

SERIES 1 TRUST DEED

BETWEEN

GEREGU POWER PLC

RC No. 672639

(the "Issuer")

AND

VETIVA TRUSTEES LIMITED

RC No. 738087

FBNQUEST TRUSTEES LIMITED

RC No. 29763

MERISTEM TRUSTEES LIMITED

RC No. 1023578

UNITED CAPITAL TRUSTEES LIMITED

RC No. 645220

In respect of up to ~~₦~~40,000,000,000.00 (Forty Billion Naira) [●] % Series 1 Fixed Rate Bonds due 2029 issued by Geregu Power Plc under the ~~₦~~100,000,000,000.00 (One Hundred Billion Naira) Multi Instrument Issuance Programme

The Trustees shall be liable for the breach of their duties where they fail to carry out their responsibilities under this Trust Deed or to report any breach of the Terms to the Securities and Exchange Commission.

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THIS SERIES 1 TRUST DEED (“Deed”) is made this _____ day of _____ 2022 (the “Effective Date”).

PARTIES

1. **GEREGU POWER PLC**, a public limited liability company registered under the laws of the Federal Republic of Nigeria with RC No. 672639 and having its registered office at 13A Walter Carrington Crescent, Victoria Island , Lagos, Lagos State (“Issuer”).
2. **VETIVA TRUSTEES LIMITED**, a private limited liability company registered under the laws of the Federal Republic of Nigeria with RC No. 738087 and having its registered office at Plot 266B, Kofo Abayomi Street, Victoria Island, Lagos, Nigeria (“Vetiva Trustees”).
3. **FBNQUEST TRUSTEES LIMITED**, a private limited liability company registered under the laws of the Federal Republic of Nigeria with RC No. 29763 and having its registered office at 16, Keffi Street, Ikoyi Lagos (“FBNQuest Trustees”).
4. **MERISTEM TRUSTEES LIMITED**, a private limited liability company registered under the laws of the Federal Republic of Nigeria with RC No. 1023578 and having its registered office at No.3, Norman Williams Street Southwest Ikoyi, Lagos, Nigeria (“Meristem”).
5. **UNITED CAPITAL TRUSTEES LIMITED**, a private limited liability company registered under the laws of the Federal Republic of Nigeria with RC No. 645220 and having its registered office at 3rd Floor, Afriland Towers, 97/105 Broad Street, Lagos (“United Capital Trustees”).

Vetiva Trustees, FBNQuest Trustees, Meristem and United Capital Trustees are collectively referred to as the “Trustees”.

The Issuer and the Trustees are individually referred as a “Party” and collectively as the “Parties”.

BACKGROUND

- A. This Deed is made further to the Programme Trust Deed dated between the Issuer and the Trustees constituting the Multi Instrument Issuance Programme (the “Programme Trust Deed”).
- B. The Programme Trust Deed authorises the Issuer to issue Instruments in series ranking *pari passu* in all respects (except for the first payment of coupon).
- C. By virtue of Clause 87 of the Issuer’s Articles of Association, its shareholders’ resolution dated 23rd February 2022, and its board of directors’ resolution dated 23rd February 2020, the Issuer resolved to issue up to ₦40,000,000,000.00 (Forty Billion Naira) [●]% seven (7) year Fixed Rate Senior Unsecured Bonds due 2029, comprising forty (40) million units of fixed rate bonds, each with a par value of ₦1,000.00 (One Thousand Naira) (the “Series 1 Bonds”) to be issued by the Issuer.
- D. The Trustees have agreed to act as Trustees for the benefit of the Bondholders upon and subject to the terms and conditions of this Deed.

IT IS HEREBY AGREED AS FOLLOWS

1. DEFINITIONS AND INTERPRETATION

To the extent to which the same are applicable and unless otherwise defined or provided for in this Deed, the definitions and provisions contained in the Programme Trust Deed shall apply to and be incorporated in this Deed. Accordingly, in the event of any conflict between the provisions of this Series 1 Trust Deed and those of the Programme Trust Deed, the provisions of this Series 1 Trust Deed shall prevail.

1.1 Definitions

In this Deed, the terms “**Bonds**” and “**Bondholder**” refer only to the Bonds of this Series 1, and to the holders of those Bonds in relation to this Series 1 Trust Deed, and in addition:

“**Conditions**” means the terms and conditions in the form set out in the First Schedule of this Deed;

“**Coupon Commencement Date**” means the Issue Date from which coupon on the Series 1 Bonds begin to accrue;

“**Coupon Payment Date**” means [●] and [●] occurring each year, with the first Coupon Payment Date being [●];

“**Coupon Rate**” means [●]% per annum;

“**CSD**” means Central Securities and Clearing Systems PLC, FMDQ Depository Limited or any other clearing house appointed from time to time by the Issuer;

“**Deed**” means this Series 1 Trust Deed and includes any documents supplemental to this Deed or executed pursuant to this Deed, or any amendments to the same;

“**Events of Default**” means the events of default, which are particularly described in Condition 13 of the First Schedule of this Deed;

“**Exchange**” FMDQ Securities Exchange Limited and or the Nigeria Exchange Limited

“**Issue Date**” means [●];

“**Maturity Date**” means [●];

“**Moratorium Period**” means the period, in respect of which only coupon is payable on the Series 1 Bonds, beginning on (and including) the Issue Date and ending on (but excluding) the following Payment Date occurring twenty four (24) months after the Issue Date;

“**Payment Account**” means the bank account into which the Issuer shall remit all funds or monies due on the Bonds in accordance with Clause 8;

“Permitted Indebtedness” means:

- i. Security Interests created by the Issuer or any of its subsidiaries in existence before the date of the Programme Trust Deed;
- ii. Security Interests arising in the ordinary course of the Issuer's or any subsidiary's business not exceeding an aggregate value of ₦1,000,000,000 (One Billion Naira) at any given time
- iii. any exposure or reclassification occasioned by the introduction of IFRS 16.
- iv. any Security Interest arising out of the refinancing, extension, renewal or refunding of any Financial Indebtedness secured by a Security Interest permitted by any of the above exceptions, provided that the Financial Indebtedness when aggregated with any other Financial indebtedness does not exceed the Permitted indebtedness.

PROVIDED THAT a Rating Reaffirmation is obtained in connection with such Permitted Indebtedness and that such Permitted Indebtedness will not be materially prejudicial to the interests of the Bondholders.

“Pricing Supplement” means the supplementary pricing supplement dated [●] issued by the Issuer, and setting out the final terms of the Series 1 Bonds;

“Proceeds” means the proceeds from the sale of the Series 1 Bonds;

“Registrar” means Meristem Registrars and Probate Services Limited or any other person or entity for the time being appointed registrar by the Issuer;

1.2 Interpretation

1.2.1 The provisions of Clause 1.2 (*Interpretation*) of the Programme Trust Deed shall apply to this Deed.

1.2.2 The schedules to this Deed forms part of it as if the same were set out and contained in it and shall be read and construed as one document.

2. Form of the Series 1 Bonds

2.1 *Amount, Tenor and Status*

2.1.1 The Series 1 Bonds shall be issued in minimum denominations of ₦10,000,000.00 (Ten Million Naira) and integral multiples of ₦1,000,000.00 (One Million Naira) each subsequently.

2.1.2 The Series 1 Bonds shall have a tenor of seven (7) years.

2.1.3 The status of the Series 1 Bonds shall be as described in Condition 4 (*Status of the Series 1 Bonds*).

2.2 *Coupon Payment*

Coupon shall be payable on the Series 1 Bonds in accordance with Condition 6 (*Coupon*) of this Deed.

2.3 *Principal Repayment*

The Principal of the Series 1 Bonds shall be redeemed on an amortising basis as shown in the Schedule commencing from [●] (after the expiration of the Moratorium Period) until fully redeemed on the Maturity Date (each a “Payment Date”).

2.4 *Source of Payment/Repayment*

The Issuer shall pay the Coupon and repay the principal from the Payment Account.

3. **Application of the Proceeds of the Series 1 Bonds**

- 3.1. The Issuer undertakes to the Trustees that it shall utilise the Proceeds in accordance with the Pricing Supplement and shall repay the principal and coupon in accordance with the Second Schedule to this Deed.
- 3.2. Without prejudice to the generality of the provisions of this Deed, the Trustees shall not be bound to enquire as to the application of the Proceeds of the Series 1 Bonds.

4. **Covenants of the Issuer**

- 4.1. The covenants and obligations of the Issuer in Clause 10 (*Covenants of the Issuer*) in the Programme Trust Deed shall be read as part of this Deed and apply to the Series 1 Bonds so long as any of the Series 1 Bonds remain outstanding.
- 4.2. The obligations of the Issuer in Clause 10 (*Covenants of the Issuer*) in the Programme Trust Deed shall not be affected by any act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under Clause 10 (*Covenants of the Issuer*) in the Programme Trust Deed (without limitation and whether or not known to it or the Trustees) including:
 - i. the taking, variation, compromise, exchange, renewal or refusal or neglect to perfect, take up or enforce any rights against or over its assets;
 - ii. any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer;
 - iii. any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Offer Document or any other document including without limitation any change in the purpose of, or terms of the Bonds or Offer Documents;
 - iv. any insolvency or similar proceedings.
- 4.3. The Issuer further covenants that for so long as any of the Series 1 Bonds remain outstanding in any year, no dividends, distributions or other payments shall be made to the Shareholders of the Issuer in that year, unless the Issuer has fully discharged its payment obligations under this Deed to the Bondholders in respect of that year.

5. Issuer's Lending and Borrowing Powers

The Issuer covenants with the Trustees that until such time when all outstanding Bonds have been fully redeemed and the Issuer's liability has been discharged, it shall not without the prior written consent of the Trustees (such consent not to be unreasonably withheld, delayed or conditioned) borrow or raise funds or procure any person to borrow or raise funds on its behalf, by any means whatsoever except by the issuance of bonds under the Programme Trust Deed or this Series Trust Deed. PROVIDED that this Clause 5 shall not apply to Permitted Indebtedness.

6. Representations and Warranties

The Issuer represents and warrants to the Bondholders that:

- 6.1 the Covenants stated in Clause 10 (*Covenants of the Issuer*) in the Programme Trust Deed is valid and shall apply to this Deed;
- 6.2 the representations and warranties stated in Clause 14 (*Representations and Warranties*) in the Programme Trust Deed shall apply to this Deed;
- 6.3 as at the Issue Date, no event of default as defined in Condition 15 (*Events of Default*) in the Programme Trust Deed has occurred, or is likely to occur and or is continuing; and
- 6.4 it shall use all reasonable endeavours to ensure that the Bonds are, upon issue, quoted on the Exchange and that such quotation is maintained until the Maturity Date.

7. Establishment and Funding of Payment Account

7.1 *Payment Account*

7.1.1 The Issuer shall on or before the Issue Date of the Series 1 Bonds or no later than fifteen (15) Business Days afterwards, ensure the opening and maintenance of a Payment Account in the name and under the sole control of the Trustees with the Account Bank.

7.1.2 The provisions of Clause 7 (*Establishment of Payment Account*) in the Programme Trust Deed shall apply to the Series 1 Bonds.

7.2 *Trust of Payment Account(s)*

The Issuer irrevocably acknowledges and accepts that the monies in the Payment Account, and any other account opened by the Issuer (or the Trustees as the case may be), either in addition or replacement of the Payment Account from time to time in accordance with the terms of the Programme Trust Deed and this Deed, shall be held by, or assigned by way of security to the Trustees, for themselves and the Bondholders, upon similar trusts to those held by the Trustees under this Deed.

8. Powers, Covenants and Indemnities of the Trustees

The provisions of Clause 20 (*Powers, Covenants and Indemnities of the Trustees*) in the

Programme Trust Deed shall apply to the Series 1 Bonds.

9. **Amendment of the Deed**

9.1 Subject to Clause 27 (*Modification of Terms*) of the Programme Trust Deed, the Parties may amend, add to or revoke any provision of this Deed, (including this clause 9) if the amendment, addition, revocation in the opinion of the Parties is:

9.1.1 necessary or expedient to comply with the provisions of any Applicable Law;

9.1.2 made to correct a manifest error or is of a formal, technical or administrative nature only;

9.1.3 desirable for any reason, as may be mutually agreed by the Parties.

9.2 If in the reasonable opinion of the Trustees, any amendment, addition or revocation is likely to be prejudicial to the interests of all Bondholders, the amendment, addition or revocation may only be effected if the Bondholders pass a Special Resolution approving such amendment, addition or revocation.

9.3 The Parties will not amend, add or revoke any provision of this Deed unless, (except in relation to Sub Clause 9.1.2.), ten (10) Business Days prior written notice is given to the Rating Agency in relation to the Series 1 Bonds to be affected by the amendment, addition or revocation.

10. **Exclusive Right of the Trustees**

The provisions of Clause 19 (*Exclusive Right of the Trustees*) in the Programme Trust Deed shall apply to this Deed.

11. **Benefit of the Trust Deed**

Nothing in this Deed or in the Bonds, express or implied, shall give to any person, other than the Parties and the Bondholders (and where specified, the beneficial owners of Bonds), any benefit or any legal or equitable right, remedy or claim under this Deed.

12. **Notice of Breach to the Commission**

Not later than ten (10) Business Days after the Trustees have actual knowledge of any breach of the terms and conditions of this Deed, the Trustees shall inform the Commission whenever it becomes necessary to enforce the terms of this Deed and of any breach of the terms and conditions of the same.

13. **Compliance with the ISA**

The Trustees in exercise of the powers and discretions vested in them pursuant to this Deed shall comply with the provisions of the ISA.

14. **Notices**

The provisions of Clause 31 (*Notices*) in the Programme Trust Deed shall apply to this Deed.

15. **Endorsement of Programme Trust Deed**

The Issuer and Trustees shall endorse a memorandum of the execution of this Deed on the Programme Trust Deed.

16. **Miscellaneous**

The provisions of Clause 32 (*Miscellaneous*) of the Programme Trust Deed shall apply to the Series 1 Bonds.

17. **Governing Law and Jurisdiction.**

The provisions of Clause 34 (*Governing Law*) of the Programme Trust Deed shall apply to the Series 1 Bonds.

18. **Dispute Resolution**

The provisions of Clause 35 (*Dispute Resolution*) of the Programme Trust Deed shall apply to the Series 1 Bonds.

19. **Counterparts**

This Deed may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, but all of which taken together, shall constitute one and the same instrument.

FIRST SCHEDULE

Terms and Conditions of the Series 1 Bonds

The following is the text of the terms and conditions, which will apply to the Series 1 Bonds. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed dated [●] 2022

The Series 1 Bonds are constituted by a trust deed dated [●] (the “**Series 1 Trust Deed**”) between Gereg Power Plc (“the Issuer”) and Vetiva Trustees Limited, FBNQuest Trustees Limited, Meristem Trustees Limited and United Capital Trustees Limited (the “Trustees”). Copies of the Series 1 Trust Deed are available for inspection at the respective offices of the Trustees, and at the office of the Registrar at 213 Herbert Macaulay Way, Yaba, Lagos.

Words and expressions defined in the Series 1 Trust Deed (as the same may be amended, varied or supplemented from time to time with the consent of the Parties) are expressly and specifically incorporated to and shall apply to these Conditions.

Unless the context otherwise requires or unless otherwise stated, capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Series 1 Trust Deed, and which shall apply in these Conditions.

1. **Form, Denomination and Title**

- 1.1. The Series 1 Bonds will be issued in registered form and in a minimum denomination of ₦10,000,000.00 (Ten Million Naira) i.e. 10,000 units @ ₦1,000/unit, and integral multiples of ₦1,000,000.00 (One Million Naira) subsequently. The Issuer, Trustees and the Registrar (except as otherwise required by law) shall deem and treat the Bondholder (or his legal representative) as the legal and beneficial owner of the Series 1 Bonds.
- 1.2. The Series 1 Bonds will be issued in uncertificated (dematerialised or book-entry) form, which shall be registered with a separate securities identification code with the CSD.
- 1.3. The Series 1 Bonds will be listed on the relevant Exchange as may be determined by the Issuer, subject to any Applicable Law.
- 1.4. Title to the Series 1 Bonds shall be effected in accordance with the rules governing transfer of title in securities held in the CSD. In these Conditions, “Bondholders” and (in relation to a Bond) “holder” means the person in whose name a Bond is registered in the Register.

2. **Redemption**

The Principal of the Series 1 Bonds shall be redeemed on an amortising basis as shown in Schedule 2 commencing from [●] (after the expiration of the Moratorium Period) until fully redeemed on the Maturity Date (each a “Payment Date”).

3. **Purchase of Bond by the Issuer**

The Issuer may at any time and from time to time purchase any part of the Series 1 Bonds through the Exchange or by tender (available to all Series 1 Bondholders alike) but not otherwise. Any Bond so purchased will be cancelled and will not be available for re-issue.

4. **Status of the Series 1 Bonds**

4.1. *Ranking*

4.1.1. The Series 1 Bonds are senior and unsecured obligations of the Issuer, and the Issuer unconditionally and irrevocably guarantees the due payment of the Coupon and outstanding principal amount expressed to be payable under this Deed.

4.1.2. The Series 1 Bonds shall at all times rank *pari passu* and rateably without any preference among themselves, and at least *pari passu* with all other claims of Series of Bonds issued by the Issuer both present and future.

4.1.3. The payment obligations of the Issuer under the Series 1 Bonds shall at all times rank at least equally with all direct, senior, unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future except for obligations mandatorily preferred by Applicable Law.

5. **Covenants by the Issuer**

5.1. The provisions of Clause 10 (*Covenants of the Issuer*) in the Programme Trust Deed are hereby incorporated into this Series 1 Trust Deed, and the Issuer agrees to perform the same in relation to this Series 1 Trust Deed together with the provisions of clause 4.3 of this Series 1 Trust Deed.

5.2. The provisions of Condition 6 (*Negative Pledge*) in the First Schedule to the Programme Trust Deed shall also apply to this Series 1 Trust Deed.

6. **Coupon**

6.1. The Series 1 Bonds will bear coupon from and including the Coupon Commencement Date until the Maturity Date. The Coupon Rate shall be payable in arrears, on the Principal Amount Outstanding on the Coupon Payment Date.

6.2. Coupon shall be payable semi-annually in equal payments on each Coupon Payment Date up to and including the Maturity Date

6.3. Each Series 1 Bond will cease to bear coupon from and including the Maturity Date, unless upon due presentation, payment of principal is improperly withheld or refused, in which event coupon will continue to accrue (both before and after any judgment or other order of a court of competent jurisdiction) at the Coupon Rate in the manner provided in this Condition.

6.4. The coupon payable in respect of each Series 1 Bond shall be at a fixed rate of [●]% per annum.

6.5. The coupon shall be calculated on the basis of the actual number of days in the Coupon Period divided by actual number of days in the year.

7. **Cancellation of Series 1 Bonds**

Any part of the Series 1 Bonds redeemed or purchased in accordance with the Series 1 Trust Deed shall be cancelled and the Issuer shall not keep such Bond valid for the purpose of re-issue.

8. **Freedom from Equities**

The provisions of Condition 10 (*Freedom from Equities*) in the First Schedule to the Programme Trust Deed are hereby incorporated in relation to this Series 1 Trust Deed.

9. **Registration and Transfer of Series 1 Bonds**

9.1 The Series 1 Bonds are transferable in whole or in part in denominations of ₦1,000.00 (One Thousand Naira) and shall be transferred on the relevant Exchange in accordance with its rules.

9.2 Registration of the transfer of any Series 1 Bonds shall not be carried out within fifteen (15) days of the due date for any payment of principal or coupon on such Bond. The Register shall be closed during this period.

9.3 The provisions of Condition 11 (*Registration and Transfer of the Bonds*) in the Programme Trust Deed shall also apply to the transfer of the Series 1 Bonds.

9.4 Upon a transfer of Bonds, the Registrar shall update the Register and the registration of any transfer shall be effected by the Registrar without any charge except for the payment of any fee imposed by law.

10. **Transmission**

The provision of Condition 12 (*Transmission*) of the Programme Trust Deed shall apply to the transmission of the Series 1 Bonds.

11. **Method of Payment of Principal Money, Coupon and Premium**

The provision of Condition 13 (*Method of Payment of Principal Money, Coupon and Premium*) in the Programme Trust Deed shall apply to payments to Bondholders.

12. **Receipts for Money Paid**

If several persons are entered in the Register as joint holders of any Bond, then the receipt of such persons for any coupon or principal or other money payable on or in respect of such Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Bond.

13. **Events of Default**

The provision of Condition 15 (*Events of Default*) in the Programme Trust Deed shall apply to the Series 1 Bond as if set out in this Condition 13. The Issuer shall promptly inform the Trustees of any Potential Event of Default as soon as it becomes aware of such event.

14. **Notices**

14.1. The provisions of Clause 31 (*Notices*) in the Programme Trust Deed will apply to notices between the Parties.

14.2. The provisions of Condition 16 (*Notices*) in the Programme Trust Deed will apply to notices to and from the Bondholders.

15. **Prescription**

Claims against the Issuer in respect of the Series 1 Bonds shall be void unless presented for payment as required by Condition 11 within six (6) years from the due date for payment of any amount due on the Series 1 Bonds.

16. **Meetings of Bondholders**

The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in the Third Schedule of the Programme Trust Deed (*Provisions for Meetings of Bondholders*).

17. **Governing Law**

The Series 1 Bonds are governed by, and shall be construed in accordance with the laws of the Federal Republic of Nigeria.

THE PARTIES have caused their respective common seals to be fixed the day and year first above written.

The ISSUER

The Common Seal of **GEREGU POWER PLC**
was fixed in the presence of:

.....
DIRECTOR

.....
DIRECTOR/SECRETARY

The TRUSTEES:

The Common Seal of **VETIVA TRUSTEES LIMITED**
was fixed in the presence of:

.....
DIRECTOR

.....
DIRECTOR/SECRETARY

The Common Seal of **FBNQUEST TRUSTEES LIMITED**
was fixed in the presence of:

.....
DIRECTOR

.....
DIRECTOR/SECRETARY

The Common Seal of **MERISTEM TRUSTEES LIMITED**
was fixed in the presence of:

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DIRECTOR

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DIRECTOR/SECRETARY

The Common Seal of **UNITED CAPITAL TRUSTEES LIMITED**
was fixed in the presence of:

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DIRECTOR

.....
DIRECTOR/SECRETARY

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