



PRIVATE COMPANIES' BONDS NOTING GUIDELINES

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DEFINITIONS

The following terms and expressions shall, unless the context otherwise requires, have the following meanings in these FMDQ Private Markets Limited (“**FMDQ Private Markets**” or the “**Private Markets**”) Bonds Noting Guidelines:

“Applicable Law”	means any law, statute, code, ordinance, decree, rule or regulation (including regulations of FMDQ Private Markets) as may relate to activities of private companies within the Nigerian capital markets (as may be revised, updated, and/or amended from time to time).
“Board”	means the Board of Directors of FMDQ Private Markets Limited.
“Business Day”	means a day (other than a Saturday, Sunday or Federal Government of Nigeria declared public holiday) on which banks are open for business in Nigeria.
“CAMA”	means the Companies and Allied Matters Act CAP C20 LFN 2004 (as may be amended or supplemented from time to time).
“CBN”	means Central Bank of Nigeria.
“Central Securities Depository (CSD)”	means FMDQ Depository Limited, the recognised specialist financial market infrastructure for holding of securities either in certificated or uncertificated (Dematerialised) form so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates.
“Collecting and Paying Agent (CPA)”	means the institution performing the functions of collecting and paying funds from/to investors on behalf of the Issuer/Promoter, which shall be FMDQ Depository Limited.
“Commission”	means the Securities and Exchange Commission, Nigeria.
“Committee”	means the FMDQ Private Markets committee established by the Board to oversee the entire spectrum of the FMDQ Private Markets securities noting/information repository service including but not limited to making determinations as to whether securities meet the PCB Noting Guidelines and continuous reporting and disclosure requirements as prescribed in any FMDQ Private Markets guidelines and other Terms and Conditions
“Company”	means a company as defined by CAMA.
“Compliance Report”	means a quarterly report prepared and submitted by a PCB Issuer through its Transaction Sponsor, confirming compliance with the continuous reporting and disclosure requirements as provided in these Guidelines and other disclosure standards as may be prescribed by Private Markets from time to time.
“Cradle Board”	means the market segment designated on the PCS Portal (Restricted) for corporates who meet the applicable provisions in section 5.3 of these Guidelines.
“Custodian”	means an entity which holds securities for safekeeping.

“Default Rate”	means interest rate equivalent to the daily overnight (O/N) NIBOR + 5% per annum or coupon rate of the Issue + 5% per annum (whichever is higher).
“Dematerialise”	means the process by which securities are converted into electronic form.
“Discreet Issue”	means a single PCB issuance which is not established under a Programme.
“Financial Institution”	means a financial markets operator regulated within the financial services industry in Nigeria or offshore, recognised by FMDQ Private Markets.
“FMDQ Private Markets Limited” or “Private Markets”	means FMDQ Private Markets.
“FMDQ Private Markets Terms and Conditions” or “Terms and Conditions”	means guidelines, and such other directive as may be prescribed by Private Markets from time to time.
“Guidelines”	means these FMDQ Private Markets Private Companies’ Bonds Noting Guidelines.
“Growth Board”	means the market segment designated on the PCS Portal (Restricted) for corporates who meet the applicable provisions in section 5.2 of these Guidelines.
“Issuer”	means a private limited company that intends to access the capital markets through the issuance of PCBs.
“Main Board”	means the market segment designated on the PCS Portal (Restricted) for corporates who meet the applicable provisions in section 5.1 of these Guidelines.
“Offer Documents”	means any document containing relevant information to help an investor make an investment decision including information memorandum for debt and equity capital raising, pricing supplement for the issuance of private companies’ bonds, programme memorandum or equivalent document.
“PCB”	means the private companies’ bonds issued by an Issuer and noted on the FMDQ Private Markets Private Companies’ Securities Portal (Restricted).
“PCS Portal (Restricted)”	means the restricted, access only Private Companies’ Securities Information and Distribution Portal which serves as the repository for PCB disclosures and trade data noted by the Private Markets’ Platform. This Portal is restricted to QIIs as recognised in the Nigerian capital markets.
“Placement Memorandum”	means an Offer Document that serves to provide prospective investors with information on the offer and sale of PCBs. Placement/ Information memoranda include circulars, explanatory memoranda, or other equivalent document relating to the issuance of PCBs.
“Private Placement”	means a process involving the offer and sale of the PCB to identified investors that does not otherwise constitute a public offering.
“Programme”	means the method of issuance of PCBs that allows for multiple issues

	covered by a standardised documentation framework.
“Promoter”	means a legal entity with substantial interest in the establishment of an Issuer created as a Special Purpose Vehicle/Entity (SPV/SPE). A Promoter may also be referred to as a “parent company” which typically holds significant ownership and control of the SPV/SPE.
“Qualified Institutional Investor” or “QII”	includes banks, fund managers, asset managers, pension fund administrators, insurance companies, multilateral institutions, registered private equity funds, registered hedge funds, trustees, Custodians, stockbroking firms and any other category of investors as may be recognised as QIIs by FMDQ Private Markets.
“Shelf Filing”	means the filing undertaken by an Issuer intending to access the market soon. It permits an Issuer to disclose certain information in a core disclosure document that is updated on a regular basis through supplemental documents. For the purposes of these Guidelines, a Shelf Filing shall be valid for a period of three (3) years or such other period advised by Private Markets but may be renewed by the Issuer/Promoter upon filing of necessary documentation as may be prescribed by Private markets from time to time.
“Special Purpose Vehicle/Entity” or “SPV/SPE”	means a legal entity created for a limited purpose which may include the acquisition and/or financing of a project, or the set-up of a securitisation or a structured investment vehicle.
“Transaction Sponsors” or “Transaction Sponsors (Bonds)”	means financial institutions, non-bank financial institutions, other financial services operators and related professional services firms in Nigeria and offshore, duly registered by their relevant regulators/professional bodies and recognised by FMDQ Private Markets, that are registered by FMDQ Private Markets to sponsor the noting of Private Companies’ Securities on the PCS Portal (Restricted).
“Transfer Agency Services”	means management of issued securities, records, issuer servicing and asset servicing activities to issuers and investors in such a manner as to provide a consistent client experience.
“Trustee”	means an entity that holds or administers PCBs for the benefit of investors in the PCBs.
“Unique Identifier”	means a code specifically designated/assigned to identify a PCB.
“Underwriting Agreement”	means an agreement between an underwriter and an Issuer through which the former undertakes to buy all or part of a new Issue of PCBs to be offered for sale with a view to a resale and not as a form of investment. There are two basic types of underwriting: <ol style="list-style-type: none"> 1. Firm underwriting: Where the Issuer sells the entire Issue to the underwriter, who then attempts to resell the PCB. The Issuer receives the agreed amount and all the risks associated with selling the PCBs are transferred to the underwriters 2. Standby underwriting: Where the underwriter is legally obligated to take and pay up to the underwritten percentage only if the Issue is not fully subscribed.

1. INTRODUCTION

- 1.1 The FMDQ Private Markets Private Companies' Bonds Noting Guidelines are developed in furtherance of the Private Markets' mandate to galvanise the development of the Nigerian economy. The Guidelines seek to establish the framework through which private companies that have accessed the Nigerian capital markets through the issuance of bonds via private placement can provide the required level of transparency on the Issuer and/or the Issue to qualified investors, through fulfilment of the Private Markets' disclosure and reporting requirements.
- 1.2 FMDQ Private Markets seeks to ensure that information on PCBs which are voluntarily presented to Private Market by Issuers, maintain a required level of transparency at all times and that private companies offering their debts securities in the capital markets meet a minimum standard of disclosure as prescribed in these Guidelines.
- 1.3 The ultimate aim of these Guidelines is to serve as the benchmark for how this market segment may be structured in Nigeria. The Guidelines also outline the continuous reporting and disclosure requirements in respect of the PCB Programmes/Issuances noted by Private Markets via the PCS Portal (Restricted).
- 1.4 Issuers who wish to enrol/note their PCB Programmes/PCBs on the FMDQ Private Markets PCS Portal (Restricted) voluntarily subject their issuances to these Guidelines and may, prior to issuance, voluntarily present same for pre-assessment by Private Markets. Issuers consequently undertake to maintain compliance with the continuous reporting and disclosure requirements as outlined in these Guidelines or as may be prescribed by Private Markets from time to time.
- 1.5 Issuers and Transaction Sponsors shall ensure that all PCB Programmes/Discreet Issues and Series sought to be enrolled/noted by Private Markets abide by the provisions of the Guidelines and other Terms and Conditions, failing which, FMDQ Private Markets reserves the right to decline any application to enrol/note such PCB Programmes/Discreet Issues and Series.
- 1.6 Issuers/Transaction Sponsors seeking enrolment/noting privileges for their PCB Programme/Issuance must note that trading of PCBs on the PCS Portal (Restricted) is prohibited.
- 1.7 Transaction Sponsors of PCBs enrolled/noted on the PCS Portal (Restricted) shall also ensure strict compliance with all relevant FMDQ Private Markets PCB Guidelines.
- 1.8 In the event that a Transaction Sponsor is unable to file required document(s) or file the document(s) within the timeframe specified in these Guidelines for noting of a PCB Issue, the Transaction Sponsor may file a waiver/deferral request letter, no later than one (1) Business Day before the expiration of the timeframe. The letter shall provide concrete justifications to satisfy Private Markets that such provisions are not applicable or should be exempt (in the case of a waiver) and specify a timeline for regularisation (in the case of a deferral).
- 1.9 FMDQ Private Markets may waive or defer any of the requirements of these Guidelines if it is satisfied that the Issuer/Promoter and/or Transaction Sponsor have sufficient and satisfactory reasons why such requirements are not applicable or should be waived or deferred subject to fulfilment of conditions outlined in the Guidelines.
- 1.10 These Guidelines shall be read in conjunction with relevant FMDQ Private Markets Terms and Conditions and such other Applicable Law as may be prescribed from time.
- 1.11 These Guidelines are non-exhaustive and may be subject to review and amendment from time to time.

2. IMPORTANT NOTICES

- 2.1 PCBs are neither approved nor registered by the Commission. To this end, no application in respect of the enrolment/issuance of a PCB Programme/Issuance may be made to the Commission for registration of the securities or clearance of any document related to the enrolment, issuance, offer, transfer or sale of PCBs. Consequently, the enrolment, issuance, offer, sale or transfer of PCBs shall not in any manner whatsoever, be deemed as an endorsement by the Commission of the securities of the Issuer.
- 2.2 PCB Programmes/Issuances sought to be enrolled/noted by Private Markets shall be issued by way of Private Placement and shall not in any manner whatsoever involve invitation to the public as defined in the Investments and Securities Act 2007. There shall be no advertisements whatsoever in relation to the enrolment, issuance, offer and sale of PCBs or in respect of any Placement Memorandum, supplemental memoranda or other document related to the enrolment, issuance, offer, sale or transfer of securities issued. Consequently, the noting of the Issue and subsequent PCBs issued under an enrolled Programme shall not be advertised or publicised.
- 2.3 The FMDQ Private Markets PCB noting service provides a platform for the collation and repository of disclosures of private companies' activities in the Nigerian capital markets and does not constitute an invitation to the public as defined in the Investments and Securities Act 2007 (as may be amended or supplemented from time to time), nor does it entail the admission of the bonds to FMDQ Securities Exchange Limited's Quotations List.
- 2.4 Issuers/Transaction Sponsors seeking enrolment/noting privileges for their PCB Programme/Issuance shall ensure that the provisions of these Guidelines and applicable Terms and Conditions have been abided by prior to the establishment and/or the enrolment, issuance, offer, sale of PCBs to investors in the primary market.
- 2.5 PCBs sought to be noted by Private Markets shall not have been made available for sale to the public but have been bought by/sold to Qualified Institutional Investors on a bilateral basis.
- 2.6 PCB Issuers and Transaction Sponsors voluntarily present their applications for enrolment/noting by Private Markets for the enrolment/noting of their PCB Programmes/Issuances on the PCS Portal (Restricted).
- 2.7 The PCS Portal (Restricted) shall be accessible only to Qualified Institutional Investors (as recognised in the Nigerian capital markets).
- 2.8 Any violation of the prohibitions outlined in these Guidelines including but not limited to the restrictions on "invitations to the public" as provided in the Investments and Securities Act 2007 (as may be amended or supplemented from time to time) may attract criminal and/or civil liability under Applicable Law.
- 2.9 PCB Issuers/Transaction Sponsors shall bear full responsibility for the accuracy and completeness of information provided in accordance with these Guidelines. FMDQ Private Markets shall bear no responsibility for the accuracy or completeness of information provided thereof and expressly disclaims any liability whatsoever for any loss howsoever arising from participation in the enrolment, issuance and noting of PCB Programmes/PCBs on the PCS Portal (Restricted).

PART B: NOTING OF PRIVATE COMPANIES' BONDS

3. GENERAL GUIDELINES

- 3.1. An application for the enrolment/noting of PCB Programmes/Issuances in the PCS Portal (Restricted) shall be submitted by a Transaction Sponsor approved by FMDQ Private Markets.
- 3.2. All applicants shall submit the FMDQ Private Markets-advised Application Form, along with all documentation requirements and disclosures as prescribed in these Guidelines or as may be required from time to time. All applications must be accompanied by the requisite non-refundable application fees set out in the FMDQ Private Markets-advised fees & dues framework.
- 3.3. Issuers must have satisfied all the requirements prescribed by the Committee including but not limited to the prescribed contents of its Offer Documents as stated in Appendix I of these Guidelines.
- 3.4. Issuers shall make full disclosures (initial and continuous) in accordance with these Guidelines and as may be prescribed by FMDQ Private Markets from time to time.
- 3.5. All secondary market transfers of PCBs shall be strictly effected on a private and bilateral basis between QIIs, and subsequently reported on the Private Markets' PCS Portal (Restricted).
- 3.6. All Transaction Sponsors shall ensure that Issuers/Promoters are aware of their rights and obligations under the Guidelines and ensure, to their best ability, Issuers/Promoters comply with all reporting and disclosure obligations in respect of their enrolled/noted Programmes/Issues and shall be required to furnish a quarterly Compliance Report to Private Markets in the prescribed form (see Template I of the Template guide).
- 3.7. FMDQ Private Markets may require the Transaction Sponsor(s) to show best efforts taken to ensure that it has advised and guided the Issuer as to its responsibilities and ongoing reporting and disclosure obligations to ensure compliance with the Guidelines.
- 3.8. Private Markets shall review the Private Companies' Bonds Noting Guidelines on an ongoing basis to ensure conformity with international best practices.
- 3.9. Private Markets reserves the right to remove any PCB from the PCS Portal (Restricted) for failure of an Issuer or other relevant party to the Issue to abide by the provisions of these Guidelines.
- 3.10. Prospective Transaction Sponsors and Issuers may voluntarily file transaction documents to Private Markets for review, prior to issuance. Pre-assessment reviews conducted by Private Markets shall not constitute an approval but may serve as confidential and non-binding guidance as to the potential eligibility of the enrolment/noting of the proposed PCB issuance.
- 3.11. Private Markets may grant exemptions to the application of these Guidelines, as it may deem necessary.
- 3.12. Private Markets retains the absolute discretion to accept or reject applications for enrolment/noting of Programmes/Issuances on its PCS Portal (Restricted).
- 3.13. All Issuers granted enrolment/noting privileges by Private Markets shall pay the applicable annual fees and dues as provided in the FMDQ Private Markets fees & dues framework. These fees and dues may be subject to review from time to time.
- 3.14. Private Markets encourages all Issuers seeking enrolment/noting rights to comply with the highest standards of corporate governance as stipulated in any law of the Federal Republic of Nigeria and imbibe corporate discipline, transparency and accountability within the tenets of its operations.
- 3.15. These Guidelines shall be read in conjunction with all relevant and applicable Terms & Conditions.

4. CONDITIONS FOR NOTING OF PCBs

4.1. Features and Mode of Issue

- (i) PCBs shall be issued by way of Private Placement and shall not in any manner whatsoever involve invitation to the public as defined in the Investments and Securities Act 2007.
- (ii) PCBs shall be registered and lodged with the CSD recognised by Private Markets and assigned a Unique Identifier. Upon registration of the PCBs with the CSD, the PCB shall be lodged and evidence of lodgement shall be filed with the Private Markets no later than ten (10) Business Days after the approval for the noting of the PCB on the PCS Portal (Restricted).
- (iii) PCBs may be held in dematerialised form through the CSD.
- (iv) PCBs may be noted as a Discreet Issue or under an enrolled Programme provided that while noting an issue under a Programme, the Issuer through its Transaction Sponsor(s) shall file with Private Markets, any updated or supplemental Offer Documents with respect to each series/tranche, containing details of the new series/tranche and material changes and the impact of said changes, if any, in the information provided in the Offer Documents of the enrolled Programme.
- (v) The maximum aggregate nominal amount and value of all PCBs outstanding under an enrolled Programme, at any given time shall not exceed the Programme size enrolled by Private Markets.

4.2. Rating Requirement (where applicable)

- (i) PCB Programmes/Issuances sought to be enrolled/noted by Private Markets may be rated by credit rating agencies registered or recognised in the Nigerian capital markets.
- (ii) The relevant rating (i.e. either Issuer or PCB Programme/Discreet Issue/Series) shall be evidenced by valid and subsisting credit rating reports.

4.3. Credit Enhancement of the Issue

- (i) PCBs may be guaranteed by any of the following entities:
 - (a) Federal Government of Nigeria.
 - (b) CBN-licenced banks.
 - (c) Development finance institutions.
 - (d) Credit guarantee agencies and corporations.
 - (e) Any other category of guarantor as may be approved by Private Markets.
- (ii) Where the Issue is guaranteed by a corporate entity, such entity may have a valid and subsisting credit rating obtained from a credit rating agency registered or recognised in the Nigerian capital markets.
- (iii) Where a guarantor's credit rating is downgraded, the Transaction Sponsor shall be required to inform Private Markets immediately it becomes aware.
- (iv) Where a prospective guarantor is a non-bank corporate entity, in order for that to be deemed eligible under these Guidelines, the guarantor shall be required to meet the same eligibility criteria for Issuers as prescribed in section 4 and such other requirements as may be prescribed by Private Markets from time to time.
- (v) Private Markets shall require Issuers/Transaction Sponsors to provide relevant documents in respect of guarantors, which include but are not limited to the following:
 - (a) Deed of Guarantee or other equivalent document(See [Appendix II: Contents of Guarantee Agreement](#)).
 - (b) Latest audited accounts of the guarantor not exceeding twelve (12) months from the date of the submission of the application for the enrolment/noting of the

Programme/Discreet Issue/Series.

- (c) Latest interim unaudited financial statements of the guarantor not exceeding nine (9) months from the date of the application for the enrolment/noting of the PCB Programme/Issuance, signed by the Managing Director and Chief Financial Officer.
- (d) Such other documentation requirement as may be stipulated by Private Markets from time to time.
- (vi) Issuers may be required to provide evidence that credit enhancement arrangements (where applicable) are in place for the entire period that their PCBs remain outstanding and noted by Private Markets.

4.4. Shelf Filing of PCBs

- (i) PCBs may be issued under a Programme enrolled by Private Markets.
- (ii) Where the PCB is issued under a Programme, the Issuer has the discretion to have several series of PCBs Issues with separate maturity dates.
- (iii) Where the PCB is issued under a Programme, the Issuer shall be required to file executed supplementary memoranda/pricing supplements which shall be disclosed on the PCS Portal (Restricted).
- (iv) An enrolled Programme shall be effective for a period of three (3) years from the date it is enrolled by Private Markets.
- (v) Where a PCB Programme is renewed, this may be reflected on the PCS Portal (Restricted) as a renewed Programme upon filing of necessary documentation as may be prescribed by Private Markets from time to time, no earlier than three (3) months to the expiration of the validity period.

4.5. Private Placement Guidelines

- (i) A resolution shall be passed by the board of directors/shareholders of the Issuer approving the Programme/Discreet Issue and said resolution shall be filed with Private Markets.
- (ii) The offer and sale of PCBs shall not be advertised, mentioned, and/or discussed in any print and electronic media. There shall be no advertisements whatsoever in relation to the enrolment, issuance, offer and sale of PCBs or in respect of any Placement Memorandum, supplemental memoranda or other document in respect of the issuance, offer, sale or transfer of securities issued.
- (iii) Further to the above, the Offer Documents of the PCB must carry the following language:
THE BONDS SHALL NOT BE AVAILABLE FOR SUBSCRIPTION OR PURCHASE BY PERSONS OTHER THAN THOSE RECEIVING THE OFFER OR INVITATION. THE INFORMATION STATED IN THIS DOCUMENT IS FOR THE USE OF THE ADDRESSEE(S) ONLY AND IT IS EXPECTED THAT ALL INFORMATION STATED HEREIN OR SUBSEQUENTLY DISSEMINATED WOULD BE KEPT SAFE AND CONFIDENTIAL. UNAUTHORISED ACCESS AND/OR DUPLICATION OF THIS MATERIAL IS ILLEGAL.
- (iv) The Offer Documents may prescribe the period for which offer for the Private Placement shall be open.
- (v) The Transaction Sponsor shall notify Private Markets of the Discreet Issue/PCBs sought to be issued under the Programme no later than one (1) Business Day prior to the opening of the offer. Such notification shall include the following details: Amount on offer, minimum level of subscription (if applicable), offer open/ close dates and settlement dates, amongst others.
- (vi) Within two (2) Business Days of settlement, the Transaction Sponsor(s) shall be required to file an Allotment Report in the manner prescribed in Template II providing the following

- information:
- (a) Percentage of the Issue purchased by each investor group.
 - (b) Confirmation that the subscribers are strictly Qualified Institutional Investors in accordance with the provision of these Guidelines.
 - (c) Such other information as may be required by Private Markets.
- (vii) Private Markets may from time to time provide further Private Placement Guidelines on the noting of PCBs by Private Markets on the PCS Portal (Restricted).

5. ELIGIBILITY CRITERIA FOR ISSUERS

5.1. Eligibility Criteria for Issuers Noting on the FMDQ Private Markets PCB Main Board

- (i) An Issuer seeking enrolment/noting privileges shall be a private limited company duly incorporated under CAMA and shall be in conformity with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, inter alia.
- (ii) Eligible Issuers/Promoters must have been in operation for more than five (5) years, from the date of application for enrolment/noting of PCB Programmes/Issuances on the PCS Portal (Restricted).
- (iii) Eligible Issuers/Promoters must have shareholders' funds (unimpaired by losses) of above ₦1,000,000,000.00 (One Billion Naira) as evidenced by latest audited accounts (not being later than twelve (12) months from the last financial year-end) and shall be maintained at or above that level for the entire period their PCB Programmes/Issuances remain enrolled/noted by Private Markets.
- (iv) Audited annual reports and accounts covering the last five (5) years, the most recent not exceeding twelve (12) months from the date of the submission of the application for the enrolment/noting of the Programme/Discreet Issue/ Series.
- (v) Eligible Issuers/Promoters may be rated. This shall be evidenced by valid and subsisting credit rating reports issued by credit rating agencies registered or recognised in the Nigerian capital markets.
- (vi) Where Issuers/Promoters do not meet the requirements stipulated in section 5.1(iii) to 5.1(iv) above, the issues under the Programme/Discreet Issue sought to be enrolled/noted by FMDQ Private Markets may be backed by a guarantor that meets the above requirements or such other credit enhancements, at the discretion of the Issuers/Promoters.
- (vii) Eligible non-bank Issuers/Promoters shall have no overdue loans or defaults in their credit information report obtained from a CBN-licensed credit bureau and the credit information report shall be issued no later than ten (10) Business Days prior to the date of the application for the enrolment/noting of the PCB Programme/Issuance by Private Markets.
- (viii) Notwithstanding the provisions of section 5.1(i) to 5.1(iv), where the Issuer is an SPV/SPE set up for the purpose of issuing asset- or mortgage-backed PCBs, the following eligibility criteria shall apply:
 - (a) The SPV/SPE shall provide a minimum of five (5) years performance history of the underlying assets or mortgages.
 - (b) The SPV/SPE shall provide cash flows of the underlying assets or mortgages.
 - (c) Such other provisions as may be prescribed by Private Markets from time to time.

5.2. Eligibility Criteria for Issuers Noting on the FMDQ Private Markets PCB Growth Board

- (i) An Issuer seeking enrolment/noting privileges shall be a private limited company duly incorporated under CAMA and shall be in conformity with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, inter alia.
- (ii) Eligible Issuers/Promoters must have been in operation for a minimum of (2) years and up to five (5) years, from the date of application for enrolment/noting of PCB Programmes/Issuances on the PCS Portal (Restricted).
- (iii) Eligible Issuers/Promoters must have shareholders' funds (unimpaired by losses) not less than ₦50,000,000.00 (Fifty Million Naira) to ₦1,000,000,000.00 (One Billion Naira) as evidenced by latest audited accounts (not being later than twelve (12) months from the date of submission of the application) and shall be maintained at or above that level for the entire period their PCB Programmes/Issuances remain enrolled/noted by Private Markets.
- (iv) Audited annual reports and accounts covering at least two (2) years, the most recent not exceeding twelve (12) months from the date of the submission of the application for the enrolment/noting of the Programme/Discreet Issue/ Series.
- (v) Eligible Issuers/Promoters may be rated. This shall be evidenced by a valid and subsisting credit rating report issued by credit rating agency registered or recognised in the Nigerian capital markets.
- (vi) Where Issuers/Promoters do not meet the requirements stipulated in section 5.2(ii) to 5.2(iv) above, the issues under the Programme/Discreet Issue sought to be enrolled/noted by FMDQ Private Markets may be backed by a guarantor that meets the above requirements or such other credit enhancements, at the discretion of the Issuers/Promoters.
- (vii) Eligible non-bank Issuers/Promoters shall have no overdue loans or defaults in their credit information report obtained from a CBN-licenced credit bureau and the credit information report shall be issued no later than ten (10) Business Days prior to the date of the application for the enrolment/noting of the PCB Programme/Issuance by Private Markets.
- (viii) Notwithstanding the provisions of section 5.2(ii) to 5.2(iv), where the Issuer is an SPV/SPE set up for the purpose of issuing asset- or mortgage-backed PCBs, the following eligibility criteria shall apply:
 - (a) The SPV/SPE shall provide a minimum of two (2) years performance history of the underlying assets or mortgages.
 - (b) The SPV/SPE shall provide cash flows of the underlying assets or mortgages.
 - (c) Such other provisions as may be prescribed by Private Markets from time to time.

5.3. Eligibility Criteria for Issuers Noting on the FMDQ Private Markets PCB Cradle Board

- (i) An Issuer seeking enrolment/noting privileges shall be a private limited company duly incorporated under CAMA and shall be in conformity with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, inter alia.
- (ii) Eligible Issuers/Promoters shall be start-ups or entities less than two (2) years in operation from the date of application for enrolment/noting of PCB Programmes/Issuances on the PCS Portal (Restricted).

- (iii) Eligible Issuers/Promoters may have shareholders' funds (unimpaired by losses) of less than ₦50,000,000.00 (Fifty Million Naira) as evidenced by latest audited accounts.
- (iv) Eligible Issuers/Promoters may be rated. This shall be evidenced by a valid and subsisting credit rating report issued by credit rating agency registered or recognised in the Nigerian capital markets.

6. DOCUMENTATION AND DISCLOSURE REQUIREMENTS

6.1 The Issuer/Promoter of a PCB Programme/Issuance sought to be enrolled/noted by Private Markets on the PCS Portal (Restricted) shall, through its Transaction Sponsor(s), file an application in the FMDQ Private Markets-advised Application Form, along with supporting documentation and disclosures as outlined in section 6.2 and 6.3 below.

Note: Electronic copies of the documentation and disclosure requirements outlined in 6.2 and 6.3 below may suffice unless hard copies are expressly requested by FMDQ Private Markets. Where the Issuer had previously provided any of the documents/disclosures outlined below and such document remains valid and subsisting, the Issuer shall indicate as such by executing the Declaration of Prior Disclosure in the manner prescribed in Template III of the Template Guide attached to these Guidelines.

6.2 The following documentation and disclosure requirements shall be provided with respect to the Issuer/Promoter:

- (i) Memorandum and Articles of Association or other relevant constitutional document.
- (ii) Certificate of incorporation or other equivalent documentation.
- (iii) A resolution passed by the board of directors/shareholders of the Issuer approving the Programme /Discreet Issue
- (iv) Audited annual reports and accounts covering the period required for the relevant market segment, the most recent not exceeding twelve (12) months from the date of the submission of the application for the enrolment/noting of the Programme/Discreet Issue/Series.
- (v) Most recent unaudited interim reports and accounts signed by the Managing Director and Chief Financial Officer of the Issuer/Promoter.
- (vi) External auditor's comfort letter on the Issuer/Promoter.
- (vii) Corporate profile of the Issuer including detailed profiles of the directors and executive management staff of the Issuer.
- (viii) Any documentation that provides information and details of any charges/encumbrances on the Issuer's cash flows.
- (ix) Comprehensive schedule of the Issuer's current debt profile by type, purpose, tenor and maturity dates.
- (x) Comprehensive schedule of all material contracts executed by the Issuer.
- (xi) Details of any litigations/claims currently involving the Issuer, certified by the external solicitor of the Issuer.
- (xii) Evidence that the issuance of the PCB does not exceed the limit of the Issuer's borrowing powers.
- (xiii) Credit information report of the Issuer obtained from a CBN-licenced credit bureau.
- (xiv) Undertaking to abide by the Guidelines, including continuous reporting and disclosure

- requirements (see Template IV of the Template Guide) and to pay all relevant fees as provided in the FMDQ Private Markets fees & dues framework which are subject to review from time to time.
- (xv) Bank reference on the Issuer/Promoter (see Template V of the Template Guide).
 - (xvi) Evidence of payment of application fee and other requisite fees.
 - (xvii) Declaration of Compliance by the Issuer in the prescribed form (see Template VI of the Template Guide).
 - (xviii) Such other documentation as may be required by Private Markets.

6.3 The following documents/disclosure requirements shall be filed with Private Markets, with respect to the Issue:

- (i) Special resolution of the board authorising the PCB Programme/Discreet Issue and the approved amount (where applicable).
- (ii) Resolution of the company in general meeting authorising the PCB Programme/Discreet Issue (where applicable).
- (iii) Executed Placement Memorandum or such other equivalent and/or supplemental Offer Document(s) containing all relevant information in respect of the Issue
- (iv) Allotment Report providing a summary of the various groups of investors in the PCBs. A sample of the Allotment Report is provided in Template VI of the Template Guide.
- (v) PCB Unique Identifier.
- (vi) Executed Vending Agreement.
- (vii) Executed Trust Deed.
- (viii) Executed Underwriting Agreement (where applicable).
- (ix) Notarised letters of consent of all parties named in the Offer Documents. Where the consent is given through a power of attorney, the power of attorney shall be executed and stamped.
- (x) Details of any credit enhancement to support the Issue in the form of Deed of Guarantee or other equivalent document, where applicable.
- (xi) Credit information from a CBN-licenced credit bureau.
- (xii) Transaction Sponsor's Declaration in respect of the Issue.
- (xiii) Solicitor's opinion on the Issue.
- (xiv) Evidence of payment of all relevant fees and dues as set out in the FMDQ Private Markets fees & dues framework.
- (xv) Such other documentation as may be required by Private Markets.

7. POST-NOTING AND CONTINUOUS REPORTING OBLIGATIONS

- 7.1 The Issuer, through its Transaction Sponsor(s), shall be required to file a quarterly Compliance Report in the manner prescribed in Template V of the Template Guide of these Guidelines within ten (10) Business Days of the end of each quarter.
- 7.2 Failure of the Issuer to continuously comply with the provisions of these Guidelines will be deemed as an infraction under the post-noting compliance framework and may lead to a removal of such PCBs from the PCS Portal (Restricted).
- 7.3 Where applicable, rating reports in respect of the Issuer/Promoter and the Programme/Discreet

Issue shall be provided by the Transaction Sponsor(s) on a periodic basis, no later than annually. The Transaction Sponsor(s) shall immediately notify FMDQ Private Markets of any revision to the Issuer/Promoter and the Programme/Discreet Issue rating of the PCB (where applicable).

- 7.4 The Issuer shall comply with the continuous reporting and disclosure requirements and other continuous disclosure requirements as may prescribed by Private Markets from time to time, including but not limited to the completion of periodic anniversary rating review process in respect of the PCB and payment of annual noting fees as prescribed by Private Markets.
- 7.5 Failure by the Issuer to comply with the post-noting and continuous reporting obligations as outlined by Private Markets shall constitute an event of default in respect of the PCB and attract such penalties as may be prescribed by FMDQ Private Markets from time to time.
- 7.6 These Guidelines are non-exhaustive and may be subject to review and additions from time to time.

PART C: DUTIES, OBLIGATIONS, AND ENFORCEMENT OF THE GUIDELINES

8. DUTIES AND OBLIGATIONS OF PCB ISSUERS

- 8.1. The Issuer shall be bound by the Terms and Conditions disclosed by the Issuer/Promoter in the executed Offer Documents filed with Private Markets.
- 8.2. The Issuer shall, through its Transaction Sponsor(s), treat the prospective investors in the PCB in a fair and equitable manner and in accordance with the FMDQ Private Markets Guidelines and such other Terms and Conditions as may be prescribed by Private Markets from time to time.
- 8.3. The Issuer shall, through its Transaction Sponsor(s), provide all prospective investors in the PCB with the same information which shall be disclosed in the Offer Documents and give investors the opportunity to raise questions on the Terms and Conditions of the Issue and to obtain additional facts necessary to verify the information provided by the Issuer.
- 8.4. The Issuer shall take steps to ensure that it does not default on payment of principal and interest on PCBs as and when due to investors.
- 8.5. Private Markets shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The Transaction Sponsor shall provide reasons for the default or imminent default.
- 8.6. In the event of a default by the Issuer, the Issuer shall pay interest of the amount due to investors at the Default Rate.
- 8.7. The Issuer shall treat the investors in the PCB in a fair and equitable manner and in accordance with any Guidelines and such other Terms and Conditions as may be prescribed by Private Markets from time to time.
- 8.8. The Issuer shall, through its Transaction Sponsor(s), provide Private Markets with any information that may affect its creditworthiness.
- 8.9. The Issuer shall ensure that the amount raised through the Issue are utilised for the purpose stated in the Offer Documents

9. ELIGIBILITY CRITERIA FOR TRANSACTION SPONSORS

- 9.1. All Transaction Sponsors must file a duly completed Transaction Sponsor Application Form with Private Markets for enrolment as a Transaction Sponsor to present an issuer of PCS for noting on the PCS Portal (Restricted), in addition to the submission of relevant documentation requirements.
- 9.2. All Transaction Sponsors shall make relevant payments for the Sponsorship Eligibility Fees and Annual Sponsorship Fees in accordance with the FMDQ Private Markets Dues and Fees Framework.
- 9.3. The head of the Transaction Sponsor must have the relevant practical experience as provided by the Private Market Eligibility Criteria for Transaction Sponsors schedule, in the execution of capital issues.
- 9.4. All Transaction Sponsors must be willing to subject themselves to the strict adherence to the PCS Guidelines, directives, terms and conditions in Private Markets, as well as ensure execution of the sponsorship agreement relating to the noting of PCS in the Private Markets.

10. DUTIES AND OBLIGATIONS OF THE TRANSACTION SPONSORS

- 10.1 An application for onboarding a Transaction Sponsor to present an Issuer of PCBs for noting on the PCS Portal (Restricted) shall be filed with FMDQ Private Markets based on a set of qualification criteria and payment of the requisite eligibility fees upon application, as well as annual fees.
- 10.2 The Transaction Sponsor(s) shall verify and confirm that the disclosures made by the Issuer are true, fair, and adequate and ensure that the Issuer complies with these Guidelines and such other Terms and Conditions as may be prescribed by Private Markets and other relevant regulatory authorities.
- 10.3 The Transaction Sponsor(s) shall notify Private Markets immediately, and no later than one (1) Business Day of becoming aware of any circumstances that occur which could impact the contents of the Offer Documents making such documents include an untrue statement of a material fact or omit to state any material fact which may make statement(s) in the Offer Document untrue, inaccurate and/or misleading.
- 10.4 The Transaction Sponsor(s) shall use all reasonable endeavours to procure revised or supplemental documentation which will correct any untrue statement or include such omitted fact referred to in section 10.2 above.
- 10.5 The Transaction Sponsor(s) shall ensure that Issuers of PCB Programmes file all updated or supplemental Offer Documents with respect to each series/tranche, containing details of the series/tranche and material changes and the impact of said changes, if any, in the information provided in the Offer Documents of their enrolled Programmes.
- 10.6 The Transaction Sponsor(s) shall at all times advise their respective Issuers of all the noting and continuous reporting and disclosure requirements as may be provided in these Guidelines (as may be amended or supplemented from time to time).
- 10.7 The Transaction Sponsor(s) shall notify Private Markets where they become aware that the amount raised through the Issue is not being utilised by the Issuer for the purposes stated in the Offer Documents.
- 10.8 The Transaction Sponsor(s) shall conduct adequate due diligence in respect of assignments

- undertaken by them in respect of offer and distribution of the PCBs to investors.
- 10.9 The Transaction Sponsor(s) shall ensure that all investors meet the eligibility criteria for investors as prescribed by Private Markets.
 - 10.10 The Transaction Sponsor(s) shall within two (2) Business Days of settlement, submit an Allotment Report providing a summary of the various groups of investors in the PCBs. A sample of the Allotment Report is provided in Template VI of the Template Guide.
 - 10.11 The Transaction Sponsor(s) shall on behalf of the Issuer, file quarterly Compliance Reports with Private Markets (see Template V of the Template Guide)
 - 10.12 The Transaction Sponsor(s) shall provide such other information as may be required by Private Markets throughout the tenor of the PCB.
 - 10.13 The Lead Transaction Sponsor shall be liable for all disclosure and reporting obligations during the application for the enrolment/noting of the Programme/Discreet Issue/Series.
 - 10.14 All Transaction Sponsors (i.e. Lead and other Co-sponsors) shall be held jointly and severally liable for ongoing notification and disclosure obligations on enrolled/noted PCB Programmes/Issuances.
 - 10.15 The Transaction Sponsor(s) shall be bound by these Guidelines and such other Terms and Conditions as may be prescribed by Private Markets from time to time.

11. ENFORCEMENT OF THE GUIDELINES

- 11.1 Where FMDQ Private Markets considers an Issuer to be in violation of the Guidelines it may take one (1) or more of the following actions:
 - (i) Issue warning letters.
 - (ii) Impose fines.
 - (iii) Suspend the PCB from the PCS Portal (Restricted).
 - (iv) Remove the PCB from the PCS Portal (Restricted).
 - (v) Publicly censure the Issuer.
 - (vi) Notify the relevant agencies (including credit rating agencies) and regulatory authorities.
 - (vii) Such other actions as Private Markets may deem fit to make upon due consideration of the violation.
- 11.2 Power to suspend or remove a PCB from the PCS Portal (Restricted):
 - (i) Enrolment/noting is granted subject to certain considerations and conditions as provided in these Guidelines (subject to amendment from time to time). Where Private Markets considers it necessary for the protection of investors or the maintenance of an orderly market, it may at any time suspend or remove any Issue from the PCS Portal (Restricted) in such circumstances and subject to such conditions as it deems fit. Such conditions include but are not limited to the following:
 - (i) The Issuer fails to comply with all relevant FMDQ Private Markets Guidelines, and such other Terms and Conditions as may be made from time to time.
 - (ii) Private Markets considers that the Issuer does not have satisfactory level of operations or sufficient assets to warrant the continued noting of its PCB on the PCS Portal (Restricted).
 - (iii) The Issuer fails to meet the corporate governance standards as may be prescribed by Private Markets and other relevant regulatory authorities.
 - (iv) The Committee considers that the Issue is no longer be suitable for noting.

- (v) Such other circumstances as the Committee may deem fit to suspend or remove a PCB from the PCS Portal (Restricted).
 - (ii) Where an Issuer seeks a suspension of its noted PCB, the request for suspension must be articulated by the Transaction Sponsor(s) and must be confirmed in writing. In all cases, the request must be supported by specific reasons for the request for suspension, the requested duration of the suspension, the nature of the event affecting the Issuer's activities and the current state of events with respect to the Issuer's activities in order for the Committee to assess the need for and appropriate duration of the suspension. The continuation of a suspension for a prolonged period without the Issuer taking appropriate action to obtain restoration for noting may lead to the Committee removing the Issue from the PCS Portal (Restricted).
 - (iii) Where the Committee considers that an Issue is no longer suitable for noting, the Issuer/Transaction Sponsor(s) shall be informed in writing of the decision of the Committee. In certain circumstances, the Issuer may be given an opportunity to take remedial action and resolve any issues raised by the Committee within a stipulated timeframe. Failure by the Issuer/Transaction Sponsor(s) to take such remedial action within the stipulated timeframe shall lead to a removal of the Issue from the PCS Portal (Restricted)
- 11.3 Where the Issuer defaults in its payment obligations to investors or other event of default in respect of the PCB as determined by Private Markets occurs, the following shall take effect:
- (i) Early termination/liquidation of the Issue at the discretion of investors in the PCB.
 - (ii) Payment of default interest charge by the Issuer at the Default Rate which is equivalent to the daily overnight (O/N) NIBOR + 5% per annum or coupon rate of the Issue + 5% per annum (whichever is higher) from the date of the occurrence of the event of default and for every subsequent date the Issuer remains in default.
 - (iii) Such other penalties as may be prescribed by Private Markets from time to time.
- 11.4 Failure of Transaction Sponsor(s) to comply with the provisions of these Guidelines or such other Terms and Conditions as may be prescribed by Private Markets shall incur one (1) or more of the following penalties:
- (i) Warning Letters
 - (ii) Fines
 - (iii) Suspension of participation in the Private Markets
 - (iv) Expulsion as a participant in the Private Markets
 - (v) Public Censure
 - (vi) Such other sanctions as may be prescribed by Private Markets from time to time.

APPENDIX I: CONTENTS OF THE OFFER DOCUMENT

The table below provides an indicative template of the information which FMDQ Private Markets requires to be provided in the Offer Documents of Private Companies' Bonds (PCBs).

Please note that this is simply a guide to the Issuer and Transaction Sponsor(s) seeking to enrol/note PCB Programmes/Issuances on FMDQ Private Markets. Issuers and their Transaction Sponsors are fully responsible for the contents of the Offer Documents in respect of their Issues and as such FMDQ Private Markets makes no representations and disclaims all express, implied, and statutory warranties of, including warranties as to accuracy, timeliness, completeness of the Offer Documents and merchantability of PCB sought to be noted by Private Markets on the PCS Portal (Restricted).

The Offer Documents in respect of the prospective PCB Issues shall include the contents of the table below, *inter alia*:

S/N	Heading	Sub-Heading	Content Guidelines
1.	Company Description	Overview	Overview of the business of the Issuer
		History	Brief information about the history of the Issuer
		Strategy	<ul style="list-style-type: none"> i. Long-term priorities and objectives ii. Growth opportunity iii. Brand strategy iv. Social and environmental commitments
		Business Activities	<ul style="list-style-type: none"> i. By geographical area ii. Trading performance by sector/market
		Market Description	<ul style="list-style-type: none"> i. Segments ii. Technology evolution iii. Competitors iv. Regulation v. Environmental matters
		Management Overview	Profiles of the following key persons: <ul style="list-style-type: none"> i. Board of directors ii. Key Management staff
		Financial Performance	<ul style="list-style-type: none"> i. Summary of consolidated and [individual] financial statements ii. Trading performance history iii. Cash flows, working capital and capex iv. Credit metrics v. Financial structure and bank relationships
		Other Information	<ul style="list-style-type: none"> i. Legal matters/litigation ii. Other (socially responsible investment) iii. Health and safety iv. Research and development v. Information Technology vi. Intellectual property vii. Insurance viii. External Risk Factors ix. Related party transactions

		Information Specific to SPV/SPE Issuers	Where the Issuer is a SPV/SPE set up to issue asset- or mortgage-backed securities the Placement Memorandum shall provide the following information: <ul style="list-style-type: none"> i. Minimum credit history of the underlying assets or mortgages relevant to the market segment. ii. Information outlining predictable cash flows of the underlying assets or mortgages.
2.	Key Considerations	Operational positioning	<ul style="list-style-type: none"> i. Key business strengths ii. Brand iii. Diversification (market, sector, geography, etc.) iv. Client analysis and relationship with suppliers v. Competitive position
		Financial Positioning	<ul style="list-style-type: none"> i. Statement of Profit or Loss ii. Statement of Financial Position iii. Cash Flow Statement iv. Statement of Changes in Equity v. Investment Policy vi. Dividend Policy vii. Main financial covenants and guarantees
		Risk Factors	<p>Information on the material risk factors relevant to the investment in the PCB of the Issuer should be provided in the Offer Document</p> <p>The Offer Documents shall also expressly state that the PCB is rated and emphasise the risks of investing in PCB (in clear and unambiguous language)</p>
		Tax Considerations	Information with respect to taxation in respect of the Issue shall be provided in the Offer Documents.
3.	Terms and Conditions of the Issue	Form, Denomination and Title	<p>The Issuer will be required to maintain a register in respect of the Issue, which will record the serial number (if relevant), holder and transfer of each issue. The person in whose name the PCB is registered shall be treated as its absolute owner for all purposes.</p> <p>The Offer Documents shall state that the PCB shall be issued in dematerialised form.</p>
		Status of the Issue	<ul style="list-style-type: none"> i. The Offer Documents shall state whether the Issue constitutes secured or unsecured debt obligations of the Issuer ii. The Offer Documents shall also state whether the Issue ranks pari passu other senior debt of the Issuer having equivalent characteristics save duly documented exceptions (any specific limitation on granting of security interests to be stipulated in the negative pledge provision)
		Negative Pledge	<ul style="list-style-type: none"> i. When drafting this clause, consideration should be given to consistency with negative pledge clauses in existing bank loans and other senior debt documentation with similar characteristics (if any), particularly with regards to

			<p>exceptions and thresholds, so that investors' claims benefit from the same protections as those bank loans and other senior debts.</p> <p>ii. When drafting the negative pledge, the Issuer should compile a statement of existing security interests or guarantees and submit it to the investors.</p>
		Financial Covenants	<p>The financial covenants described below may vary depending on the circumstances of the Issuer and the PCB Issue.</p> <p>i. Financial covenants may include, inter alia, one or several covenants such as, a gearing ratio, cash flow ratios, a leverage ratio, an interest cover ratio and possibly annual limits on capital expenditure.</p> <p>ii. The ratios, each component of the ratios and any corresponding definitions should be clearly drafted to ensure consistency with those used in the Issuer's bank loans and other senior debt documentation with similar characteristics (if any) and/or the accounting policies or requirements of the Issuer.</p> <p>iii. The frequency and timing for calculating the ratios and providing such calculations to investors should be stipulated in the Offer Documents (likely to be annually, or more frequently, depending on the relevant regulatory requirements, other requirements of the investors and the situation of the Issuer).</p>
		Information Disclosure Undertakings	<p>Although the circumstances will vary for each Issuer and each Issue, the information that Issuers are likely to be required to disclose to investors in order to ensure compliance with, and/or prevent a breach of, an undertaking may include some or all of the following:</p> <p>i. Financial data prepared on the basis set out in the Offer Documents (consolidated and non-consolidated annual financial statements and, where appropriate, interim financial statements, along with the relevant statutory auditors' reports and significant historical data), statement of existing security interests or guarantees and business plan, where appropriate.</p> <p>ii. Events affecting the Issuer's indebtedness, such as occurrence of an event of default, characteristics of new debt, amendments and waivers, acquisitions and the extension of financing, invocation of an exception to the negative pledge for a significant amount, etc.</p> <p>iii. Description of debt, security interests and guarantees and other specific characteristics in order to assess the potential for subordination of claims.</p> <p>iv. All documents sent to the Issuer's shareholders or other creditors.</p>

			<p>v. Details of litigation, arbitration or administrative procedures and further information regarding the financial condition, business and operations of the Issuer or its group as may be reasonably requested by the investors and in all cases as agreed between the Issuer and the investor.</p>
		Other undertakings	<p>Other required undertakings will depend on the nature and situation of the Issuer and the Issue. However, generally, the Issuer may be required to give some or all of the following undertakings as to:</p> <ul style="list-style-type: none"> i. Compliance with all relevant authorisations and laws. ii. Restrictions on disposals of assets. iii. Restrictions on mergers and corporate restructurings generally in certain circumstances. iv. Restrictions on substantial changes to business. v. Potential requirement to hold an annual meeting with senior management of the Issuer. vi. Use of proceeds of the Issue. vii. Sources of repayment in respect of the Issue. viii. Potential limits on the incurrence of additional indebtedness of the Issuer and its subsidiaries.
		Representations	<p>Although the circumstances will vary for each Issuer and each Issue, the information that Issuers are advised to represent to investors may include some or all of the following representations as to:</p> <ul style="list-style-type: none"> i. Corporate matters: due incorporation and existence of the Issuer, power and authority to Issue the PCB, validity and admissibility of authorisations and compliance with Issuer's memorandum and articles of association or other equivalent constitutional documents. ii. Governing law, enforceability, and conflict: that obligations under the Issue are legal, valid, binding, and enforceable, and do not conflict with law or regulation applicable to the Issuer, its constitutional documents, and other obligations. iii. Accuracy of the information provided. iv. Financial statements. v. Insolvency proceedings. vi. Pari passu ranking. vii. Litigation pending or threatened. viii. That the PCBs are offered on a private placement basis rather than to the public, and that all financial regulatory requirements have been met in connection with the Issue. ix. That the Programme/Issue shall be enrolled/noted by FMDQ Private Markets which, upon acceptance of the enrolment/noting by the FMDQ Private Markets Board Committee may only be transferred to Qualified

			Institutional Investors and subsequently reported to Private Markets.
		Private Placement	PCBs shall be strictly issued via private placement. The Offer Document shall boldly state on its front page: THE BONDS SHALL NOT BE AVAILABLE FOR SUBSCRIPTION OR PURCHASE BY PERSONS OTHER THAN THOSE RECEIVING THE OFFER OR INVITATION. THE INFORMATION STATED IN THIS DOCUMENT IS FOR THE USE OF THE ADDRESSEE(S) ONLY AND IT IS EXPECTED THAT ALL INFORMATION STATED HEREIN OR SUBSEQUENTLY DISSEMINATED WOULD BE KEPT SAFE AND CONFIDENTIAL. UNAUTHORISED ACCESS AND/OR DUPLICATION OF THIS MATERIAL IS ILLEGAL.
		Events of Default	The scope and application of the events of default will depend on the structure and complexity of the Issuer and its group (if applicable) and will be set out in the Offer Documents. Although the circumstances will vary for each Issuer and each Issue, the events of default will usually include: <ul style="list-style-type: none"> i. Non-payment of amounts due under the Issue (unless caused by certain technical errors or remedied within a certain grace period). ii. Cross default and/or cross acceleration. The defaults which may trigger a cross default clause may be subject to minimum thresholds and usually cover financial indebtedness such as bond debt, bank debt, financial debt such as leasing debt, receivables and factoring debt, derivatives and guarantees or indemnities. iii. Events relating to insolvency, creditors' processes (subject to certain thresholds and grace periods). iv. Failure to complete periodic anniversary rating review process in respect of the PCB and effect payment of annual noting fees as prescribed by FMDQ Private Markets as at when due and such other post-noting compliance obligations as outlined in the Guidelines v. Occurrence of a material adverse change (on the basis of a definition to be agreed). vi. Such other event as may be determined as an event of default from time to time. <p>The Offer shall boldly state that Events of Default shall attract the following:</p> <ul style="list-style-type: none"> ▪ Early termination/liquidation of the issue at the discretion of investors in the PCB ▪ Payment of default interest charge by the Issuer at the Default Rate which is equivalent to the daily overnight (O/N) NIBOR + 5% per annum or coupon rate of the Issue + 5% per annum (whichever is higher) from the date of the occurrence

			<p>of the event of default and for every subsequent date the Issuer remains in default</p> <ul style="list-style-type: none"> Such other penalties as may be prescribed by Private Markets from time to time
		Transferability	<p>Applicable restrictions to transferability of the PCB should be disclosed.</p> <p>The Offer Documents should also expressly state that the PCBs can also be transferred to Qualified Institutional Investors.</p>
		Ratings	<p>The Offer Documents shall state in clear and unambiguous language, whether the PCB Programme and/or Issue(s) may be rated.</p> <p>Rated PCBs shall be obtained from a credit rating agency registered or recognised in the Nigerian capital markets.</p> <p>An extract of the rating report shall be provided in the Offer Documents.</p>
		Parties to the Issue	<p>The Offer Documents shall provide information about all parties to the Issue.</p>
4.	Declaration by Investor		<p>The Offer Documents shall provide information to the effect that the investors in the PCBs have declared that they possess the requisite knowledge, skill and experience in business, financial and investment matters and are capable of evaluating the merits and risks of an investment in PCBs.</p>
5.	Disclaimer		<p>The Offer Documents shall boldly state the following disclaimer:</p> <p>FMDQ PRIVATE MARKETS LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT. THE INFORMATION CONTAINED HEREIN IS PROVIDED FOR INFORMATIONAL AND EDUCATIONAL PURPOSES ONLY. NONE OF THE INFORMATION PROVIDED REPRESENTS AN OFFER TO BUY OR SELL OR THE SOLICITATION OF AN OFFER TO BUY OR SELL, ANY SECURITY, NOR DOES IT CONSTITUTE AN OFFER TO PROVIDE LEGAL, TAX, FINANCIAL OR INVESTMENT ADVICE OR SERVICE.</p> <p>FMDQ PRIVATE MARKETS LIMITED IS NOT A REGISTERED SECURITIES EXCHANGE UNDER THE SECURITIES AND EXCHANGE COMMISSION RULES 2013 (AS AMENDED) NOR THE INVESTMENTS AND SECURITIES ACT 2007 (AS AMENDED).</p>

			<p>FMDQ PRIVATE MARKETS LIMITED DOES NOT OFFER LEGAL, FINANCIAL, INVESTMENT OR TAX ADVICE. FMDQ PRIVATE MARKETS LIMITED IS OPERATIONALLY INDEPENDENT AND DISTINCT FROM FMDQ SECURITIES EXCHANGE LIMITED. SECURITIES ADMITTED ON FMDQ SECURITIES EXCHANGE LIMITED ARE NOT SUBJECT TO THE SAME ADMISSION REQUIREMENTS AS SECURITIES NOTED ON FMDQ PRIVATE MARKETS LIMITED, NOR DO SECURITIES NOTED ON FMDQ PRIVATE MARKETS LIMITED AFFECT AN ISSUER'S POTENTIAL ELIGIBILITY FOR OTHER OF ITS SECURITIES TO BE ADMITTED ON FMDQ SECURITIES EXCHANGE LIMITED.</p>
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APPENDIX II: CONTENTS OF GUARANTEE AGREEMENT

The table below provides an indicative template of the general contents of a guarantee agreement between the Issuer/Trustee and the Guarantor. It is not intended to be exhaustive or finite and may vary depending on the circumstances of the Issuer/Trustee and the Guarantor.

S/N	SUBJECT	DETAILS
1.	Guaranteed Obligations	The agreement shall clearly state the obligations of the Issuer to be guaranteed by the Guarantor. Whether partial or full, conditional or unconditional.
2.	Guarantee and Indemnity of Guaranteed Obligations	The agreement shall disclose in full, the guarantee and payment covenants as well as any indemnity clauses
3.	Payments and Taxes	The guarantee agreement shall disclose all payments and taxes dues under the guarantee and the manner in which such payments shall be made.
4.	Events of Default and Enforcement of Guarantee	The guarantee agreement shall disclose actions to be taken by either party in the event of default
5.	Obligations of Trustees	The guarantee agreement shall disclose the obligations of the Trustee
6.	Reporting Requirements	The guarantee agreement shall disclose any reporting obligations of any of the parties to the agreement.
7.	Transfer of Obligations	The Guarantee Agreement shall stipulate the conditions for a valid transfer of the obligations of the Guarantor.
8.	Guarantor's Covenants	The Agreement shall disclose the Guarantor's covenants
9.	Governing Law and Jurisdiction	The guarantee agreement shall disclose the governing law and jurisdiction.
10.	Dispute Resolution	The guarantee agreement shall disclose the dispute resolution mechanisms to be adopted in the event of a dispute between the parties.
11.	Execution	The guarantee agreement shall disclose the form in which it shall executed.
12.	Miscellaneous	All provisions of the guarantee agreement shall be in line with the principles of commercial reasonableness.