

CONSTRUCTION AGENCY AGREEMENT

BETWEEN

FGN ROADS SUKUK COMPANY 1 PLC

AND

THE FEDERAL GOVERNMENT OF NIGERIA

REPRESENTED BY

THE HONOURABLE MINISTER OF WORKS AND HOUSING

IN RESPECT OF THE ISSUANCE OF UP TO

₦[] (_____ BILLION**

NAIRA) SUKUK BY

FGN ROADS SUKUK COMPANY 1 PLC

DATED THE ____ TH DAY OF _____, 2022

PREPARED BY

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THIS CONSTRUCTION AGENCY AGREEMENT (this “**Agreement**”) is made this day of, 2022

BETWEEN

FGN ROADS SUKUK COMPANY 1 PLC, a public limited liability company incorporated under the laws of the Federal Republic of Nigeria with registration number RC 1424371, whose registered office is situate at NDIC Building (First Floor), Plot 447/448 Constitution Avenue, Central Business District, Garki, Abuja (hereinafter referred to as the “**SPV**”, which expression shall where the context so admits include its successors-in-title and assigns) of the first part;

AND

THE FEDERAL GOVERNMENT OF NIGERIA (“FGN”) represented by **The Honourable Minister of Works and Housing (the “Minister”)** of the Federal Ministry of Works and Housing whose head office is situate at Mabushi, Abuja (hereinafter referred to as the “**FMW&H**”) of the second part;

(The **SPV** and the **FMW&H** are, where the context so admits herein, individually referred to as a “**Party**” and collectively referred to as the “**Parties**”).

WHEREAS

- (A) The SPV is a special purpose vehicle incorporated by the FGN as a public limited liability company for the purpose of issuing Sukuk which proceeds will be used to finance the construction of the sections of roads in the Federal Republic of Nigeria as particularly described in Schedule 1 to this Agreement (the “**Roads**”).
- (B) By a Letter of Allocation dated _____, 2022 (the “**Letter of Allocation**”), the FGN allocated parcels of land comprising roads designated as Federal Highways and listed in the attached Schedule of Allocated Lands (as hereinafter defined) to the SPV for construction/rehabilitation of the Roads.
- (C) By a prospectus dated on or around the date hereof, the SPV invited the public to make subscription for the sum of up to ₦000,000,000,000 (___ Billion Naira) to finance the construction/rehabilitation of the Roads (“**Prospectus**”) for onward leasing to the FGN by the SPV on behalf of the Sukukholders.
- (D) The SPV has undertaken to hold the Trust Assets (as hereinafter defined) in trust for the Sukukholders.
- (E) The SPV wishes to appoint the FGN to procure on its behalf, the building, construction or rehabilitation of the Roads for the total sum of up to ₦000,000,000,000 (___ Billion Naira) and deliver to the SPV, the Trust Assets.
- (F) The Parties have therefore entered into this Agreement to give effect to their common intentions and further wish to be bound by the terms and conditions hereinafter contained.

THIS CONSTRUCTION AGENCY AGREEMENT WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1. Definitions

Unless otherwise defined, or the context otherwise requires, expressions defined in the Prospectus shall have the same meanings in this Agreement including its recitals and schedules. In this Agreement:

“Accountant-General” means the Accountant-General of the Federation, Federal Republic of Nigeria;

“Anti-Bribery and Anti-Corruption Laws” means the Economic and Financial Crimes Commission Act (Chapter E1) LFN 2004, Corrupt Practices and Related Offences Act (Chapter C31) LFN 2004, the Money Laundering (Prohibition) Act 2011, Advance Fee Fraud and Other Related Offences Act 2006, Criminal Code Act (Chapter C38) LFN 2004, the Penal Code Act (Chapter P3) LFN 2004 and such other laws, regulations and guidelines relating to the prevention of the criminal offences of bribery and/or corruption in Nigeria;

“Anticipated Delivery Dates” means the respective dates set out in the Milestone Schedule for delivery of the various Trust Assets;

“Business Day” means any day excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria;

“CBN” means the Central Bank of Nigeria;

“Certificates of Completion” means the Engineer’s Certificate of Completion and the Trustees’ Certificate of Completion;

“Contractors” means any third-party road construction companies appointed by the FGN to undertake the Road Construction Works;

“Contracts” means the agreements and side letters entered into by the FGN and the respective Contractors to which the relevant Road Construction Works were awarded;

“Contract Price” means the cost of construction as agreed between the FGN and the relevant Contractor;

“DMO” means the Debt Management Office;

“Engineer” means the Director Highways, Construction and Rehabilitation (DHCR) in the FMW&H responsible for ascertaining the completion of road projects according to required specifications (or such other person as may be from time to time appointed to act in that capacity);

“Engineer’s Certificate of Completion” means the certificate issued by the Engineer confirming satisfactory completion of the relevant Milestone by a Contractor in accordance with the conditions and Specifications;

“Event of Default” means the events of default as set out in Clause 10;

“FGN” means the Federal Government of Nigeria;

“FHA” means the Federal Highways Act Chapter F13 LFN 2004;

“Final Certificates of Completion” mean the Certificates of Completion issued for the final Milestone;

“Force Majeure Event” means such event as described in Clause 17;

“Trust Assets” means the Roads (including any Replacement Road) constructed in accordance with the Specifications and conditions contained in the Contracts and leased to the Lessee pursuant to the Forward Ijarah (Lease) Agreement;

“Maturity Date” means the date falling seven (7) years from the date the Sukuk is issued;

“Milestones” means specific stages of the Road Construction Works as agreed between the FGN and the Contractors and set out in the Milestone Schedule;

“Milestone Schedule” means the duly completed schedule to be submitted by the FGN to the SPV and the Trustees in accordance with Clause 4.1 and substantially in the format in Schedule 3;

“Public Procurement Act” means the Public Procurement Act No.14 of 2007;

“Road Construction Works” means the building, construction, rehabilitation, refurbishment and such other works to be undertaken on the Roads as described in Schedule 2;

“Schedule of Allocated Lands” means the schedule set out in the Letter of Allocation;

“Specifications” means the specifications of the Road Construction Works which may be detailed in the Contracts and which are hereby incorporated into this Agreement as the specifications of the Road Construction Works under this Agreement;

“Step-In Rights” means the rights of the SPV to step in and take over the rights of the employer under the Contracts;

“Sukuk” means the Sukuk constituted under the provisions of the Declaration of Trust Deed;

“Sukukholders” means any registered owner of Sukuk;

“Sukuk Proceeds Account” means the non-interest bank account held with the CBN into which the proceeds of the Sukuk shall be swept after the closing of the issue;

“Transaction Documents” means this Agreement, the Letter of Allocation, the Forward Ijarah (Lease) Agreement, the Service Agency Agreement, the Declaration of Trust Deed, the Purchase Undertaking Deed, the Sale Undertaking Deed and the Prospectus;

“Trustees” mean FBNQuest Trustees Limited and Apel Capital and Trusts Limited and their successors-in-title and permitted assigns;

“Trustees’ Certificate of Completion” means the certificate issued by the Project Management Consultant appointed by the Trustees confirming satisfactory completion of the relevant Milestone by a Contractor in accordance with the conditions and Specifications; and

“Trustees’ Payment Authorization” means the letter issued by the Trustees to the DMO containing a list of road projects and/or Milestones that have been inspected by the Project Management Consultant appointed by the Trustees and stating the amounts that should be paid for each road project and/or Milestone.

“Usufruct Period” means the period commencing from the date the Lease Asset is delivered to the Lessee and ending on the Maturity Date

1.2. Clauses

Any reference in this Agreement to a Clause is, unless otherwise stated, to a clause hereof.

1.3. Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

1.4. Legislation

Any reference in this Agreement to any legislation (whether primary legislation or regulation or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

2. **CONSTRUCTION OF ROADS**

2.1 The FGN represented by FMW&H agrees to procure the Road Construction Works in accordance with this Agreement and the SPV agrees to take over the Trust Assets on the delivery of the Certificates of Completion for a relevant Milestone and pay the Contract Price in the manner stated herein.

- 2.2 Pursuant to Section 1(2) of the FHA, which places the responsibility for the planning, construction and maintenance of federal highways on the Minister, the Parties hereby agree that the FMW&H shall be the executing agency for the discharge of FGN's obligations under this Agreement and the delivery of the Trust Assets.
- 2.3 The FMW&H may cause to be undertaken by the Contractors such Road Construction Works as may be necessary to achieve the completion of the Trust Assets.
- 2.4 The FMW&H shall comply with the conditions stated herein as well as the Specifications.

3. SELECTION OF THE CONTRACTORS

- 3.1 It is hereby agreed that the FMW&H shall select Contractors for the construction of the Roads in accordance with the provisions of the Public Procurement Act.
- 3.2 The FMW&H shall conclude the Road Construction Works subject to the following conditions:
- (i) The aggregate Contract Price shall be up to but not exceeding ~~N~~{***} (Billion Naira).
 - (ii) The Specifications shall be as those briefly described in Schedule 2 to this Agreement and detailed in the Contracts.
 - (iii) The prior written approval of the SPV to any amendment to the Specifications shall be obtained by the FMW&H.
- 3.3 The SPV acknowledges that prior to the execution of this Agreement, the FGN had appointed certain Contractors for the construction/rehabilitation of the Roads. The FGN hereby assigns to the SPV its rights, interests and benefits under the Contracts. Furthermore, the SPV hereby affirms and ratifies any Contract for the construction/rehabilitation of the Roads entered into by the FGN prior to the date of this Agreement in so far as the Contracts are valid and not expired or performed. Such Contracts shall be deemed for the purposes of this Agreement to have been executed pursuant to this Clause 3 and shall, to the extent necessary, be amended to reflect the terms of this Agreement.
- 3.4 Further to Clause 3.3 above, the FGN undertakes to notify and/or obtain the consent of any relevant party or parties as may be required under the Contracts.

4. DISBURSEMENTS

- 4.1 No later than forty-five (45) days after the signing of this Agreement or such other date as the Parties may agree in writing, the FGN shall submit a delivery Milestones Schedule for the road projects to the SPV and the Trustees for their records.
- 4.2 Where a Milestone has been attained, the FMW&H shall submit a duly completed schedule of payment(s) and delivery Milestone(s) to the DMO for onward submission to the Trustees

for consideration on behalf of the SPV and release of funds from the Sukuk Proceeds Account. For the avoidance of doubt, disbursement shall not commence without the submission of the schedule of payment(s) and delivery Milestone(s) by the FMW&H to the DMO and approved by the Trustees.

- 4.3 The DMO shall upon the receipt of a duly completed schedule of payment(s) and delivery Milestone(s) from the FMW&H as indicated in Clause 4.2 above, forward same to the Trustees for the issuance of a Trustees' Certificate of Completion and the Trustees shall thereafter issue a Trustees' Payment Authorisation within a period of not more than seven (7) Business Days from the date of receipt of a schedule of payment(s) and delivery Milestone(s) from the DMO.
- 4.4 Provided that in exceptional circumstances, and based on the exigencies of the payment request(s) for delivery Milestones from the Honourable Minister of the FMW&H or his designated nominee, the DMO may authorise release of funds to the FMW&H pending the certification of the Trustees but with the consent of the Trustees.
- 4.5 Upon the receipt of the Trustees' Payment Authorisation, the DMO shall forward a request for release of Sukuk Funds to the Cash Management Department (CMD) of the Federal Ministry of Finance, Budget and National Planning and the Office of the Accountant-General of the Federation for payment of the Contractors through the FMW&H. The FMW&H shall through the DMO provide the Trustees with evidence of the payment to the Contractors within five (5) Business Days of the payment.
- 4.6 Notwithstanding the delivery of the Engineer's Certificate of Completion, the Trustees shall not deliver the Trustees' Certificate of Completion and the Trustees' Payment Authorization with respect to any Milestone where the Trustees are not satisfied that the Road Construction and Rehabilitation Work has been completed in accordance with the relevant delivery Milestone, in which case a letter of dissatisfaction ("**Letter of Dissatisfaction**") will be delivered by the Trustees to the DMO, for and on behalf of the SPV.
- 4.7 The DMO shall deliver a copy of the Trustees' Letter of Dissatisfaction to the FMW&H not later than two (2) business days after the receipt of same from the Trustees.
- 4.8 No request for the release of funds shall be made by the DMO to the Cash Management Department (CMD) of the Federal Ministry of Finance, Budget and National Planning upon receipt of the Letter of Dissatisfaction from the Trustees.

5. PERFORMANCE BONDS AND/OR ADVANCE PAYMENT GUARANTEES

- 5.1 The FMW&H shall cause the Contractors to procure performance bonds and/or advance payment guarantees, from reputable financial institutions, where it so determined that such is required, in relation to the Road Construction and Rehabilitation Works.
- 5.2 It is hereby agreed that any existing performance bonds and/or advance payment guarantees held by the FMW&H and issued in favour of the FGN in relation to Contracts signed prior to

the execution of this Agreement shall be held for the benefit of the SPV to the extent of the cover.

- 5.3 The FGN undertakes to assign to the SPV the benefit of any guarantee, condition or warranty relating to the Road Construction Works which may be given by a Contractor to the FGN and which had been examined and accepted by the SPV. In addition, the FGN shall take such other action as the SPV shall reasonably request including granting the SPV or its appointees Step-In Rights to enable the SPV claim against the Contractor.

6. RIGHTS OF INSPECTION

- 6.1 Without prejudice to any of the foregoing, the FMW&H shall ensure that the SPV or its representatives shall have access to the Roads at reasonable times agreed by or on behalf of the SPV with the FMW&H for the purposes of inspecting the progress of the construction of the Roads and ascertaining that the Milestones set out in the Milestone Schedule with respect to the relevant Road have been achieved.
- 6.2 The inspection referred to in Clause 6.1 above, may be done at such time and with such frequency as the SPV or its representative may deem fit provided that no such inspection shall be undertaken in such a manner and at such a time that may disrupt or affect the Road Construction Works.
- 6.3 The FMW&H will provide the SPV with all (progress) reports and/or other information or documentation as may be requested by the SPV.
- 6.4 Neither the SPV's right of inspection, whether or not exercised, nor any such inspection, shall relieve the FGN of its responsibilities for the proper performance of the Road Construction.

7. DELIVERY AND RISK

- 7.1 On and from the date of this Agreement, the SPV acknowledges that all risk relating to the construction of the Roads shall be borne by it, except those risks relating to the construction of the Roads occasioned by the FGN's negligence, wilful default or fraud. In such cases of negligence, wilful default and/or fraud (as appropriate), the FGN may, at its discretion, pass the risk to the Contractors but any such assignment or transfer of risk shall not in any way extinguish its liability to the SPV.
- 7.2 The FGN, through the FMW&H, undertakes to deliver the Trust Assets on or before the Anticipated Delivery Dates unless otherwise extended pursuant to Clause 7.4 below.
- 7.3 The FGN shall indemnify and be liable for any actual loss or damage incurred by the SPV due to the failure to timeously deliver the Roads.
- 7.4 The Anticipated Delivery Dates represent the dates upon which it is presently expected that the various Trust Assets shall be ready for delivery. The SPV reserves the right to extend any of the Anticipated Delivery Dates by the periods below:

- 7.4.1 a period of up to three (3) additional months;
- 7.4.2 such period of extension as may be properly allowed to the Contractors by the FGN and notified to the SPV; and
- 7.4.3 such period as may be reasonable in respect of other delays caused by Force Majeure Events as detailed in Clause 17.
- 7.5 Such extensions, as may be granted by the SPV, in the event of continuation or recurrence of force majeure, are to run consecutively for other periods as may be fair and reasonable in prevailing circumstances, provided that the SPV shall advise the FMW&H of such extension at least seven (7) days before the Anticipated Delivery Date.
- 7.6 The “**Delivery Date**” shall be any such date as may be determined in accordance with the extension of the Anticipated Delivery Date in Clause 7.4 provided that any extension granted pursuant to Clause 7.4 shall not exceed a period of six (6) months from the Anticipated Delivery Date.
- 7.7 Notwithstanding Clause 7.1, the SPV agrees that upon delivery of the Trust Assets, on and from the Anticipated Delivery Date or the Delivery Date (as applicable), all risks, in respect of the Trust Assets shall pass to the SPV.
- 7.8 In the event that the Roads are not delivered in accordance with the Specifications, the SPV may exercise any of the following options: (a) reject the delivery of the Roads; (b) accept the delivery of the Roads as it is at a reduced price; or (c) accept the delivery of the Roads subject to new terms to be mutually agreed by the Parties including revision in the price or extension of time to meet the Specifications.
- 7.9 The FMW&H shall ensure that any and all defects and/or faults discovered upon inspection pursuant to Clause 6 are remedied and made good to the SPV’s reasonable satisfaction within thirty (30) days of the date of such inspection. Where defect is discovered during the Usufruct Period, the FMW&H undertakes to remedy or procure that the defect is remedied, both at its own cost and expenses within twenty-one (21) days of receiving the notification of the defect from the SPV.
- 7.10 On satisfaction that the final Milestone with respect to a relevant Road Construction Work has been achieved, the FMW&H and the Trustees shall issue the Final Certificates of Completion and the Trust Assets shall be delivered by the FMW&H to the SPV on the Delivery Date.

8 COVENANTS

Covenants of FGN and the FMW&H

- 8.1 The FGN shall cause the Road Construction Works to be completed within the Milestone Schedule stated in this Agreement.
- 8.2 The FMW&H shall:
- 8.2.1 select competent Contractors for the Road Construction Works, and to the extent already selected, it hereby warrants that all appointed Contractors are competent and duly qualified to undertake the Road Construction.
 - 8.2.2 do all such things and execute all such documents which may be necessary to undertake the Road Construction Works.
 - 8.2.3 inform the SPV of an Event of Default immediately upon becoming aware thereof.
 - 8.2.4 obtain from Contractors, written undertaking not to sell, transfer, lease or otherwise dispose of all or a sizeable part of their assets or undertake a merger, consolidation, dismantling or re-organisation which would materially affect the ability to perform its obligations to the FGN.
 - 8.2.5 require the Contractors to notify it and it shall, immediately upon becoming aware, notify the SPV of any litigation or proceedings pending or threatened against any Contractor which could materially and adversely affect the:
 - (a) business or operations of the Contractor;
 - (b) financial condition of the Contractor;
 - (c) Contractor's ability to meet its obligations under the relevant Contract;
 - (d) cancellation of the Contractor's Licence; or
 - (e) cancellation or termination of a material trade agreement.
 - 8.2.6 The FMW&H undertakes to donate to charity any such sum received from the Contractors as liquidated damages under the Contracts.
- 8.3 The FGN shall ensure that the Contractors build the Roads with good quality materials and up to good standards.
- 8.4 **Covenants of the SPV**
- 8.4.1 The SPV shall pay the Contract Price in accordance with the disbursement breakdown contained in Schedule 3.
 - 8.4.2 The SPV shall accept the Trust Assets if the Road Construction Works comply with the Specifications.

The title to and the risk in the Trust Assets shall pass to the SPV upon delivery of the Trust Assets.

9 ASSETS SUBSTITUTION

The FGN undertakes that the Roads shall continue to remain in the same form, and be of the same number as was transferred to the SPV pursuant to the Letter of Allocation provided that if at any time prior to the Delivery Date, the number of, and the form of any of the Roads are not in accordance with Schedule 1 either as a result of revocation or the Roads not being in a form that enables the Road Construction Works set out in Schedule 2 to be fully executed (“**Unavailable Roads**”) as communicated by the Trustees to the FGN, the FGN shall provide such replacement Roads (“**Replacement Roads**”), within the time agreed by the SPV and the FMW&H on behalf of the FGN, similar in specification and value to the Unavailable Roads that will (i) permit full execution of the Road Construction Works which would have been executed on the Unavailable Roads; (ii) together with the other Roads, be fully constructed with the Contract Price and delivery shall occur not later than the Anticipated Delivery Date unless otherwise extended by the SPV in accordance with this Agreement.

The FMW&H shall provide the details of the Replacement Roads to the Trustees through the SPV.

10 EVENT OF DEFAULT AND TERMINATION

10.1 There shall be an Event of Default if:

- (a) the FGN fails to deliver the Trust Assets to the SPV in accordance with the Milestone Schedule;
- (b) the FMW&H breaches any of the covenants made under this Agreement; or
- (c) there is total interruption or cessation of the Road Construction Works.

10.2 Upon the occurrence of an Event of Default, the SPV shall give the FMW&H, not less than twenty-one (21) days’ notice to remedy the defect. Where the FGN is unable to remedy the Event of Default within twenty-one (21) days, it shall notify the SPV and also show evidence to the satisfaction of the SPV that it has commenced steps towards remedying the Event of Default.

10.3 The SPV may, without prejudice to Clause 10.2 above, in an Event of Default due to the fault of FMW&H or the FGN, demand that future disbursements in relation to the affected Road Construction Work be ceased.

10.4 Where an Event of Default occurs in relation to only one Road Construction Work, the SPV may without prejudice to any other rights available to it, declare this Agreement terminated to the extent applicable to that Road Construction Work.

10.5 The SPV may without prejudice to any of its other rights, at any time after the happening of a General Event of Default which is not remedied by the FGN in accordance with Clause 10.2 above, by notice to the FMW&H declare that:

- (a) the obligation of the SPV under this Agreement shall be terminated forthwith; and/or
- (b) the entire amount of the disbursements or such part thereof along with all other costs, charges, expenses and damages etc. and any other amounts disbursed (in accordance with Clause 4) pursuant to and under this Agreement shall forthwith become due and refundable.

In arriving at the amount of the said disbursement due and refundable, a joint measurement shall be carried out to determine the final amount by the authorised representatives/engineers of the SPV and the FMW&H.

For the purpose of this Clause 10.5, a General Event of Default shall occur if an Event of Default specified in Clause 10.1 (a) - (c) occurs in relation to 50% or more of the Contracts.

11 DURATION

Unless otherwise terminated, this Agreement shall remain in full force and effect from the date hereof until the delivery of all the Trust Assets to the SPV.

12 NOTICES

12.1 Any notice, request, requirement or other document or matter to be given, issued or made under this Agreement shall be in writing and shall be signed by the person giving, issuing or making it or that person's authorised agent or representative and shall be served in accordance with Clause 12.3 below.

12.2 Any notice or other document referred to in Clause 12.1 above, shall be served by personally delivering the same by hand to the registered office or to the address of the person to be served as specified in this Agreement or previously notified for this purpose, or by sending the same by post or a reputable courier service to such address or by dispatching the same by electronic mail transmission or other means of communication in permanent written form.

12.3 The addresses for notices are as follows:

The SPV:	The Director FGN ROADS SUKUK COMPANY 1 PLC NDIC Building (First Floor) Plot 447/448 Constitution Avenue Central Business District, Garki, Abuja
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Attention: Mr. Monday Usiade
Telephone: +234 8022236755

E-mail: musjade@dmo.gov.ng

With a copy to The Trustees

The Managing Director

Apel Capital and Trusts Limited

8, Alhaji Bashorun Street

Off Norman Williams Crescent

South-West Ikoyi, Lagos

Nigeria

Attention: Mrs. Omolola Iyinolakan

Telephone: +234 803 441 6890

E-mail: liyinolakan@apelasset.com

The Managing Director

FBNQuest Trustees Limited

10, Keffi Street

South West Ikoyi

Lagos

Nigeria

Attention: Mr. Adekunle Awojobi

Telephone: +234 802 312 2542

E-mail: adekunle.awojobi@fbnquest.com

The FGN:

The FMW&H:

The Federal Ministry of Works and Housing Headquarters

Mabushi

Abuja

Attention: The Honourable Minister of Works and Housing

The FGN:

The DMO:

The Debt Management Office

NDIC Building (First Floor)

Plot 447/448 Constitution Avenue

Central Business District, Garki, Abuja

Attention: The Director-General

13 WAIVER OF INTEREST

- 13.1 Each Party irrevocably agrees that no interest will be payable or receivable under or in connection with this Agreement and in the event that it is determined that any interest is payable or receivable in connection with this Agreement by a Party, whether as a result of any judicial award or by operation of any applicable law or otherwise, such Party agrees to

waive any rights it may have to claim or receive such interest and agrees that if any such interest is actually received by it, it shall promptly donate same to a registered or otherwise officially recognised charitable organisation.

- 13.2 For the avoidance of doubt, nothing in this Clause 13 shall be construed as a waiver of rights in respect of rentals or any other amounts payable under the Forward Ijarah (Lease) Agreement, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

14 SHARIA COMPLIANCE

At all times, the Parties are satisfied that this Agreement and the Sukuk structure comply with applicable Islamic law of commercial transactions and each Party agrees that it will not seek to challenge the enforceability of this Agreement at any time for reasons of non-compliance with Islamic law principles or non-applicability of Islamic law.

15 GOVERNING LAW

- 15.1 This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria to include relevant Islamic commercial jurisprudence.

- 15.2 The Parties agree that the provisions of this agreement shall also be governed by the provisions of Islamic commercial jurisprudence and are satisfied that this Agreement complies with applicable Islamic law of commercial transactions.

16 DISPUTE RESOLUTION

- 16.1 In the event of any allegation of breach or question of interpretation or dispute or controversy relating to this Agreement, the parties to the dispute shall meet and negotiate in good faith with a view to settling the matter amicably. If the parties are unable to settle the matter or dispute within 2 (two) weeks after the afore-mentioned meeting, then the matter or dispute shall be referred to an arbitration panel (appointed in accordance with Clause 16.2 below), whose decision shall be final and binding on the Parties.

- 16.2 Each Party to the dispute shall be entitled to appoint an arbitrator and the two party-appointed arbitrators shall appoint a third arbitrator who shall be knowledgeable in Islamic law of commercial transactions. If either Party to the dispute fails to nominate an arbitrator within 5 (five) business days of receiving the notice of the appointment of an arbitrator by the other party, the President of the Chartered Institute of Arbitrators, Nigeria shall, at the request of either Party to the dispute, appoint an arbitrator on behalf of the defaulting party. If the first and second arbitrator appointed fail to agree upon the appointment of a third arbitrator within 5 (five) business days of the appointment of the second arbitrator, the third arbitrator shall at the request of either party be appointed by the President of the Chartered Institute of Arbitrators, Nigeria.

- 16.3 The arbitral proceedings shall be conducted in the Federal Capital Territory, Abuja, Nigeria in English Language and shall be governed by the Arbitration and Conciliation Act, Chapter A18, LFN 2004.
- 16.4 The arbitral award shall be binding on the Parties to the dispute and the cost of the arbitration shall be borne as determined by the arbitrators. Each Party to the dispute, however, shall bear its legal fees.
- 16.5 The arbitral panel shall have a maximum number of 30 (thirty) Business Days, following the exchange of pleadings by the Parties to the dispute, to resolve the dispute; failing which the Parties to the dispute can institute claims at any competent court of law.
- 16.6 Each party hereby agrees that this Agreement is founded on the principle of interest-free and each party agrees to donate any penalty interest arising from any judgment or award to charity that neither of the parties shall stand to benefit from it.

17. ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of and be enforceable by the SPV or its assigns. The SPV may assign all or any part of its rights or transfer all or any part of its obligations and/or commitments under this Agreement to any third party, after obtaining the written consent of the FMW&H.

18. FORCE MAJEURE

Any delays in or failure by a Party hereto in the performance hereunder if and to the extent it is caused by the occurrences or circumstances beyond such Party's reasonable control, including but not limited to, natural disasters, fire, strikes or other labour disturbances, riots, civil commotion, war (declared or not) sabotage, any other causes, similar to those herein specified which cannot be controlled by such Party shall constitute a "**Force Majeure Event**". The Party affected by such Force Majeure Event shall as soon as practicable inform the other Party of the occurrence of such event and shall furnish proof of details of the occurrence and reasons for its non-performance of whole or part of this Agreement. The Parties shall consult each other to decide whether to terminate this Agreement or to discharge part of the obligations of the affected Party or extend its obligations on a best effort basis.

19. TRANSPARENCY AND ANTI-CORRUPTION

- 19.1 The Parties agree that they will, at all times, comply with and take reasonable measures to ensure that their subcontractors, agents or other third parties, subject to their control or determining influence, comply with all Anti-Bribery and Anti-Corruption Laws.
- 19.2 No part of the Contract Price shall be used, directly or indirectly, for any payments to any person including any governmental official or employee, political party, official of a political party, candidate for political office, official of any private organisation or anyone else acting in an official or other capacity in violation of any Anti-Bribery and Anti-Corruption Laws.

20. SEVERABILITY

In the event that any one or more of the provisions contained in this Agreement is for any reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision were not contained herein and in such event, the Parties shall endeavour to carry out the terms of this Agreement as nearly as possible in accordance with its original terms and intent.

21. ENTIRE AGREEMENT

The Transaction Documents constitutes the entire agreement between the Parties in relation to the matters herein and supersedes all prior understandings between the Parties, whether oral or written. The terms of this Agreement shall not be altered, varied and or amended except by a written instrument duly executed by the Parties hereto.

22. WAIVER

No failure or delay on the part of the SPV to exercise any power, right or remedy under this Agreement shall operate as a waiver thereof nor shall a partial exercise by the SPV of any power right or remedy preclude any other or further exercise thereof or the exercise of any other power right or remedy.

23. COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together are deemed to constitute one and the same document.

SCHEDULE 1: SCHEDULE OF ALLOCATED LANDS

SCHEDULE OF ALLOCATED LANDS

S/NO.	ALLOCATED LAND	LOCATION	LENGTH (KM)
	NORTH CENTRAL ZONE		
1			
2			
3			

4			
5			
6			
7			
8			

9			
10			
11			
12			

13			
14			
	NORTH EAST ZONE		
1.			
2.			
3.			

4.			
5.			
6.			
7.			
8.			
9.			

10.			
11.			
12.			
	NORTH-WEST ZONE		
1.			

2.			
3.			
4.			
5.			
6.			
7.			

8.			
9.			
10.			
11.			
12.			
13.			

14.			
15.			
	SOUTH – EAST ZONE		
1.			
2.			
3.			

4.			
5.			
6.			
7.			
8.			
9.			

10.			
	SOUTH SOUTH ZONE		
1.			
2.		•	
3.			
4.			

5.			
6.			
7.			
8.			
9.			
10.			

11.			
	SOUTH – WEST ZONE		
1.			
2.			
3.			
4.			

5.			
6.			
7.			
8.			
9.			

SCHEDULE 2: DESCRIPTION OF ROAD CONSTRUCTION WORKS

S/NO.	CONTRACT NO.	PROJECT TITLE	NAME OF CONTRACTOR	PROPOSED 2021 SUKUK PROVISION (N)	MILESTONES (LOCATION BY CHAINAGES)	PROPOSED KM OF ROADS TO BE EXECUTED (KM)	ESTIMATED DELIVERY PERIOD
NORTH CENTRAL ZONE							
1							
2							

3							
4							
5							
6							

7							
8							
9							
10							

11							
12							
13							

14							
NORTH EAST ZONE							
1							

2							
3							
4							
5							

6							
7							
8							
9							

10							
11							
12							
NORTH WEST ZONE							

1								
---	--	--	--	--	--	--	--	--

2							
3							

4							
---	--	--	--	--	--	--	--

5							
6							
7							

8							
9							
10							

11							
12							
13							
14							
15							

SOUTH EAST ZONE							
1							
2							
3							

4							
5							
6							

7							
8							
9							
10							

SOUTH SOUTH ZONE							
1							
2							
3							

4							
5							
6							
7							

8							
9							
10							

11							
SOUTH WEST ZONE							
1							
2							

3							
4							
5							
6							
7							

8							
TOTAL ALL ZONES (60 PROJECTS)							

SCHEDULE 3: FORM OF MILESTONE SCHEDULE

S/NO	PROJECT TITLE	CONTRACT NO	CONTRACTOR	AMOUNT PROPOSED UNDER SUKUK 2020 (M)	LENGTH OF ROAD FINANCED WITH SUKUK		SCOPE OF WORKS	ESTIMATED DELIVERY PERIOD
					KILOMETRE	LOCATION		
1								
2								
3								

4								
5								
6								
7								
8								

9								
10								
11								
12								
13								
14								

1								
2								
3								
4								

5								
6								
7								
8								
9								

10								
11								
12								
	NORTH WEST ZONE							

1								
2								
3								
4								
5								

6								
7								

8								
9								
10								
11								
12								

13								
14								
15								
	SOUTH EAST ZONE							

1								
2								
3								
4								
5								

6								
7								
8								
9								
10								

	SOUTH ZONE	SOUTH							
1									
2									
3									

4								
5								

6								
7								

8								
9								

10								
11								
	SOUTH WEST ZONE							

1								
2								

3								
4								

5								
6								

7								
8								

9								
TOTAL								

IN WITNESS whereof the Parties have caused this Agreement to be executed on the day and year first written above.

THE COMMON SEAL of the within named
FGN ROADS SUKUK COMPANY 1 PLC
was hereunto affixed

In the presence of:

Name:
DIRECTOR

Name:
DIRECTOR

**SIGNED, SEALED AND DELIVERED
BY THE HONOURABLE MINISTER OF WORKS AND HOUSING
FOR AND ON BEHALF OF THE FEDERAL GOVERNMENT OF
THE FEDERAL REPUBLIC OF NIGERIA**

BABATUNDE RAJI FASHOLA (SAN)

IN THE PRESENCE OF

NAME:
DESIGNATION:
ADDRESS:
SIGNATURE: