricing Supplement 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, the Arranger and other professional advisers accept any responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Arranger or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and other professional advisers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save to the extent precluded by law) which it might otherwise have in respect of this Programme Memorandum or any such statement.

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

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation or should be considered as a recommendation or the rendering of investment advice by the Issuer, the Dealer, the 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.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer, or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arranger, the Dealer and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

Specifically, FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE CP PROGRAMME, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY

IMPORTANT NOTICES

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.

Each person contemplating purchasing any Commercial Paper should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment and any other factors which may be relevant to it in connection with such investment.

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitutes the rendering of financial or investment advice or an offer or invitation by or on behalf of the Issuer, the 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 after the date hereof. The Arranger and the other professional advisers expressly or impliedly undertake to review the financial information or affairs of the Issuer during the life of the Programme. Investors should review, among other things, the most recent audited annual financial statements of the Issuer prior to taking any investment decision.

In the event of any default by the Issuer, the Arranger(s), the Dealer(s), the IPA and the CPAs are under no obligation to seek recovery or initiate any action against the Issuer, either on its own or on behalf of a Noteholder.

INCORPORATION OF DOCUMENTS BY REFERENCE

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

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

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

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

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

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

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

SUMMARY OF THE PROGRAMME

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

TERMS	DESCRIPTION
Issuer:	O3 Capital Nigeria Limited.
Arranger/Dealer:	UCML Capital Limited.
Auditors:	Folorunsho Mejabi & Co.
Collecting and Paying Agent:	First City Monument Bank Limited
Currency of Issue:	Nigerian Naira.
CSD:	The CSD stated in the applicable Pricing Supplement.
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher).
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.
Interest Payments:	Notes shall be issued at a discount and in the form of Zero-Coupon Notes. Thus, the Notes will not bear interest, other than default interest in the case of late payment.
Issuance in Series:	The Notes will be issued in Series or Tranches, and each Series may comprise of one or more Tranche issued on different dates. The Notes in each series will have the same maturity dates and identical terms (Except the Issue Dates and Issue Price may be different). Details applicable to each Series and Tranches will be specified in the Applicable Pricing Supplement.
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement.
Issuing and Placing Agent	UCML Capital Limited.

SUMMARY OF THE PROGRAMME

Issue Size:	As specified in the Applicable Pricing Supplement, subject to the minimum level of subscription.
Maturity Date:	As specified in the Applicable Pricing Supplement, subject to a minimum of 15 (Fifteen) days and a maximum of 270 (Two Hundred and Seventy) days (including rollover, from the Issue Date). The maturity date of all Outstanding Notes shall also not exceed the validity period of the applicable Issuer/CP Programme rating designated at the commencement of the registration of the CP Programme
Minimum Subscription:	Minimum subscription amount from any single investor in the CPs issued under the Programme shall be ₦2,000,000 in line with the QIIs restriction and section 6.5 of the Central Bank Guidelines for Finance Companies which reads “ <i>the minimum amount which a finance company can borrow from any one person is ₦50,000 and shall be ₦2,000,000 for corporate borrowings (subject to a maximum limit for all outstanding borrowings which should not be more than 10 times the shareholders’ funds unimpaired by losses</i> ”
Programme Description:	The commercial paper issuance programme established by the Issuer, on its behalf, which allows for the multiple issuance of Notes from time to time under a standardized documentation framework.
Programme Size:	₦5,000,000,000.00 (Five Billion Naira).
Quotation:	The Issuer will quote each Series or Tranche of Notes 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 of any Series or Tranche of Notes quoted or listed on the relevant trading platform.
Rating:	The Issuer has been assigned a long-term national rating of A- and a short-term rating of A2 by DataPro.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension or change or withdrawal at any time by the assigning rating agency.

Redemption: As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and the FMDQ Exchange Rules.

Settlement Procedures: Notes will be settled via direct debit, electronic funds transfers, Nigeria Inter-Bank Settlement System (NIBBS) Instant Payment (NIP), NIBBS Electronic Funds Transfer (“NEFT”) or Real Time Gross Settlement (“RTGS”) and in accordance with the provisions / guidelines / procedures of the CSD.

Solicitors: G. Elias

Sources 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 Supplements.

Status of the Notes: Each Note constitutes a senior, direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank *pari passu* among themselves and, save for certain debt obligations preferred by law, *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer’s Outstanding Notes from time to time.

Target Investors: Notes issued under the Programme are restricted to Qualified Institutional Investors as specified under the FMDQ Exchange Rules

Taxation: Refer to the section of this Programme Memorandum headed “*Tax Considerations*”.

Use of Proceeds: Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its short-term financing requirements.

OVERVIEW OF THE ISSUER

ABOUT O3 CAPITAL NIGERIA LIMITED

O3 Capital Nigeria Limited (“**O3 Capital**” or the “**Company**”) is a digital bank licensed by the CBN that offers credit and prepaid cards. O3 Capital is a pioneer non-bank Fintech in Nigeria that continues to innovate customer centric products by providing instant access to credit and prepaid cards. O3 Capital also offers other financial services like remittance, funds management and micro-savings. O3 capital was recently licensed by American Express as the pioneer United States Dollars denominated payment card issuer in Nigeria. The strategic thrust of the company is to issue cards (including credit and prepaid cards) to the Pan African market to improve purchasing power and improved standard of living. This objective correlates to that of the CBN’s Financial System strategy 2020, to create a “cashless Nigeria and the Continental AfCFTA initiative”.

Business Model

- O3 Capital provides free, easy and quick access to virtual and physical credit cards to individuals and SMEs with instant Know-Your-Customer (KYC) verification of biometric capture.
- The Company generates revenue from monthly interest on credit cards and fees on transactions and remittances, but no fees on prepaid cards.
- O3 Capital enables borderless, bankless global foreign currency spending and earns foreign exchange in interchange fees and interest income.
- The Company also partners with the government agencies to facilitate social , agricultural welfare payments and financial inclusion initiatives using our prepaid cards.

Corporate Strategy

- Providing easy access to credit cards through digitalisation with emphasis on improving standard of living and lifestyle.
- Interactive, easy to use mobile app that facilitates purchases, transfers , remittances ,bill payments and cash withdrawal by virtualizing credit and prepaid cards.
- Robotic, artificial intelligence (AI) and algorithm driven processes that streamlines and simplifies processing of credit applications in record time.

OVERVIEW OF THE ISSUER

SHAREHOLDING STRUCTURE OF THE ISSUER

S/N	SHAREHOLDERS' NAMES	% HOLDINGS	NO OF SHARES
1	Abimbola Pinheiro	47.0%	80,702,859
2	Thorburn Investment Nigeria Limited	4.7%	8,070,286
3	Modupe Adigun	2.3%	4,035,143
4	Olufemi Pampam	10.6%	18,158,528
5	Babafemi Faiga	2.3%	4,029,134
6	Andy Morkah	2.3%	4,029,134
7	Jafaru Muhammed	5.9%	10,072,835
8	Pantera Properties Ltd	14.0%	24,000,000
9	Ahmad Damcida	5.5%	9,401,313
10	Andre Giagano	2.9%	4,964,000
11	George Osahon	1.8%	3,127,235
12	Jibola Okin	0.6%	1,000,000
13	Outcess Solutions Ltd	0.1%	233,810
	Total	100%	171,824,277

OVERVIEW OF THE ISSUER

BOARD OF DIRECTORS

Mr J. O. Emmanuel - Chairman

A seasoned technocrat and industrialist, Mr. J. O. Emmanuel has interests in several blue-chip concerns both within and outside Nigeria. He is on the boards of Grand Cereal Industries, Macmillan Nigeria Publishers Limited, Borini Prono & Co. (Nigeria) Limited, Hogg Robinson Nigeria Limited, Universe Reinsurance Company Limited, amongst several others.

Olufemi Pampam - Director

Olufemi Pampam has over twenty (20) years' experience in implementing and managing business-critical applications. Olufemi has been in charge of shaping and delivering change through strategic CRM transformation and operation optimization for different companies across Europe. He holds an MBA degree from the University of Leicester, UK and an MSc degree in Information Technology from Queen Mary (University of London).

Ahmad Damcida - Director

Ahmad Damcida has astute finance, energy and project management background. He is currently the Chairman of Triumph Assets Limited an Investment Management and Public Enterprise Company. He is also a Director in Energy Culture Limited (Energy Trading Services and Projects) and East Atlantic Energy Solutions Limited (Power Generation) and he holds significant interests in FCMB Plc.

Abimbola Pinheiro – Managing Director/CEO

A seasoned professional with over Twenty-three (23 years' experience covering Banking, Financial and Consultancy services. He was the Head, Conglomerates and General Commerce Group, Corporate Bank in Bank PHB Plc., now Keystone Bank from August 2008 till he left 2011 to start O3 Capital, the first non-bank credit card issuing company in Nigeria which reinvigorated the credit card market. He obtained a Master of Business Administration (MBA) degree in Strategy from the University of Lagos, Nigeria in 2006 and a Bachelor of Science (B.Sc.) degree in Computer Science from the University of Lagos, Nigeria in 1996. He is also a member of the Institute of Directors of Nigeria and a Fellow of the Institute of Credit Administration.

Babafemi Faiga - Director

Femi possesses over twenty-five (25) years of professional experience that spans industry segments which include manufacturing, aviation, financial services, oil & gas, telecommunications, entertainment and media across the globe. His experience as a financial advisor has seen him involved in structuring deals and raising capital to the tune of hundreds of millions of Dollars. Femi is a graduate of Business Administration from the University of Lagos and is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

OVERVIEW OF THE ISSUER

Andy Morka - Director

Andy is a graduate of Delta State University Abraka Delta State. He studied Business Administration and graduated with a second class upper division. He commenced his banking career with Merchant Bank Of Commerce-MBCOM(Defunct Continental Trust Bank and now part of UBA Plc)and spent over 14 years in the industry before stepping out to set up Richards Infrastructures Limited. Andy's Banking experience covers Treasury, Retail, Commercial and Corporate Banking Services in 6 different Banks including UBA Plc and Zenith Bank Plc.

He developed flair and interest in Real Estate/Infrastructural Development while he was a branch manager with UBA Plc. Then he funded, supervised and managed relationship with Real Estate developers where he was exposed to the intricacies of the business. He consolidated his knowledge of the industry when he moved to the defunct Bank PHB Plc (Now Keystone Bank Limited) as the Head of Construction and Infrastructures Desk of Bank's corporate division. He participated in the execution of several projects from the planning stage to completion because of his role as the financier of these projects. His involvement exposed him to the facility management gap in the industry upon which he left Banking to pioneer the birth of Richards Infrastructures Limited.

Aderemi Aderogba - Director

Aderemi has over twenty years experience at the Bar. A Member of the Chartered Institute of Arbitration, United Kingdom [UK] and Member, Energy Institute, London, member of the International Bar Association and Nigeria Bar Association [NBA] Member, Nigeria Gas Association. He has accumulated professional experiences in Law, where he has over the years proven that he is an outstanding practitioner. Mr. Aderogba is an Alumnus of the Lagos Business School. He is a member of the board of Trustee of the TY Danjuma Centre for Civil and Military Relations He has in the cause of his professional life attended many Courses in many aspect of human Endeavour both locally and internationally.

PROFILE OF MANAGEMENT TEAM

O3 Capital has an experienced management team headed by our Chief Executive Officer and comprising seasoned bankers with deep understanding of credit and the Small and Mid-Size Enterprise (SME) space. Also considered part of the management team are the experienced IT management team located in Manitoba, Canada who provide round-the-clock support to ensure card transactions are carried out with next-to-zero disruption

Taye Falana – Head of Operations

Taye Falana is a professional with over eleven (11) years' experience in Banking, Financial Services and Card Operations. He has a resourceful and result-driven career in Branch Operations and Management, Customer Service, System Administration Credit/Debit and Pre-paid Cards Operations Management and Support, E-payment Channels Support, E-Product Sales and Marketing, People Management and Retail Business. He rose

O3 Capital Nigeria Limited- ₦5,000,000,000.00 Commercial Paper Programme

OVERVIEW OF THE ISSUER

through the cadre in various banking operations capacities in First Atlantic Bank, which was later known as FinBank Plc and now First City Monument Bank Plc to the position of the Head of Operations. He was part of the pioneer team of O3 Capital.

Taye has a Bachelor of Engineering Degree (B.Eng.) in Electrical and Electronics Engineering from the Federal University of Technology, Akure, Nigeria in 2002. He is a member of the Institute of Chartered Economists of Nigeria. He is an Alumnus of the prestigious Lagos Business School (LBS).

Doris Ifeanyi Nnakwe – Head, Sales & Marketing

Doris Ifeanyi Nnakwe is a graduate of Geology and Mining from Enugu State University of Science & Technology who has worked 15yrs Post UME in various fields of endeavor. Her experience in Sales & Marketing cuts across various sectors which include but not limited to advertising/branding and business promotion, marine and finance. She has mostly made a tremendous impact in the Finance sector and presently works as the Head of the Sales & Marketing department of O3 Capital. She is an Alumnus of the prestigious Lagos Business School (LBS).

Balogun Temitayo Bukola – Head, Human Resources

Mrs. Balogun Temitayo Bukola holds a Bachelor of Science degree in Agriculture from the University of Ibadan and a Master's in Business Administration (MBA) from the University of Lagos. An associate of the Chartered Institute of Personnel Management, Temitayo has had a progressive banking career across various functions including e- business processes, customer relationship management, project management and human resources spanning over twelve (12) years.

Temitayo is the Head, Human Resources and Corporate Communications at O3 Capital. She also oversees the customer service and card production units. Prior to joining O3 Capital, she was at Union Bank Nigeria Limited where she was a member of the e-business team in charge of Cards production and management. She was part of the team that deployed the UBN Visa and MasterCard Debit cards. Her stint on these roles was remarkable as a result of her dynamism for project implementation.

Temitayo has interests in reading books and motivating young people. She is also very passionate about charitable pursuits. She is an Alumnus of the prestigious Lagos Business School (LBS).

Olayinka Ogunsola - Head, Risk Management/Settlement & Reconciliation

Olayinka Ogunsola is a finance professional with over ten (10) years' experience in Banking Operations, Financial Services and Card Operations, Change Programs and Process Improvements within global financial institutions. He has worked with First Bank of Nigeria, John Bedola Enterprises Ltd and is currently the Chief Credit Officer and also heads the Reconciliation and Settlement Unit at O3 Capital. He was part of the pioneer at O3 Capital. Olayinka is an Associate of the Chartered Institute of Bankers of Nigeria. He has a Bachelor of Science Degree (B.Sc.) in Banking and Finance from the Olabisi Onabanjo University, Ago- Iwoye, Nigeria and a Higher National Diploma in Banking and Finance from the Federal Polytechnic Offa, Kwara state.

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Kayode Adegbola – Head Accounts & Finance

Kayode Adegbola is the Head of Accounts & Finance of O3 Capital. He is a seasoned Accountant with over fifteen (15) years of cognate professional working experience spanning various economic sub-sectors of Nigerian economy. He has worked with Foods & Beverages (Vicbol Nigeria Ltd.), Engineering & Logistics (NMR Intercontinental Group) Oil and Gas (Obat Oil & Petroleum Ltd.), Real Estate and Construction (Ambassage Properties & Sage Homes Ltd.) and had a stint with Eura pharma Care Services Ltd – a multinational member firm of CFAO Group. This is coupled with his previously gained solid accounting and business advisory experience from a consulting firm where he worked with various clients in Financial Services, Manufacturing and banking amongst others.

He holds a Bachelor of Science degree in Accounting from the prestigious Lagos State University Ojo, and also a member of the Institute of Chartered Accountants of Nigeria (ICAN) and has attended trainings and workshops on Tax Compliance and Planning, International Financial Reporting Standards (IFRS) and Fraud & Forensic Audit. He is an alumnus of the prestigious Lagos Business School (LBS).

USE OF PROCEEDS

Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by O3 Capital for its short-term financing requirements.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Note to be issued by the Issuer under the Programme. The provisions of the Applicable Pricing Supplement to be issued in respect of any Series of Notes are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of such Series of CPs. The Applicable Pricing Supplement in relation to any Series of CPs 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 the Programme Limit. Any Series of Notes issued under the Programme shall be constituted by, be 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 ₦5,000,000 and integral multiples of ₦1,000 in excess thereof; and will be sold at such discount from their Face Value as shall be agreed upon by the Issuing and Placing Agent 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 this Programme will be denominated in Naira.

2.1.3 The Notes issued will be in the form of short-term Zero-Coupon Notes and will not bear interest, other than in the case of late payment.

2.1.4 The Notes will be delivered to the Issuing and Placing Agent in dematerialised (uncertificated, book entry) form; shall be registered by the Issuing and Placing Agent with the CSD, which shall serve as the custodian and central depository of the Notes; and the Issuing and Placing Agent may deal in the Notes in accordance with the CSD procedures and guidelines.

2.2 Title

2.2.1 The title to the Notes will pass upon credit to the CSD account of the Noteholder.

2.2.2 Transfer of title to the Notes shall be effected in accordance with the rules governing transfer of title in securities held by the CSD.

2.2.3 The Issuer and the Issuing and Placing Agent may, save where there is a manifest error, deem and treat the registered holder of any Note as indicated in the records of the CSD and the Registrar as the legal and beneficial owner thereof for all purposes, including but not limited to the payment of outstanding obligations in respect of the Notes, and no liability shall attach to any person for such a determination.

3. Status of the Notes

The Notes shall constitute a senior, direct, unconditional and unsubordinated obligation of the Issuer and the Notes shall rank *pari passu* among themselves and, save for certain debt obligations mandatorily 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

Subject to Condition 6, the Notes are only redeemable at maturity and will be redeemed at the Face Value in accordance with the provisions of Condition 5 below.

5. Payments

The Face Value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the close of business on the applicable Maturity Date(s). The registered Noteholder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged from any further obligations or liability upon payment to, or to the order of, the registered Holder in respect of each amount so paid.

5.1 Method of Payments

- 5.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira, to the account of the Noteholder specified in the Register.
- 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 Issuing and Placing Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers or cheque will be made or addressed to, as the case may be, 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 In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder.
- 5.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 5.1.6 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 strike, protest, curfew, lockout, fire explosion, floods, riot, insurrection, war, accident, any 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) and the Issuer and the Collecting and Paying Agent shall not be responsible for any delay arising from making such payment by cheque. Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.

5.1.7 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.

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. The Noteholder shall not be entitled to any interest, return or other payment in respect of any delay in payment.

5.3 **Closed Periods**

No Noteholder may require the transfer of the Notes (i) during the period of 5 (five) days ending on the due date for redemption in respect of that Note; or (ii) following the issuance of a default notice to the Issuer pursuant to Condition 6.2 (Action upon Event of Default).

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 be continuing:

6.1.1 *Non-Payment:* default by the Issuer in the payment of the Redemption Amount to the Noteholders in respect of the Notes on the Maturity Date and the continuance of such default.

6.1.2 *Breach of Other Obligations:* the Issuer does not perform or comply with any one or more of its other obligations under the Offer Documents which default will affect the capacity of the Issuer to meet its payment obligations and which default has not been remedied for a period of 10 business days, after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer by the Collecting and Paying Agent (except where such default is not capable of being remedied, in which case no such notice as is mentioned above will be required).

- 6.1.3 *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out, on or against a material or substantial part of the property, assets or revenues of the Issuer, and such distress, attachment, execution or other legal process is not discharged or stayed within 90 (ninety) days; or
- 6.1.4 *Seizure/Compulsory Acquisition of Assets*: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer.
- 6.1.5 *Inability to Pay Debts*: the Issuer stops or suspends payment of 70% of its debts due to financial difficulties.
- 6.1.6 *Insolvency*: the appointment of a liquidator (other than in respect of a solvent liquidation or reorganization), receiver, manager or other similar officer in respect of the Issuer and any of its assets.
- 6.1.7 *Obligations Unenforceable*: any of the Notes or the Offer Documents is or becomes wholly or partly void, voidable or unenforceable.

6.2 Action upon Event of Default

- 6.2.1 Upon the occurrence of an Event of Default and 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 it is as a result of a Force Majeure event or 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.
- 6.2.2 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Maturity Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- 6.2.3 In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria.

7. Register

- 7.1 The Register shall be maintained by the Registrar. The Register shall reflect each Tranche and Series of Notes; 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 Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3 The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the Agent to any Noteholder or any person authorised in writing by the Noteholder.
- 7.4 The Agent shall alter the Register in respect of any change of name, address or bank account details 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 it is delivered by hand, courier, electronic mail or sent by registered post in a letter duly addressed to the Party to whom same is required to be given at the registered address of such Party or any address given by such Party 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 FMDQ Exchange, the CSD or such other regulatory authority as may be applicable to the Notes.
- 8.1.2 Any notice if delivered by hand or registered post before 5p.m. local time on a given date, shall be deemed to have been delivered on that date. Any notice or communication given by electronic mail shall be deemed to have been delivered when sent, subject to no delivery failure notification being received by the sender within 24 (twenty-four) hours of the time of sending 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 same with the Agents at their registered office.
- 8.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and the Agents and subsequently, the Register shall be altered accordingly following notifications to the CSD.

9. Modification

- 9.1 The Issuing and Placing Agents and the Collecting and Paying Agent 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 in the opinion of the Issuing and Placing Agents and the Collecting and Paying Agent is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria or delivered in accordance with the provisions of Condition 8 (Notices) 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% (seventy-five percent) 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% (seventy five percent) of the outstanding Principal Amount of all the Notes held by that group.
- 9.3 Any such modification shall be binding on all 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 the Noteholders. The notice required to be given shall be in accordance with Condition 8 (Notices). Such Notice shall specify the date, agenda, time of the meeting to be held, and the place for holding the meeting, 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 proxy or representative of a Noteholder.

- 10.3 Noteholders holding not less than 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a 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 corporate entity executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporate entity, appoint any person (a “Proxy”) to attend and act on his/her or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 10.5 Any Noteholder which is a corporate entity 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.
- 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 fail to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by Noteholders, holding not less than 51% (fifty-one percent) of the outstanding Principal Amount of all the Notes present in person, by representative or by proxy.
- 10.8 At any meeting of Noteholders, 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 outstanding Notes shall form a quorum.
- 10.9 At any meeting of Noteholders, any resolution put to the vote shall be first decided on a show of hands, unless a poll is demanded. A poll may be demanded by either the chairman, the Issuer, or one or more Noteholders present in person, by representative or by proxy. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
- 10.10 If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded. 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.

- 10.11 If 30 (thirty) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than 14 (fourteen) days nor more than 21 (twenty-one) days thereafter and at the same time and place. At such adjourned meeting, 2 (two) or more Noteholders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 10.12 A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all the Noteholders.

11. Changing of IPA

- 11.1 The Issuer is entitled to vary or terminate the appointment of the IPA and/or appoint additional or other IPA and/or approve any change in the office of the IPA through which any IPA acts, provided that there will at all times during the subsistence of the Programme, be an IPA with an office.
- 11.2 The IPA acts solely as IPA of the Issuer and does not assume any obligation towards or any relationship of agency or trust for or with any Noteholder.

12. Taxation

The Notes issued under the Programme are short-term Zero-Coupon Notes and as such will be offered and sold at a discount to Face Value.

13. Further issues

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

14. Governing Law

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

The Nigerian Courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Programme Memorandum and the Notes.

TAX CONSIDERATIONS

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

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

Accordingly, the discount on commercial paper is not caught by the provisions of the law requiring payment of withholding tax on interest. However, there is taxable income made by a company or individual when it purchases such commercial paper at a discount (i.e. the difference between the discounted value and the face value of the commercial paper), which income would have been taxable under the CITA or the PITA, as may be applicable. Also, the Federal Inland Revenue Services by a public notice dated January 2, 2022 and titled, “Personal Income Tax Exemption of Holders of Bonds and Short-Term Government Securities Notice” specified that income tax is payable on income derived by companies from bonds and short-term securities, except for bonds Issued by the Federal Government of Nigeria.

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

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

RISK FACTORS

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.**

BUSINESS AND OPERATIONAL RISK

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Issuer's operational processes capture the following major types of losses: fraud (internal and external); fines, penalties or expenses incurred as a result of settlement delays and regulatory infractions; losses arising from litigation processes including out of court settlements; losses incurred as a result of damage to the Issuer's assets; and losses incurred as a result of system downtime, malfunction or disruption. The Issuer recognises the significance of operational risk, which is inherent in all areas of the Issuer's business. Any lapse due to operational risk that results in severe losses could affect the Issuer's ability to perform its obligations under the Programme.

LIQUIDITY RISK

Liquidity risk arises when there is a mismatch between the inflows and outflows of the Issuer. It is the risk that the company may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. This may be due to the inability of the Issuer to liquidate certain assets at short notice due to market illiquidity and inability to access sufficient funds to meet payment obligations in a timely manner. The management of liquidity risk is critical to the ongoing viability of the Issuer.

MARKET AND INTEREST RATE RISK

The Issuer offers credit and prepaid card services to its clients, which give rise to market risk exposure. 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. The Issuer's operations and financial condition can be adversely affected by these risks which are outside their control. An increase in interest rates may reduce demand for new loans and increase the risk of customer default. Decrease in interest rates can lead to compressed net interest margins and can have an adverse impact on the company's income from investments in fixed income securities.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that changes in foreign exchange rates and controls would affect the value of the financial assets and liabilities as well as off-balance sheet items of the Issuer. Financial instruments that are exposed to this risk include foreign currency denominated loans and advances, foreign currency denominated securities, and future cash flows in foreign currencies arising from foreign exchange transactions. Movement in exchange rates could result in further devaluation/depreciation of the Naira which could have a material adverse effect on company's financial condition.

RISK FACTORS

RISKS RELATING TO THE IMPACT OF THE COVID-19 PANDEMIC

The Coronavirus (“COVID-19”) pandemic has ravaged the entire world and impacted the global economy negatively. Nigeria reported its first case of COVID-19 in February 2020 in Lagos, Nigeria the commercial hub of the Nigerian economy. In response to the outbreak of COVID-19 in Nigeria, The Federal Government began imposing travel restrictions, ban on mass gatherings, and other restrictions with the aim of reducing in-person interactions which lasted well into the economic activities in 2021 and still has some traces in 2022.

The COVID-19 pandemic negatively affected the Nigerian economy due to disrupted supply chains, lower oil prices, foreign exchange illiquidity, naira volatility and reduction in trade lines from international financiers. The COVID-19 pandemic has also resulted in temporary closure of many businesses so as to adhere to the requirement of physical and social distancing. Nigeria slipped into a recession in 2020 as a result of the negative impact of the COVID-19 pandemic, has had several economic fluctuations, and is still recovering fully from the effects of the pandemic in 2022

The board and management of the Issuer have taken necessary measures and initiatives to cushion the effect of the COVID-19 pandemic on the business to ensure the business continues to deliver premium services to its clients.

RISKS RELATING TO THE COMMERCIAL PAPERS

Change in interest rates may affect the price of the Commercial Papers:

Commercial papers are offered at a fixed discount to the pre-determined face value and as a result, they are subject to price risk. Consequently, the price of the Commercial Papers may vary inversely with changes in prevailing interest rates. That is, a rise in interest will cause the price of the commercial paper notes to fall and when interest rates fall, the price increases. Accordingly, the extent of the fall or rise in the prices is a function of the existing yield, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Commercial Papers. However, these effects are only in the short-term as the CPs are short-term instruments, to the extent that there are no extended roll-overs.

Liquidity risk for the Commercial Papers:

There is the risk that there may not be an active two-way quote trading market for the Commercial Papers. Consequently, investors may not be able to readily sell their Commercial Papers at prices that will enable them to realize a yield comparable to that of similar instruments, if any, with a developed secondary market. The short-term nature of the CP notes means that investors will typically hold the securities till maturity.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility which may have an adverse effect on the price of the Commercial Papers.

RISK FACTORS

Tax risk

Adverse changes in applicable tax legislations and regulations may operate to diminish the value of taxable or tax-exempt interest income accruing to the prospective investors. The nature of such possible changes in tax laws cannot be predicted immediately but may ultimately make the CPs less profitable for investors.

Exchange rate risks and exchange controls:

Payments of principal and interest on the Commercial Papers will be made in Naira. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the Naira. These include the risk that exchange rates may significantly change (including changes due to devaluation of Naira or revaluation of the investor's currency. An appreciation in the value of the investor's currency relative to Naira would decrease (1) the investor's currency-equivalent yield on the Commercial Papers; (2) the investor's currency equivalent value of the principal payable on the Commercial Papers; and (3) the investor's currency equivalent market value of the Commercial Papers. The government may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Legality of Purchase:

Neither the Issuer, the Arranger(s) and Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Change of Law:

The Terms and Conditions of the Commercial Papers are based on Nigerian law in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Programme Memorandum.

Credit ratings may not reflect all risks:

The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Commercial Papers. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

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 of Notes will be held in custody by the CSD, either in the name of the beneficial owner or a nominee.

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

Authorised Participants

The CSD will maintain central securities account for the Dealing Members (the "Authorised Participants") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants.

Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participants are First City Monument Bank Limited and UCML Capital Limited and any other Authorised Participant as duly appointed by the Issuer.

Registration

- i The Authorised Participants shall register with the CSD where CP custody and depository services are required and before dealing in the CPs. The Authorised Participant shall complete the required registration form or other applicable document(s) and shall be required to submit proof of appropriate FMDQ Exchange membership along with the completed form.
- ii Noteholders are required to route their account opening applications and transactions through the Authorised Participant, who will officially notify the CSD to create sub-accounts for these Noteholders and attach each of the Noteholder's mandates to this effect.
- iii The CSD will assign a unique identification number (the "Trade Member Code") to the Authorised Participants and also provide an account number (and sub-account numbers for Noteholders) after creation as requested by the Authorised Participant to enable them to trade the CPs.
- iv FMDQ Exchange shall request for the CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participants with the CP Symbol and Unique Identifier Codes for the registered CP, subject to receipt of CP registration fees from the Authorised Participants.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- v The CSD will re-open the existing Unique Identifier Code for all Tranches with same Maturity Dates, however new Unique Identifier Codes 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 Participants who will then submit on the CSD authorised platform in dematerialized form.
- ii Authorised Participants may also decide to keep the CPs in physical form with the 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 Arranger) will advise the CSD, after dematerialisation or e-lodgement to transfer CPs to Noteholders' (or their custodians') accounts at the CSD before trading commences.
- 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) Business Days prior to its Maturity Date as the register closes two (2) Business Days before the Maturity Date.
- ii The 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 prior to 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 Every roll-over of a CP shall be treated or classified as a fresh/separate CP.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- ii 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 CP Symbol and Unique Identifier Codes, subject to receipt of CP rollover fees from the Authorised Participants.
- iii The CSD shall expunge the existing CP Symbol and Unique Identifier Codes from the system and replace with the new codes.

Default

- i The 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.
- ii In case of (i) above, the CP must remain with the CSD until the Collecting and Paying Agent pay off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.
- iii Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly.

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.
- 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 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 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 shall 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.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- ii The CSD will advise the Authorised Participants 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 via RTGS, NEFT or any other transfer mode agreed by the transaction parties and recognised by the CBN.



RC: 928650

**Issue of Up to [.] Series [.] Commercial Paper Notes
Under its ₦5,000,000,000
Commercial Paper Issuance Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 15TH February, 2023 prepared by UCML Capital Limited on behalf of O3 Capital Nigeria Limited in connection with its ₦5,000,000.00 (Five 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, the CBN letter to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the “CBN Guidelines”) and the FMDQ Exchange Commercial Paper Registration and Quotation Rules dated April 2021. The document is not required to be registered with The Nigerian Exchange Limited (“NGX”) or the Securities and Exchange Commission (“SEC”) but it is required to be registered at the FMDQ Securities Exchange Limited. This 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/its Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately.

ARRANGER/DEALER



**UCML CAPITAL LIMITED
RC:370890**

ISSUING AND PLACING AGENT



**UCML CAPITAL LIMITED
RC: 370890**

COLLECTING AND PAYING AGENT



**FIRST CITY MONUMENT BANK
RC: 46713**

THIS PRICING SUPPLEMENT IS DATED [.] [.]

PROFORMA APPLICABLE PRICING SUPPLEMENT

PARTIES	
Issuer	O3 Capital Nigeria Limited.
Arranger/Dealer	UCML Capital Limited.
Collecting and Paying Agent	First City Monument Bank Limited.
Issuing and Placing Agent	UCML Capital Limited.
Sponsor to the Quotation on FMDQ Exchange	UCML Capital Limited.
Auditors	Folorunsho Mejabi & Co. (Chartered Accountants).
Central Securities Depository/Custodian	FMDQ Depository Limited.
Solicitors	G Elias
PROVISIONS RELATING TO THE NOTE	
Series Number	[.]
Tranche Number	[.]
Programme Size	₦5,000,000,000.00
Issued and outstanding at the date of this Pricing Supplement	[.]
Aggregate Nominal Amount	[.]
Face Value	[.]
Discounted Value	[.]
Nominal Amount Per Note	[.]
Issue Price	₦1,000
Tenor	[.]
Issue Date	[.]
Maturity Date	[.]
Final Redemption Amount	[.]
Minimum Subscription	₦5,000,000 and multiples of ₦1,000 thereafter.
Specified Currency	Nigerian Naira (₦).

PROFORMA APPLICABLE PRICING SUPPLEMENT

Status of 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 debts 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.
Form of Notes	Uncertificated (Dematerialized).
Quotation	Notes may be quoted on the FMDQ Exchange platform and any other recognized exchange.
Taxation	Please refer to the 'Tax Consideration' section in the Programme Memorandum.
Method of Offer	Fixed Price Offer.
Use of Proceeds	[.]
Book Closed Period	The register will be closed on [.] to [.] until the maturity date.

ZERO COUPON NOTES

Discount Rate	[.]%
Implied Yield	[.]%
Any Other Formula or Basis for Determining Amount(S) Payable	$PV = FV * (1 - (DR * t / \text{actual number of days in a year}))$
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 Nigeria.

PROVISION REGARDING REDEMPTION

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	[.]

PROFORMA APPLICABLE PRICING SUPPLEMENT

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 [.]
Settlement Date	[.]
Details of Bank Account to Which Payments Are to be Made in Respect of the Notes	Bank: [.] Account name: [.] Account number: [.] Sort code: [.]
Settlement Procedure and Settlement Instruction	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)
Issuer Rating	[.]
Delivery Date	[.]

CORPORATE ACTIONS

Except as disclosed in this document, there have been no corporate actions since the [.] audited accounts.

MATERIAL ADVERSE CHANGE STATEMENT

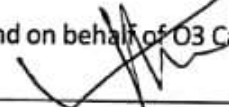
Except as disclosed in this document, there has been no material adverse change in the financial position or prospects of the Issuer since the [.] audited accounts.

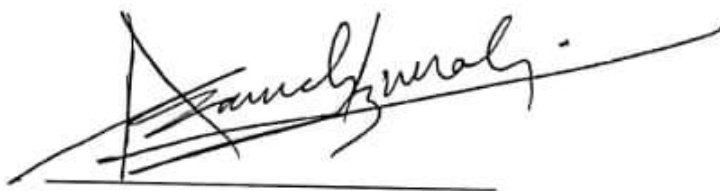
RESPONSIBILITY

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

Signed at [.] on this [.] day of [.] [.]

For and on behalf of O3 Capital Nigeria Limited


Name: **ABIMBOLA PINHEIRO**
Capacity: Director
Who warrants his/her authority hereto


Name: **ANDY MORKAH**
Capacity: Director
Who warrants his/her authority hereto

AUDITOR'S COMFORT LETTER



INDEPENDENT AUDITOR'S ON SUMMARY FINANCIAL STATEMENTS

Opinion

The accompanying summary financial statements on pages 5 and 25 which comprise the summary statement of financial position as at 31 December 2019, 31 December 2020, 31 December 2021; the summary statement of profit or loss or other comprehensive income, summary statement of cash flow are derived from the audited financial statements of 03 Capital Nigeria Limited for the years end 31 December 2019, 31 December 2020, 31 December 2021

In our opinion, the accompanying summary financial statements are consistent, in all materials respect with the audited financial statements in accordance with the requirements of Financial Reporting Council of Nigeria Act, 2020, Companies and Allied Matters Act, CAP C20 LFN, 2004 and the Banks and Other Financial Institutions Act (BOFIA) 2020

Summary financial statements

The summary financial statements do not contain all the disclosures required by Financial Reporting Council of Nigeria Act, 2020, Companies and Allied Matters Act, CAP C20 LFN, 2004 and the Banks and Other Financial Institutions Act (BOFIA) 2020 applied in the preparation of audited financial statements of 03 Capital Nigeria Limited. Reading the summary financial statements and the auditor's report therefore is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the auditor's report do not reflect the events that occurred subsequent to the date of our report on the audited financial statements

Audited financial statements and our report thereon

We expressed unmodified opinion on the audited financial statements for the year end 31 December 2019, 31 December 2020, 31 December 2021 in our report dated March 2021 and 29 March, 2022

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act, 2020 and the Banks and Other Financial Institutions Act (BOFIA) 2020.

Auditors Responsibility

Our responsibility is to express opinion on whether the summary financial statement are consistent in all materials respect with the audited financial statements based on our procedures which were conducted in accordance with International Standard on Auditing 810(Revised), "Engagement to Report on Summary Financial Statements"

Folorunsho Mejabi, FCA
FRC/2013/ICAN/00000003311
For: **Folorunsho Mejabi & Co.**
Chartered Accountants
Lagos, Nigeria.



13-October-22



HISTORICAL FINANCIAL INFORMATION OF O3 CAPITAL NIGERIA LIMITED
STATEMENT OF FINANCIAL POSITION

	31-Dec-21 N	31-Dec-20 N	31-Dec-19 N
Cash & cash equivalents	82,513,279	129,454,000	14,733,000
Loans and Advances	4,696,020,441	1,948,035,021	945,954,000
Other Assets	52,817,964	168,520,000	39,047,000
Inventory	-	263,545	2,550,000
Property, plant and equipment	66,725,851	19,804,779	25,073,000
Intangibles	80,578,927	69,521,788	77,231,000
TOTAL ASSETS	4,978,656,462	2,335,599,132	1,104,588,000
CURRENT LIABILITIES	3,340,936,449	1,768,129,000	
Borrowings			825,385,000
Other Liabilities	515,624,391	96,625,879	5,866,000
Tax Liabilities	7,683,663	2,828,041	35,377,000
	3,864,244,503	1,867,582,920	866,629,000
EQUITY			
ISSUED CAPITAL & RESERVES			
Share Capital	84,324,490	84,324,490	84,324,000
Share Premium	127,407,891	127,407,891	127,408,000
Regulatory Risk Reserves	187,348,437	-	-
Statutory Reserves	112,409,062	-	-
Retained Earnings	602,922,080	256,283,832	26,227,000
	1,114,411,960	468,016,213	237,959,000
TOTAL EQUITY & LIABILITIES	4,978,656,462	2,335,599,132	1,104,588,000

HISTORICAL FINANCIAL INFORMATION OF O3 CAPITAL NIGERIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-21 ₦	31-Dec-20 ₦	31-Dec-19 ₦
Interest income	2,065,139,166	765,419,000	352,995,000
Interest Expense	519,608,329	261,642,000	119,836,000
Net interest income/(expense)	1,545,530,837	503,777,000	233,159,000
Net fees and commissions income	(36,529,862)	(20,823,000)	(7,271,000)
Impairment Charge	(43,770,109)	(46,886,000)	(17,505,000)
Operating profit	1,465,230,866	436,068,000	208,383,000
Depreciation and amortisation	21,162,115	14,520,879	12,977,000
Personnel expenses	224,342,890	81,113,000	51,897,000
Other Operating Expenses	461,809,451	107,519,000	27,944,000
TOTAL EXPENSE	707,314,456	203,152,879	92,818,000
Profit before income tax	757,916,410	232,915,121	115,565,000
Income Tax Expense	(7,683,663)	(2,828,041)	(35,377,000)
Profit for the Period	750,232,747	230,087,080	80,188,000
Other Comprehensive Income:			
Exchange Loss on non-trading	(839,000)	(30,000.00)	-
TOTAL COMPREHENSIVE	749,393,747	230,057,080	80,188,000
INCOME FOR THE PERIOD			

HISTORICAL FINANCIAL INFORMATION OF O3 CAPITAL NIGERIA LIMITED

STATEMENT OF CASHFLOW

	31-Dec-21 N	31-Dec-20 N	31-Dec-19 N
Profit before tax	757,916,410	232,915,000	115,565,000
Adjustments for non - cash items:	35,591,038	61,407,000	30,482,000
	793,507,448	294,322,000	146,047,000
Changes in operating assets and liabilities:	(2,747,985,420)	(1,029,717,000)	(494,574,000)
Change in loans and advances			
Change in other assets	115,965,581	(129,473,126)	(31,184,000)
Change in Inventory	263,545	2,287,000	(2,513,000)
Change in Borrowings	1,445,578,394	942,743,522	399,489,000
Change in other liabilities	418,998,512	79,008,937	(17,392,000)
Income tax paid			
Cash generated from operation	26,328,059	159,171,333	(126,000)
Income tax paid	(2,828,041)	(35,377,204)	
Net Cash from operating activities	23,500,019	123,794,130	(126,000)
Cash flows from investing activities	(41,049,559)	-	-
Purchase of property and equipment			
Acquisition of Intangible assets	(29,391,180)	(9,200,000)	-
Net cash used in investing activities	(70,440,740)	(9,200,000)	-
Cash flows from financing activities			
Net Cash flows from financing activities	-	-	-
Net increase/(decrease) in CCE	(46,940,721)	114,595,564	(125,000)
Cash and cash equivalents as at 01 Jan	129,454,000	14,858,436	14,858,000
Cash and cash equivalents as at 31 December	82,513,279	129,454,000	14,733,000
Component of Cash and Cash Equivalents			
Cash at bank	82,513,279	129,454,000	14,733,000
	82,513,279	129,454,000	14,733,000

03 CAPITAL NIGERIA LIMITED

Long-Term Rating:

A⁻

Short Term Rating: A2
 Rating Outlook: Evolving
 Trend: UP
 Currency: Naira
 Date Issued: 31 May, 2022
 Valid Till: 30 May, 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 N=000	2020 N=000	2019 N=000	2018 N=000
Gross Earnings	2,065,139	765,419	352,995	195,016
Profit Before Tax	757,916	232,915	115,565	8,351
Shareholders' Funds	1,114,411	468,016	237,959	157,771
Managed Funds	3,340,936	1,768,129	825,385	425,896
Loans & Advances	4,696,020	1,948,035	945,954	504,266
Total Assets	4,978,656	2,335,599	1,104,587	642,302

Source: 03 Capital Nigeria Limited Audited Accounts

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 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:

Strengths:

- Experienced Management Team
- Good Asset Quality

Weakness:

- High Loan to Managed Fund 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.



5 Broad Street Lagos Nigeria
+234 1 4607690

979 1st Avenue CBD Abuja Nigeria
+234 1 8888881

February 13, 2023

The Directors
O3 Capital Nigeria Limited
Plot 18A, Jerry Iriabe Street
Off Admiralty Way
Lekki Phase 1, Lagos
Nigeria

Dear Sirs,

Re: Legal Opinion with respect to the ₦5,000,000,000 (Five Billion Naira) Commercial Paper Issuance Programme by O3 Capital Nigeria Limited

1. INTRODUCTION

- 1.1 We have acted as legal counsel in respect of the ₦5,000,000,000 (Five Billion Naira) Commercial Paper Issuance Programme by O3 Capital Nigeria Limited (the "Issuer") (the "Programme").
- 1.2 In this Legal Opinion (this "Opinion"), unless otherwise defined or the context otherwise requires, the following capitalised terms shall have the following meanings:
 - 1.2.1 "Agents" means UCML Capital Limited ("UCML") in its capacity as the issuing and placing agent (the "Issuing and Placing Agent") and First City Monument Bank Limited in its capacity as the collecting and paying agent (the "Collecting and Paying Agent") in connection with the Programme;
 - 1.2.2 "CAC" means the Corporate Affairs Commission;
 - 1.2.3 "CBN" means the Central Bank of Nigeria;
 - 1.2.4 "Collecting and Paying Agency Agreement" means the agreement of the same name dated on or about the date hereof and executed by the Collecting and Paying Agent and the Issuer;
 - 1.2.5 "Dealer and Arranger Agreement" means the agreement of the same name dated on or about the date hereof and executed by UCML in its capacity as the dealer and arranger and the Issuer;
 - 1.2.6 "Deed of Covenant" means the deed of the same name dated on or about the date hereof and executed by the Issuer as a deed poll in favour of the Noteholders;
 - 1.2.7 "FMDQ Exchange Rules" means the FMDQ Exchange Commercial Paper Registration and Quotation Rules issued in April 2021 as may be amended or supplemented from time to time;

G. ELIAS

- 1.2.8 **“Guidelines”** means the CBN guidelines on the issuance and treatment of bankers acceptances and commercial papers dated September 11, 2019 as amended or supplemented from time to time and the circular issued to all deposit money banks and discount houses by the CBN on July 12, 2016 titled “Mandatory Registration and Listing of Commercial Papers”;
- 1.2.9 **“Issuing and Placing Agency Agreement”** means an agreement of the same name dated on or about the date hereof and executed by the Issuing and Placing Agent and the Issuer;
- 1.2.10 **“Nigerian Courts”** means the Supreme Court of Nigeria, the Court of Appeal, the Federal High Court and the various State High Courts;
- 1.2.11 **“Nigerian Law”** includes without limitation any statutes or regulations made or imposed by any Nigerian authority and any treaty or international convention, which the Federal Republic of Nigeria has ratified and incorporated into domestic law;
- 1.2.12 **“Notes”** means the debt instruments issued by the Issuer under the Programme;
- 1.2.13 **“Noteholders”** means the persons who have invested in the Notes and **“Noteholder”** shall be construed accordingly;
- 1.2.14 **“Programme Memorandum”** means the memorandum dated on or about the date hereof disclosing details of the Programme for the issuance by the Issuer of Notes for tenors not exceeding 270 days;
- 1.2.15 **“SEC”** means the Securities and Exchange Commission established pursuant to the Investments and Securities Act, 2007 (as amended); and
- 1.2.16 **“Transaction Documents”** means the Programme Memorandum, the applicable pricing supplement to be issued under the Programme, the Deed of Covenant, the Collecting and Paying Agency Agreement, the Issuing and Placing Agency Agreement, and the Dealer and Arranger Agreement.

2. DOCUMENTS

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

- 2.1 a copy of the Certificate of Incorporation of the Issuer;
- 2.2 a copy of the Memorandum and Articles of Association of the Issuer;
- 2.3 copy of the rating report issued by DataPro Ratings dated May 31, 2022 in respect of the Issuer;
- 2.4 the resolution of the shareholders of the Issuer passed on October 25, 2022 approving the Programme and authorizing the management of the Issuer to apply for and obtain all necessary approvals and sign all documents required to execute the Programme;

G. ELIAS

2.5 the resolution of the Board of Directors of the Issuer passed on October 30, 2022 authorizing the management of the Issuer to apply for and obtain all necessary approvals and sign all documents required to execute the Programme; and

2.6 the Transaction Documents.

3. SCOPE

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

3.2 Except for the enquiries at the CAC conducted on November 10, 2022 on the Issuer's file, we have not assisted in the investigation or verification of the facts, or the reasonableness of any assumption or statement of opinion (including, without limitation, as to the solvency of any other person expressed to be a party to the Transaction Documents or any other person), contained in the Transaction Documents or in determining whether any material fact has been omitted therefrom.

4. EXTENT OF REVIEW AND EXAMINATION

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

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

5. ASSUMPTIONS

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

5.1 Genuineness and Authenticity

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

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

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

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

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- 5.1.5 the accuracy and completeness of all corporate minutes, resolutions, certificates and records which we have seen;
- 5.1.6 the accuracy of all representations of facts expressed in or implied by the documents we have examined;
- 5.1.7 as at the date (November 10, 2022) of search at the CAC, the documents in the file of the Issuer held at the CAC were the most recent records of the Issuer;
- 5.1.8 the absence of any amendments or variations to the terms of the Transaction Documents and the authenticity of the originals of such Transaction Documents;
- 5.1.9 that each of the Transaction Documents has been duly authorised, and duly executed, by or on behalf of the parties thereto and that the performance thereof is within the capacity and powers of the parties thereto;
- 5.1.10 that the terms of the Transaction Documents are or will be observed and performed by the Issuer;
- 5.1.11 the absence of any other contractual or similar arrangements between any of the parties to the Transaction Documents which modify or supersede any of the terms of the Transaction Documents.

5.2 **Completeness**

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

5.3 **Good Faith, etc.**

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

5.4 **Consents**

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

5.5 **Restrictions**

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

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6. OUR OPINION

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

6.1 Enforceability

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

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

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

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

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

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

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

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

6.2 Legal Status of the Issuer

6.2.1 The Issuer is duly incorporated and validly exists under Nigerian Law. To the best of our knowledge, no steps have been taken to wind up the Issuer, to terminate its existence or to appoint a receiver in respect of it or otherwise to place its business or any of its assets outside the control of its directors¹

¹ We say to the best of our knowledge because winding-up petitions (including other analogous steps) are filed and heard before the courts and there are no systematic records of court filings to allow for such a check. Public notice of such events only occurs when such an order is published in the newspapers or filed at the CAC. However, based on our search carried out at the CAC on the Issuer on November 10, 2022, no order or resolution for any

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

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

6.3 Authorisation

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

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

6.3.3 The resolutions referred to under Clause 2 (*Documents*) are valid under the Issuer's constitutional documents and Nigerian Law. The resolutions are sufficient corporate authorization for the Issuer to execute the Transaction Documents and to carry out all relevant transactions; and the resolutions need not be filed, recorded nor registered with any authority in Nigeria.

6.4 SEC Matters

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

6.5 CBN and FMDQ Exchange Compliance

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

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

6.6 Exchange Control Compliance

6.6.1 The issuance of the Notes in Nigerian Naira is permitted by law.

6.6.2 Residents and non-residents of Nigeria may deal in, invest in, acquire or dispose of the Notes.

6.6.3 Non-residents of Nigeria who have brought funds into Nigeria for subscription to the Notes through approved and lawful channels may upon liquidating their investment in the Notes

administration, suspension of payments, receivership, winding-up or similar insolvency proceedings has been registered in relation to the issuer nor has there been registered any notice of the appointment of an administrator, receiver, liquidator or similar insolvency representative over any part of the assets, business or undertaking of the issuer, or notice of any application for such an appointment.

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repatriate the proceeds of their investment upon presentation of certificates of capital importation issued in respect of the funds brought into Nigeria.

6.6.4 Nigerian Courts will give judgment in foreign currency.

6.7 Registration

6.7.1 Other than the stamping of the Transaction Documents at the Stamp Duties Office of the Federal Inland Revenue Service, it is not necessary or desirable for any further action to be taken in the future (including the making of any registrations or filings) in order to preserve as a matter of law, the interests of the Noteholders.

6.7.2 Save for the stamping of the Transaction Documents, no consent, licence, authorization or similar approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body is required in Nigeria for the due execution, delivery and performance by the Issuer of the Transaction Documents.

6.8 Insolvency

6.8.1 Subject to bankruptcy and insolvency laws generally applicable in bankruptcy or insolvency proceedings involving the Issuer, the obligations of the Issuer under the Transaction Documents will remain valid, binding and enforceable.

6.8.2 Subject to bankruptcy and insolvency laws generally applicable to Nigerian companies and banks in particular, upon the maturity of the Notes, in the event that that the Issuer is unable to discharge any of its obligations to the Noteholders, the unsatisfied Noteholders as creditors of the Issuer are entitled to apply for the winding up of the Issuer on the ground of the Issuer's inability to pay its debts.

6.8.3 The Notes are unsecured, and no security interests have been created in favour of the Noteholders by any Transaction Documents.

6.8.4 Upon the insolvency of the Issuer, Nigerian Law would treat the Noteholders as unsecured creditors of the Issuer for all purposes.

6.9 Tax Matters

6.9.1 The Issuer may be entitled or required to withhold tax on payments to any Noteholder on the zero-coupon Notes.

6.9.2 The Noteholders may be required to pay income taxes on the discount enjoyed on the Notes.²

² Order 1(iv) of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 and Personal Income Tax (Amendment) Act, 2011 (Amendment to the Third Schedule) exempt interest earned by holders of short term securities issued by corporate bodies from the imposition of companies income tax and personal income tax respectively. The exemption granted under the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 is for a period of 10 years commencing from January 2, 2012. With the expiration of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 on January 2, 2022, these exemptions are no longer applicable. Thus, where there is no extension, the Noteholders may be required to pay applicable income taxes.

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6.9.3 On buying or selling the Notes, investors will pay no value added tax.³

6.9.4 A sale of a Note by a Noteholder will not give rise to a charge to capital gains tax.

6.9.5 Value Added Tax will be payable on the commission payable to the Central Securities Clearing System Plc.⁴

6.10 *Pari passu* ranking

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

6.11 Choice of Law and Jurisdiction

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

6.12 Dispute Resolution

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

6.13 Miscellaneous

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

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

³ Finance Act, 2020.

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

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7. QUALIFICATIONS

This opinion is subject to the following qualifications:

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

8. BENEFIT OF OPINION

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

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

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

Yours faithfully,



For G. Elias.

GENERAL INFORMATION

Authorisation

The establishment of this CP Programme and the issuance of Notes thereunder was approved by the resolution of the Board of Directors of the Issuer dated October 30, 2022.

Going Concern

The Directors have assessed the Issuer's ability to continue as a going concern and have no reason to believe the Issuer will not remain a going concern in the year ahead. If any event occurs as a result of which the above statement is no longer true and accurate, the Issuer will give notice thereof to the Noteholders in accordance with Condition 8.

Auditors

Folorunsho Mejabi & Co., (Chartered Accountants) acted as auditors of the annual financial statements of the Issuer for the financial year ended December 31, 2020 and 2021. The auditors have in respect of those years for which they were responsible for the audit, issued unqualified reports.

Litigation

The Issuer has no litigation as at the time of the preparation of this document

Material Contracts

The Issuer has no material contracts as at the time of the preparation of this document

Ultimate Borrower

The Issuer is the borrower in respect of the notes.

PARTIES TO THE TRANSACTION

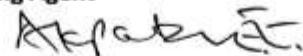
Issuer

O3 Capital Nigeria Limited
163B, Jerry Iriabe Street
Lekki Phase I
Lagos


ABIMBOLA PINHEIRO

Arranger/Dealer/Issuing and Placing Agent

UCML Capital Limited
7, Fatai Durosinmi-Etti Crescent
Off Ligali Ayorinde Street
Victoria Island
Lagos


EGIE AKPATA

Auditors

Folorunsho Mejabi & Co.
(Chartered Accountants)
Suite F1 & F2,
49 Ogudu Road, Ogudu
Lagos


SEGUN ADEMILABI

Collecting and Paying Agent

First City Monument Bank Limited
17a Tinubu St,
Lagos Island 102273,
Lagos


OBAYO ODEH

Solicitors

G Elias
6 Broad St,
Lagos Island 102273,
Lagos

SEGUN OMOREKIE
