

DALEX FINANCE AND LEASING COMPANY PLC



(Incorporated as a public company with limited liability in the Republic of Ghana with registration number PL000152017)

PROSPECTUS

DATED MAY 21, 2018

**RELATING TO THE OFFER AND LISTING OF NOTES UNDER A GHS150 MILLION
DOMESTIC MEDIUM-TERM NOTE ISSUANCE PROGRAMME ON THE GHANA FIXED
INCOME MARKET OF THE GHANA STOCK EXCHANGE**

ARRANGER

TEMPLE
INVESTMENTS

SPONSORING BROKER

ESL EDC Stockbrokers Limited
Member of the Ecobank Group

NOTE TRUSTEE/ PAYING AGENT/ PAYING
BANK

FIDELITY  **BANK**

TRANSACTION LEGAL ADVISER

 **BENTSI-ENCHILL**
LE TSA & ANKOMAH

REPORTING ACCOUNTANT

Deloitte.

REGISTRAR/ TRANSFER AGENT/ CALCULATION
AGENT

 **CENTRAL
SECURITIES
DEPOSITORY**
You invest, we protect

IMPORTANT INFORMATION AND DISCLAIMERS

THIS PROSPECTUS CONTAINS IMPORTANT INFORMATION ABOUT THE ISSUER AND THE NOTES. PROSPECTIVE INVESTORS SHOULD CAREFULLY READ THIS DOCUMENT AS WELL AS CONSULT THEIR PROFESSIONAL INVESTMENT ADVISERS AND DEALERS ABOUT THE SOUNDNESS OF THEIR CHOICE TO INVEST IN THIS PROGRAMME PRIOR TO MAKING A PURCHASE.

Dalex Finance and Leasing Company Plc (the **Issuer, Dalex, or the Company**) is a public limited liability company incorporated under the Companies Act (as defined below). Dalex is licensed by the Bank of Ghana (as defined below) as a finance and leasing company.

Dalex has established this domestic medium-term note issuance programme to raise an aggregate amount of GHS 150,000,000 (the **Programme**). Under the Programme, Dalex may, from time to time, issue Notes (as defined below) denominated in any currency as specified in an Applicable Pricing Supplement (as defined below) subject to the approval of the Bank of Ghana, in the case of issuance of Notes denominated in a foreign currency. The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed the equivalent of GHS 150,000,000.

The Applicable Pricing Supplement which pertains to the Notes of such Series or Tranche shall contain the final offer price, aggregate principal amount and interest (if any) payable in respect of such Notes and all other terms and conditions not contained herein which are applicable to each Series (as defined below) and each Tranche (as defined below). Each Applicable Pricing Supplement shall be subject to the approval of the SEC (as defined below).

This prospectus (the **Prospectus**) provides, among others, the terms and conditions of the Notes, the risk factors relating to the Notes and a description of Dalex and its business activities.

The Prospectus has been reviewed and approved by the SEC in accordance with section 3 of the Securities Industry Act (as defined below) and the SEC Regulations (as defined below). In its review, the SEC examined the contents of this Prospectus to ensure that adequate disclosures have been made.

Provisional approval has been obtained from the GSE (as defined below) for permission to list and trade all the Notes on the Ghana Fixed Income Market of the GSE (**GFIM**). Such approval is granted subject to the Issuer being admitted on the GFIM upon the Issuer fulfilling all listing requirements.

A copy of this prospectus has been delivered to the Registrar of Companies, Ghana, for filing. The Registrar of Companies has not checked and will not check the accuracy of any statements made and accepts no responsibility therefore or for the financial soundness of the Issuer or the value of the securities concerned.

Neither the SEC, nor the GSE, nor the Registrar General's Department assumes any responsibility for the correctness of any statements made, opinions expressed or reports contained in this Prospectus. Neither the SEC, nor the GSE, nor the Registrar General's Department has verified the accuracy and truth of the contents of this Prospectus or any other documents submitted to it, and the SEC, the GSE and the Registrar General's Department will not be liable for any claim of any kind whatsoever. Approval of the issue and/or listing of the Notes by the SEC or the GSE is not to be taken as an indication of the merits of the Issuer or of any issue of the Notes.

The contents of this Prospectus do not constitute, and are not to be construed as, legal, business or tax advice. Each investor should consult his/her/its own legal adviser, financial adviser or tax adviser for legal, financial and/or tax advice in relation to the purchase of the Notes.

Prospective investors should also pay particular attention to the factors described under Section 6 (Risk Factors) in this Prospectus.

A. GENERAL INFORMATION

The Issuer accepts responsibility for the information contained in this Prospectus and the Applicable Pricing Supplement for each Tranche or Series of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts as at the date hereof and does not omit anything likely to affect the import of such information.

To the best of the knowledge and belief of the Arranger (as defined below), the Sponsoring Broker (as defined below), the Note Trustee (as defined below), the Reporting Accountants (as defined below) and the Legal Advisers (as defined below) (or any of their respective directors, Affiliates, advisers or agents), the Prospectus constitutes full and fair disclosure of all material facts about the Programme and the Issuer.

The Arranger, the Sponsoring Broker, the Note Trustee, the Reporting Accountants and the Legal Advisers have not independently verified the information contained herein. Accordingly, no representation or warranty, expressed or implied, is made by the Arranger, the Sponsoring Broker, the Note Trustee, the Reporting Accountants or the Legal Advisers (or any of their respective directors, Affiliates, advisers or agents) with respect to the accuracy or completeness of such information, at any time, of this Prospectus or any Applicable Pricing Supplement. Nothing contained in this Prospectus, is to be construed as, or shall be relied upon as, a promise, warranty or representation (whether to the past or the future) by the Arranger, the Sponsoring Broker, the Note Trustee, the Reporting Accountants or the Legal Advisers (or any of their respective directors, Affiliates, advisers or agents) in any respect.

The distribution of this Prospectus and the offer or sale of the Notes in certain jurisdictions may be restricted by law. Neither the Issuer nor the Arranger nor the Dealers represents that this Prospectus may be lawfully distributed, or that any of the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit an offering of any of the Notes or distribution of Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions.

This Prospectus does not constitute an offer and may not be used for the purpose of an offer or solicitation, by anyone in any jurisdiction or in any circumstances, in which such an offer or solicitation is not authorised or is unlawful. The Issuer and the Arranger accept no responsibility for any violation by any person of any such restrictions.

Before deciding whether to subscribe for the Notes, an investor should consider whether the Notes are a suitable investment. Investors should consult suitable professional advisers and rely exclusively on the information contained in this Prospectus when making a decision as to whether to purchase the Notes. No person is authorised to give any information or make any representation not contained in this Prospectus or any Applicable Pricing Supplement in connection with the Programme, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Arranger.

The information contained in this Prospectus is accurate only as of the date of the Prospectus, regardless of the time of delivery of this Prospectus or any offering or sale of the Notes. In the event that this Prospectus is delivered to or comes into the possession of any investor at any time after the date hereof, it is for, and the responsibility of, the investor to ascertain whether any supplement or amendment of the information herein contained has been made or issued, or whether updated information is available. Such updated information can be obtained from the registered offices of the Issuer and the Note Trustee at all times. Reliance on this Prospectus at any time subsequent to the date hereof without reference to any such updated information subsequent to the date of the Prospectus shall be at the investor's risk.

This Prospectus is to be read in conjunction with all documents specifically stated to be incorporated or referred to herein, and should be read and understood on the basis that such other documents are incorporated in and form part of this Prospectus under Section 4 (*Incorporation of Documents by Reference*) hereof.

All payments in respect of the Notes will be subject to deduction for, or on account of, Taxes in Ghana, as described in Condition 8 of the Conditions (as defined below).

B. SUPPLEMENTS TO THE PROSPECTUS

In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in the Prospectus, the Issuer will prepare a supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes. Such supplement or new prospectus will be subject to the approval of the SEC.

C. PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, the financial information regarding the Issuer set forth in this Prospectus has been derived from:

- (a) The Issuer's audited income statements, statements of financial position, statements of cash flow and statements of changes in equity for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and the unaudited financial statements for the year ended 31 December 2017 and set out under Section 11 of this Prospectus. The Issuer's financial statements, which were audited by JOP Consult Chartered Accountants (**JOP Consult**) have been prepared

in accordance with IFRS (as defined below) and presented in GHS, the reporting currency of the Issuer; and

- (b) The financial reports and forecasts set out under Section 11 of this Prospectus and prepared by Deloitte & Touche (**Deloitte**), which is acting as the Reporting Accountants to the Programme. The financial reports and forecasts are on the basis of Deloitte's review of the Issuer's historical audited financial statements for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 and the unaudited financial statements for the year ended 31 December 2017.

D. ROUNDING

Some numerical figures included in this Prospectus may have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that precede them.

E. FORWARD-LOOKING STATEMENTS

This Prospectus includes "forward-looking statements" that reflect the Issuer's intentions, beliefs or current expectations and projections about its future results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which it operates.

These forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business and the environment in which it expects to operate in the future. Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors that could cause the Issuer's actual results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, forward-looking statements contained in this Prospectus.

The forward-looking statements speak only as of the date of this Prospectus. The Issuer expressly disclaims any obligation or undertaking to release publicly, any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Investors should not place undue reliance on any forward-looking statements and are cautioned that any forward-looking statements are not guarantees of future results, performance or achievements of the Issuer.

F. TRANSACTION ADVISERS

Temple Investments Limited (**Temple**) is acting as Arranger (as defined below) to the Issuer in respect of the Programme. Temple consents to act in the specified capacity and to its name being stated in this Prospectus. Neither Temple nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

EDC Stockbrokers Limited (**EDC**) is acting as Sponsoring Broker (as defined below) to the Issuer in respect of the Programme. EDC consents to act in the specified capacity and to its name being stated in this Prospectus. Neither EDC nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

Fidelity Bank Ghana Limited (**Fidelity Bank**) is acting as Note Trustee (as defined below) in respect of the Programme. Fidelity Bank consents to act in the specified capacity and to its name being stated in this Prospectus. Neither Fidelity Bank nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

Fidelity Bank is acting as Paying Agent (as defined below) and Paying Bank (as defined below) in respect of the Programme. Fidelity Bank consents to act in the specified capacity and to its name being stated in this Prospectus. Neither Fidelity Bank nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

Fidelity Bank is acting as Escrow Bank (as defined below) in respect of the Programme. Fidelity Bank consents to act in the specified capacity and to its name being stated in this Prospectus. Neither Fidelity Bank nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

The Central Securities Depository (Ghana) Limited (**CSD**) is acting as Registrar (as defined below), Transfer Agent (as defined below) and Calculation Agent (as defined below) in respect of the Programme. The CSD consents to act in the specified capacities and to its name being stated in this Prospectus. Neither the CSD nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

Deloitte & Touche (**Deloitte**) is acting as Reporting Accountants (as defined below) to the Issuer in respect of the Programme. Deloitte consents to act in the specified capacity and to its name being stated in this Prospectus and confirms that it has not withdrawn its consent to any statement or report prepared by it being included in this Prospectus (in the form and context in which it is included). As indicated above, Deloitte has prepared the financial reports and forecasts set out under Section 11 (*Financial Reports and Performance*) of this Prospectus. The financial reports and forecasts are on the basis of Deloitte's review of the Issuer's historical financial statements for the period from the years ended December 31 2014 to December 31, 2016. Deloitte has reviewed the Issuers unaudited financial statements for the period ended 31 December 2017. Deloitte confirms that, based on its review, nothing has come to its attention that causes it to believe that the financial statements and forecasts set out under Section 11 (*Financial Reports and Performance*) of this Prospectus do not represent a true and fair view in accordance with IFRS and the Companies Act. Neither Deloitte nor any of its employees or partners has any material direct or indirect economic or financial interest in the Issuer.

Bentsi-Enchill, Letsa & Ankamah (**BELA**) is acting as Legal Advisers to the Issuer in respect of the Programme. BELA consents to act in the specified capacity and to its name being stated in this Prospectus and confirms that it has not withdrawn its consent to any statement or report prepared by it being included in this Prospectus (in the form and context in which it is included). BELA has prepared the Legal Compliance Letter (as defined below) set out under Section 14 (*Legal Compliance Letter*) of this Prospectus. Neither BELA nor any of its employees or partners has any material direct or indirect economic or financial interest in the Issuer.

G. DIRECTORS' RESPONSIBILITY STATEMENT

The Issuer and the Dalex Board (as defined below) accept responsibility for the information contained in this Prospectus.

This Prospectus has been reviewed and approved by the Dalex Board, who, collectively and individually, accept full responsibility for the accuracy of the information given and, after making all reasonable inquiries and to the best of their knowledge and belief, confirm that there are no facts the omission of which would make any statement in the document referred to above misleading. The profit forecast of the Issuer contained in this Prospectus has been reviewed and approved by the Dalex Board after making all reasonable inquiries.

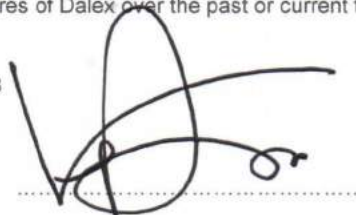
No Director (as defined below) has been involved in any of the following events: (a) a petition under bankruptcy laws in any jurisdiction filed against such person or any partnership in which he/she is/was a partner or any corporation of which he/she is/was a director or chief executive officer (b) conviction of such person for fraud, misappropriation or breach of trust or any other similar offence and (c) such person being the subject of any order, judgement or ruling of any court of competent jurisdiction or administrative body preventing him/her from acting as an investment adviser, dealer's representative, investment representative, a director of a financial institution or engaging in any type of business or professional activity.

None of the Directors intends to take part in the offer under the Programme. The Dalex Board warrants that no takeover offer has been made in respect of the shares of Dalex over the past or current financial year.

Signed for and on behalf of the Issuer on 21 May 2018



Director



Director

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CORPORATE INFORMATION OF THE ISSUER

Issuer	Dalex Finance and Leasing Company Limited Hse No 114/3 Farrar Avenue, North Adabraka, Accra, Ghana Tel: +233-(0)244-333-411 +233-(0)244-334-927 Contact: Kenneth Kwamina Thompson Email: kthompson@dalexfinance.com/info@dalexfinance.com
Directors	Alex Kwasi Bruks Kenneth Kwamina Thompson Kofi Owusu Roland Akosah William Owusu John Kofi Owusu
Company Secretary	Acquah & Acquah Acquah Place, 68 Mahogany Crescent, Akufo-Addo Residential Area Accra, Ghana Tel: +233-(0) 303-968-191 +233-(0)241-388-837 Contact: Yaa Baah Agyeiwaa Email: yaa.baah@veritasadvisorsghana.com
Auditors	JOP Consult Chartered Accountants Hse No. C 143/1 Subukwei Road, Adabraka Accra, Ghana Tel: +233-(0)202-251-509 Contact: Joseph Yaw Odame Email: jopconsult@gmail.com
Bankers	Access Bank Limited Ecobank Ghana Limited Fidelity Bank Limited Ghana Commercial Bank National Investment Bank Prudential Bank Stanbic Bank Ghana Limited Zenith Bank Ghana Limited

CONTACT DETAILS OF THE TRANSACTION ADVISERS

Arranger and Co-Sponsoring Broker	Temple Investments Limited Tel: +233-(0)303-931-514 Contacts: Cecilia Hesse Baffour Kwakye Agyarko Email: cecilia.hesse@templeinvest.com baffour.agyarko@templeinvest.com
Sponsoring Broker	EDC Stockbrokers Limited Tel: +233-(0)302-251-720/23/24 Contacts: Edem Dewotor Nene Nartey Email: edewotor@ecobank.com nenartey@ecobank.com
Legal Advisers	Bentsi-Enchill, Letsa & Ankomah 4 Momotse Avenue, Adabraka, Accra, Ghana Tel: +233-(0)302-208-888 Contact: Seth Asante Email: seth.asante@belonline.org
Note Trustee	Fidelity Bank Ghana Limited Ridge Tower, West Ridge, Accra, Ghana Tel: +233-(0)302-214-490 Contact: John Taricone Email: jtaricone@myfidelitybank.net
Paying Agent and Paying Bank	Fidelity Bank Ghana Limited Ridge Tower, West Ridge, Accra, Ghana Tel: +233-(0)302-214-490 Contact: John Taricone Email: jtaricone@myfidelitybank.net
Calculation Agent	Central Securities Depository (Ghana) Limited 4 th Floor, Cedi House, Accra, Ghana Tel: +233-(0)302-689-313 Contact: Kwame Addai Boa-Amponsem Email: kwame.boa-amponsem@csd.com.gh
Registrar and Transfer Agent	Central Securities Depository (Ghana) Limited 4 th Floor, Cedi House, Accra, Ghana Tel: +233-(0)302-689-313 Contact: Kwame Addai Boa-Amponsem Email: kwame.boa-amponsem@csd.com.gh
Reporting Accountants	Deloitte & Touche 4 Liberation Road, Accra, Ghana Tel: +233-(0)302-501-323-230 Contact: Andrew Ampong Email: aamong@deloitte.com.gh
Escrow Bank	Fidelity Bank Ghana Limited Ridge Tower, West Ridge, Accra, Ghana Tel: +233-(0)302-214-490 Contact: John Taricone Email: jtaricone@myfidelitybank.net

DEFINITIONS

Unless inconsistent with the context or separately defined in this Prospectus or an Applicable Pricing Supplement, the following expressions used in this document and which form a key part of the Conditions, shall have the following meanings ascribed to them in this Prospectus and any Applicable Pricing Supplement of any subsequent Series or Tranches issued under this Programme:

Term	Definition
Additional Amounts	means additional amounts payable as a result of any change in Applicable Laws, which change or amendment becomes effective on or after the date of the Prospectus
Affiliates	In relation to a corporate body, means its subsidiary, its holding company, or any other subsidiary or holding company of its holding company
Agency Agreement	means the agency agreement dated May 21, 2018, entered between the Issuer, Note Trustee and the CSD, in relation to the Notes (and as amended, restated and/or supplemented from time to time)
Applicable Laws	means any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which govern the Programme, these Conditions and the Notes issued thereunder in accordance with which the same are to be construed
Applicable Pricing Supplement	means the pricing supplement issued in relation to each Series or Tranche (substantially in the form set out in Appendix A to this Prospectus) as a supplement to this Prospectus, giving details of that particular Series or Tranche and the Conditions applicable to each Note in that Series or Tranche in so far as such terms and conditions are different from these Conditions
Arranger	means Temple Investments Limited, which is acting as the arranger in relation to the Programme
Auditors	means JOP Consult the statutory auditors of the Issuer for the financial year ending December 31, 2016
BELA	means Bentsi-Enchill, Letsa & Ankomah, a firm of legal practitioners licensed by the General Legal Council of Ghana and operating in Ghana, and which is acting as Legal Advisers to the Issuer in relation to the Programme
Book Closure Period	means 5 Business Days prior to each date upon which a payment of Interest or Principal Amount is due, as set out in the Applicable Pricing Supplement
Broken Amount	means the amount of any initial or final Interest which does not correspond to the Fixed Coupon Amount and the Interest Payment Dates to which they relate, calculated in respect of a Fixed Rate Note, as provided for by the Applicable Pricing Supplement
BSDI Act	means the Banks and Special Deposit-Taking Institutions Act, 2016 (Act 930) or any statutory modification or re-enactment thereof
Business Day	means a day (other than a Saturday or Sunday or official public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Ghana
Business Day Convention	means each of the Floating Rate Business Day Convention, the Following Business Day Convention, the Modified Following Business Day Convention and the Preceding Business Day Convention, which may be applicable to the calculation of interest
Calculation Agent	unless otherwise set out in an Applicable Pricing Supplement, means the CSD
Call Option	means the call option on the Notes, which may be provided to the Issuer and exercised in accordance with <u>Condition 6.3</u> of the Conditions and as set forth in the Applicable Pricing Supplement

Term	Definition
Central Securities Depository or CSD	means the Central Securities Depository (Ghana) Limited, a limited liability company duly incorporated under laws of Ghana (or its nominee) operating as a central securities depository where the Noteholders will be credited with the Notes, or any additional or alternate depository approved by the Issuer
Companies Act	means the Companies Act of Ghana, 1963 (Act 179) (as amended) or any statutory re-modification or re-enactment thereof
Conditions	means the terms and conditions set out under <u>Section 12 (Conditions)</u> and in accordance with which Notes shall be issued in terms of the Programme, which terms and conditions may be amended by an Applicable Pricing Supplement
Currency	means GHS or any foreign currency as may be specified in the Applicable Pricing Supplement. The primary currency of the Notes shall be GHS. The Issuer may, however, issue Notes denominated in any foreign currency subject to the receipt of all necessary regulatory approvals from the Bank of Ghana and compliance with conditions under the foreign exchange laws of Ghana
Dalex Board	means the board of directors of the Issuer
Day Count Fraction	has the meaning provided for in <u>Condition 5.5.2</u> below
Dealers	unless otherwise set out in an Applicable Pricing Supplement, means the Arranger, as well as any other dealer that may be appointed under the Programme, from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of any dealer and Dealer shall be construed accordingly
Directors	mean the directors of the Issuer from time to time and Director means any of them (as applicable in the relevant context)
Early Redemption	means the early redemption of a Note prior to its due date
Early Redemption Amount	means the amount payable upon the Early Redemption of a Note
EBITDA	means earnings before interest, tax, depreciation and amortisation
Encumbrance	any mortgage, charge, lien, pledge, hypothecation, assignment by way of security, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law
Escrow Accounts	means the temporary accounts set up with the Escrow Bank where all amounts raised from each issue of Notes will be deposited until paid to the Issuer
Escrow Account Agreement	means the escrow account agreement dated 20 February 2017 and entered between the Issuer, the Arranger, the Sponsoring Broker, and the Escrow Bank, in relation to the Escrow Accounts
Escrow Bank	means Fidelity Bank Ghana Limited, which is acting as the escrow bank in respect of the Programme
Event of Default	means an event contemplated in <u>Condition 17</u> below
Exercise Notice	means the formal notification by the Issuer of the exercise of a Call Option
Final Redemption	means the Final Redemption of a Note on the Maturity Date
Final Redemption Amount	means the Principal Amount of a Note payable in respect of each Note, upon Final Redemption thereof

Term	Definition
Financial Indebtedness	means any obligation of the Issuer (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent for or in respect of: <ul style="list-style-type: none"> (i) Indebtedness for Borrowed Money; or (ii) bonds, standby letters of credit, guarantees or other similar instruments issued in connection with the performance of contracts
Fixed Coupon Amount	means the amount of Interest in respect of a Fixed Rate Note (as set forth in the Applicable Pricing Supplement)
Fixed Interest Period	Means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date
Fixed Rate Notes	means Notes entitled to a fixed rate of Interest (as set forth in the Applicable Pricing Supplement)
Floating Rate Business Day Convention	means a Business Day Convention specified in <u>Condition 5.2.2</u> below
Floating Rate Notes	means Notes entitled to a floating rate of Interest (as set forth in the Applicable Pricing Supplement)
Following Business Day Convention	means a Business Day Convention specified in <u>Condition 5.2.2</u> below
GFIM	means the Ghana Fixed Income Market
Ghana	means the Republic of Ghana
GHS	means the lawful currency of Ghana, being the Ghanaian Cedi, any divisions thereof, or any successor currency
Global Note Certificate	means a certificate evidencing title to the issued Notes under the Programme and issued to the Note Trustee as nominee for the Noteholders
GSE	means the Ghana Stock Exchange
IFRS	means International Financial Reporting Standards
Income Tax Act	means the Income Tax Act of Ghana, 2015 (Act 896) (as amended) or any statutory re-modification or re-enactment thereof
Indebtedness for Borrowed Money	means any indebtedness of the Issuer for or in respect of: <ul style="list-style-type: none"> (i) monies borrowed; (ii) amounts raised by acceptance under any credit facility; (iii) amounts raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instruments; (iv) amounts raised pursuant to any issue of shares of any person, which are expressed to be redeemable; (v) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with generally accepted accounting standards in the jurisdiction of incorporation of the lessee, be treated as finance or capital leases; (vi) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service; and/or (vii) amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables on a “with recourse” basis) having the commercial effect of a borrowing

Term	Definition
Interest	means the amount of interest payable on a Note (as set forth in the Applicable Pricing Supplement and <u>Condition 5</u>)
Interest Commencement Date	means the date that Interest shall commence to accrue/be calculated (as set forth in the Applicable Pricing Supplement)
Interest Determination Date	means the date upon which Interest and the Interest Rate is calculated for a specified Interest Period and as set forth in the Applicable Pricing Supplement
Interest Period	means, in relation to a Tranche or Series of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date, as specified in the Applicable Pricing Supplement
Interest Payment Date	the date for the payment of Interest (as set forth in the Applicable Pricing Supplement) or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date
Interest Rate	means the rate of Interest (as set forth in the Applicable Pricing Supplement and <u>Condition 5</u>)
Issue Date	in relation to each Tranche or Series, the date specified as such (as set forth in the Applicable Pricing Supplement)
Issue Price	means the price at which the Notes may be issued, either on a fully paid or partly paid basis (as specified in the Applicable Pricing Supplement). The price and amount to be issued under any Series or Tranche will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions
Issuer	means Dalex Finance and Leasing Company Limited, a public limited liability company registered in Ghana, with registration number PL000152017 and licensed by the Bank of Ghana as a Finance and Leasing Company
Last Day to Register	means 17:00 GMT on the last Business Day before the first day of a Book Closure Period
Legal Advisers	means BELA, which is acting as the legal adviser to the Issuer in relation to the Programme
Legal Compliance Letter	means the legal compliance letter prepared and issued by BELA in relation to compliance of the Programme with Ghanaian law requirements, and which is set out under <u>Section 14</u> (<i>Legal Compliance Letter</i>)
Maturity Date	means, in respect of a Series or Tranche, the date upon which the Notes are to be finally redeemed and all amounts due on the Notes are to be repaid by the Issuer and as set forth in the Applicable Pricing Supplement
Maximum Interest Rate	means the maximum rate of the Interest that may be payable on a Floating Rate Note, as agreed by the Issuer, Arranger and Dealer (if any) and as set forth in the Applicable Pricing Supplement
Minimum Interest Rate	means the minimum rate of the Interest that may be payable on a Floating Rate Note, as agreed by the Issuer, Arranger and Dealer (if any) and as set forth in the Applicable Pricing Supplement
Modified Following Business Day Convention	means a Business Day Convention specified in <u>Condition 5.2.2</u> below
Note	means a note issued under an Applicable Pricing Supplement to this Programme

Term	Definition
Note Trustee	means Fidelity Bank Ghana Limited, or such other person as may be appointed under the Trust Agreement and specified in the Applicable Pricing Supplement as the Note Trustee
Noteholder	means a holder of a Note from time to time and recorded as such in the Register
Optional Redemption	means the redemption of a Note upon exercise of the Call Option, as specified in the Applicable Pricing Supplement
Optional Redemption Amount	means the amount payable upon exercise of the Call Option (as specified in the Applicable Pricing Supplement)
Optional Redemption Date	means the date for redemption of Notes (as specified in the Exercise Notice)
Paying Agent	unless otherwise set out in an Applicable Pricing Supplement, means Fidelity Bank Ghana Limited
Paying Bank	unless otherwise set out in an Applicable Pricing Supplement, means Fidelity Bank Ghana Limited
Permitted Encumbrance	<p>means:</p> <ul style="list-style-type: none"> (i) any Encumbrance existing as at the date of the Applicable Pricing Supplement; (ii) any Encumbrance with regard to receivables of the Issuer or which is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness for Borrowed Money is limited to the value of such receivables; (iii) any Encumbrance with respect to inter-company Indebtedness for Borrowed Money incurred between the Issuer and a related party; (iv) any Encumbrance created over any asset owned, acquired, developed or constructed, provided that the Indebtedness for Borrowed Money so secured shall not exceed the <i>bona fide</i> market value of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the 2; (v) any Encumbrance over deposit accounts securing a loan equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or (vi) any Encumbrance created in the ordinary course of business, which includes, accounts receivable or deposit accounts, <p>save that the secured liability for any Encumbrance referred to in (i) to (vi) above, should be equal or less than 10% of the total assets of the Issuer as published in the Issuer's latest audited financial statements, at the time the Encumbrance is established</p>
Preceding Business Day Convention	means a Business Day Convention specified in <u>Condition 5.2.2</u> below
Principal Amount	means the face value of the Notes, inclusive of any additional amounts which may be payable under the Conditions
Programme	means the GHS 150,000,000 domestic medium term note issuance programme established by the Issuer (and as amended from time to time), under which the Issuer may, from time to time, issue Notes denominated in the Currency and having such maturity as may be set forth in the Applicable Pricing Supplement

Term	Definition
Prospectus	means this prospectus issued by the Issuer on the date stated hereon (as amended, restated and/or supplemented from time to time)
Redemption	means Final Redemption or Early Redemption (as the case may be)
Redemption Amount	means the amount payable on the Redemption of a Note on the Redemption Date (as set forth in the Applicable Pricing Supplement)
Redemption Date	means the date upon which a Series or Tranche of Notes is redeemed by the Issuer (as set forth in the Applicable Pricing Supplement)
Reference Rate	means the benchmark interest rate so specified in the Applicable Pricing Supplement for each Series or Tranche of Floating Rate Notes to be issued under the Programme
Register	means the register of the Noteholders maintained by the CSD in electronic form;
Registrar	means the CSD appointed as Transfer Agent and Registrar for the Programme under the Agency Agreement
Registrar-General's Department	means the public registry in Ghana, which is responsible for the incorporation of companies and the registration of, among others, public offer documents in accordance with the provisions of the Companies Act
Regulations	means the regulations of Dalex adopted by a special resolution on 13 December 2016 (and any modification or amendment thereof)
Relevant Time	means the time on the Interest Determination Date, (if any) specified in the Applicable Pricing Supplement for calculating the Interest Rate and Interest Payable on a Note
Reporting Accountants	means Messrs Deloitte & Touche who are acting as the reporting accountants for the Programme
SEC	means the Securities and Exchange Commission of Ghana
Securities Industry Act	means the Securities Industries Act of Ghana, 1993 (P.N.D.C.L. 333) or any statutory re-modification or re-enactment thereof
SEC Regulations	means the Securities and Exchange Commission Regulations of Ghana, 2003 (L.I. 1728) or any statutory re-modification or re-enactment thereof
Senior Notes	means Notes which constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and have been designated as such in the Applicable Pricing Supplement
Series	means a series of Notes having one or more Issue Dates and identical terms as to the Maturity Date, Interest and redemption (except that, among Series, the Issue Dates, Interest Commencement Dates, Interest Payment Dates and amounts of the first interest payment and related matters may differ)
Special Resolution	means a special resolution of the Noteholders or Noteholders of a Series or Tranche and as further defined in the Trust Agreement
Sponsoring Broker	means EDC Stockbrokers Limited, which is acting as the sponsoring broker to the Issuer in relation to the Programme
Subordinated Notes	means Notes which constitute direct, general, unsecured and subordinated obligations of the Issuer and have been designated as such in the Applicable Pricing Supplement
Taxes	has the meaning provided for in <u>Condition 8</u> below
Temple	Temple Investments Limited, which is acting as the Arranger to the Issuer in relation to the Programme
Tranche	means a tranche of a Series which are identical in all respects

Term	Definition
Transfer Agent	means the CSD, which is acting as the transfer agent for the Programme under the Agency Agreement
Transfer Form	has the meaning provided for in <u>Condition 2.4.1</u> below
Trust Agreement	means the trust agreement dated May 21, 2018 and entered into between the Issuer and the Note Trustee (as amended, restated and/or supplemented from time to time)
USD	means United States Dollars, the lawful currency of the United States of America

1. LEGAL BASIS AND REASONS FOR THE PROGRAMME

1.1 LEGAL BASIS FOR THE PROGRAMME

The Programme and the listing of Notes thereunder on GFIM have been approved by the Dalex Board by a written resolution passed on December 19, 2016.

The shareholders of Dalex have also approved the Programme and the listing of Notes thereunder on the GFIM by a written resolution passed on December 13, 2016.

1.2 REASONS FOR THE PROGRAMME

Dalex has established the Programme in order to raise debt financing of up to GHS 150,000,000 to fund its loan book and working capital.

1.3 USE OF PROCEEDS

Dalex shall utilise the net proceeds from each issue of the Notes as follows:

Table 1: Use of Proceeds

Proportion of Net Proceeds	Use of Net Proceeds
Minimum of 95% of net proceeds	To fund its loan book
Up to 5% of remaining net proceeds	To fund working capital

2. SUMMARY OF THE PROGRAMME

The following is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any particular Series or Tranche of Notes, the Applicable Pricing Supplement:

Factor	Summary Description
Issuer	Dalex Finance and Leasing Company Plc is a public limited liability company, registered in Ghana and incorporated on September 13, 2004 with registration number PL000152017. Dalex was licensed by the Bank of Ghana under the Non-Bank Financial Institutions Law, 1993 (PNDCL 328), on September 28, 2005 and commenced operations on April 3, 2006. Dalex is now regulated under the BSDI Act
Description	Medium term note issuance programme
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under <u>Section 6 (Risk Factors)</u> and include risks related to the Issuer, its business and the Ghanaian economy
Programme Size	<p>Up to GHS 150,000,000 aggregate Principal Amount of Notes outstanding at any one time. The Issuer may increase this aggregate nominal amount of the Notes that may be issued under this Programme, subject to the approval of the SEC</p> <p>Subject to any Applicable Laws and the relevant corporate approvals, the Issuer may, without consent of the Noteholders, increase the aggregate nominal amount of the Notes that may be issued under the Programme by issuing a supplementary prospectus thereof to Noteholders in accordance with the Conditions</p> <p>Upon the issuance of such a supplementary prospectus, all references in the Prospectus or any other agreement, deed or document in relation to the Programme to the aggregate amount of the Notes, shall be deemed to be references to the increased aggregate nominal amount</p>
Use of Proceeds	The Issuer shall use a minimum of 95% of the net proceeds from any Series or Tranche to fund its loan book and up to 5% of the remaining net proceeds to fund working capital
Form and Delivery of Notes	The Notes shall be in registered form and held electronically on the Central Securities Depository. The Issuer shall issue a single Global Note Certificate to the Note Trustee (in respect of each series or tranche of Notes) who will hold all the Notes as nominee for the Noteholders
Distribution	Subject to Applicable Laws, the Notes may be distributed by way of private placement or public offer and, in each case, on a syndicated or non-syndicated basis
Currency of Notes	The currency of the Notes shall be specified in the Applicable Pricing Supplement. The primary currency of the Notes shall however be GHS. The Issuer may, however, issue Notes denominated in any foreign currency subject to the receipt of all necessary regulatory approvals from the Bank of Ghana and compliance with conditions under the foreign exchange laws of Ghana
Maturities	The maturity of the Notes shall be specified in the Applicable Pricing Supplement in accordance with such minimum or maximum maturities as may be allowed or required from time to time by the SEC (or equivalent body) or any Applicable Laws
Issue Price	

	Notes may be issued at an issue price on a fully paid basis or discounted basis as specified in the Applicable Pricing Supplement. The price and amount to be issued by the Issuer, at any time, will be determined by the Issuer and the relevant transaction parties at the time of issue in accordance with prevailing market conditions at time of issue
Fixed Rate Notes	Fixed interest will be payable on such date or dates as specified in the Applicable Pricing Supplement and, on redemption, will be calculated on the basis of such Day Count Fraction as specified in the Applicable Pricing Supplement
Floating Rate Notes	<p>Floating Rate Notes will bear interest at a rate determined on the basis of a Reference Rate or benchmark and as adjusted for any applicable margin, or as may be agreed among the Issuer, the Arranger and the relevant parties and specified in the Applicable Pricing Supplement</p> <p>The margin (if any) relating to such floating rate will be specified in the Applicable Pricing Supplement for each Series or Tranche of Floating Rate Notes. Floating Rate Notes may also have a Maximum Interest Rate, a Minimum Interest Rate or both</p> <p>Interest on Floating Rate Notes in respect of each Interest Period will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as specified in the Applicable Pricing Supplement</p>
Status of Notes	The Notes may be Senior Notes or Subordinated Notes and shall be Fixed Rate Notes or Floating Rate Notes (as indicated in the Applicable Pricing Supplement). See <u>Condition 3</u> of the Conditions
Negative Pledge	See <u>Condition 4</u> of the Conditions
Interest Payment Date	The date of payment of interest on a Note (as set out in the Applicable Pricing Supplement)
Interest Periods	May be monthly, quarterly, bi-annually or such other periods deemed appropriate and as set out in Applicable Pricing Supplement
Interest Rates	This will be as indicated in the Applicable Pricing Supplement
Denominations	The Notes may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the Applicable Pricing Supplement or such other minimum denomination of each Note as may be allowed or required from time to time by the Bank of Ghana (or equivalent body) or any Applicable Laws.
Certain Restrictions	Each issue of Notes denominated in a currency subject to certain Applicable Laws will only be issued in circumstances which comply with such Applicable Laws from time to time
Programme Expiry	The Programme will expire 5 years from the date of the Prospectus. All Notes issued prior to the expiry of the Programme will be valid and remain contractual obligations of the Issuer after expiration
Events of Default	Events of Default in respect of the Notes include, but are not limited to, the events set out in <u>Condition 17</u> of the Conditions
Redemption	The Notes shall be subject to Early Redemption or Optional Redemption and, as stated in the Applicable Pricing Supplement, be redeemed in whole, at the Principal Amount thereof plus accrued Interest, if any, at the relevant Maturity Date
Redemption Payments	Payment of principal and interest income due on that Note will be paid by the Note Trustee on Redemption Dates
Arranger	Temple Investments Limited

Sponsoring Broker	EDC Stockbrokers Limited
Dealers	Temple Investments Limited and EDC Stockbrokers Limited or any other person appointed by the Issuer and designated as such with respect to any Series or Tranche under this Programme
Note Trustee	Fidelity Bank Ghana Limited
Calculation Agent	CSD
Paying Agent and Paying Bank	Fidelity Bank Ghana Limited
Taxation	The Issuer is a Ghana resident for tax purposes. All payments of principal and interest in respect of the Notes will be made in compliance with income tax laws of Ghana. Currently, the Issuer is required by the Income Tax Act to withhold tax at the rate of 8% on all interest payments to Noteholders, except where the Noteholders are exempted by Applicable Law. Noteholders are advised to seek professional tax advice concerning their specific tax obligations relating to investing in the Notes
Book Closure Period	The Register will be closed 5 Business Days prior to each Interest Payment Date each year until the Redemption Date or for such other periods as the Issuer may determine, subject to the prior approval of the SEC
Last Day to Register	17:00 GMT on the last Business Day before the first day of a Closure Period
Selling Restrictions	The Notes will be marketed and sold only in Ghana. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of offering material in Ghana, see <u>Section 13</u> (<i>Subscription and Sale</i>) below
Register	<p>The Register will be maintained electronically in a book-entry form on the Central Securities Depository System and a single Global Note Certificate will be issued to the Note Trustee in respect of each Series and Tranche of Notes.</p> <p>The Register will be held and updated by the CSD, which shall record each Series and Tranche of Notes, the number of Notes in each Series and Tranche, the Number of Notes in each Series and Tranche held by each Noteholder and the names and addresses and bank account details of each Noteholder</p>
Governing Law	The Notes, the Trust Agreement, and the Agency Agreement will be governed by, and construed in accordance with, Ghanaian law
Listing	All Notes issued under the Programme will be listed on the GFIM. Trading in the Notes is subject to the trading, clearing and settlement rules and procedures of the GFIM
Rating	<p>Notes issued in a particular Series or Tranche may be rated or unrated. Where a Series or Tranche of Notes is rated, such rating will be indicated in the Applicable Pricing Supplement but will not necessarily be the same as any rating assigned to the Issuer</p> <p>Credit ratings assigned to Notes do not necessarily mean that the Notes are a suitable investment. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the rating agency. Similar ratings on different types of notes do not necessarily mean the same thing. The ratings do not address the marketability of any Notes or any market price. Any change in the credit ratings of Notes or the Issuer, could adversely affect the prices that a subsequent purchaser will be willing to pay for the Notes. The significance of each rating should be analysed independently from any other rating</p>

Costs and Expenses of the Programme	The total cost and expense of the Programme is not expected to exceed 5% of the total proceeds of the Notes. The Issuer will bear all costs relating to the Programme. The cost of the Programme is summarised below:
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Table2: Estimated Transaction Expenses

Item	Amount in GHS	% of Programme
Legal Advisory	80,000	0.053%
Financial Advisory	2,205,100	1.470%
Reporting Accountant	100,000	0.067%
Note Trustee Fees	250,000	0.170%
Regulatory Fees – SEC	75,000	0.050%
Regulatory Fees – GSE	60,000	0.040%
Central Securities Depository Fees	27,000	0.018%
Printing and Publicity Expenses	50,000	0.033%
Total Fees and Expenses	2,847,100	1.898%

3. GENERAL DESCRIPTION OF THE PROGRAMME

3.1 THE TERMS AND CONDITIONS

The terms and conditions of the Notes are as contained under Section 12 (Conditions) of this Prospectus. The final Issue Price, aggregate Principal Amount and Interest and any other terms and conditions not contained in the Conditions (which are applicable to any Series or Tranche) will be agreed between the Issuer, the Arranger and, if applicable, the relevant Dealer(s) at the time of issuance in accordance with prevailing market conditions and will be set forth in the Applicable Pricing Supplement issued in respect of the Series or Tranche. Each Applicable Pricing Supplement will be submitted for approval by the SEC.

3.2 THE NOTES

The Notes will be issued in one or more Series or Tranches by the Issuer under the Programme. The Notes may be Senior or Subordinated Notes and shall be Floating Rate or Fixed Rate (as indicated in the Applicable Pricing Supplement).

All Notes in a Series shall have the same maturity date and identical terms (except that the Issue Dates, Issue Price, Interest Commencement Dates, amounts of the first interest payment and related matters may be different). Notes in each Series may be issued in one or more Tranches. The terms of each Tranche (save for the Issue Date, Issue Price, Tranche Amount, Interest Commencement Dates and amount of first Interest payment) shall be identical in all respects. The details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement.

3.3 PROGRAMME DOCUMENTS

The Issuer has entered into the Trust Agreement with the Note Trustee, in terms of which the Note Trustee acts as Note Trustee for the protection and enforcement of the rights of the Noteholders under the Conditions. The Issuer has also entered into the Agency Agreement with the Note Trustee (as the Paying Agent and Paying Bank) and the CSD (as the depository and the Registrar and the Calculation Agent).

The Noteholders are bound by, subject to, and are deemed to have knowledge of all the provisions of this Prospectus, the Applicable Pricing Supplement, the Trust Agreement and the Agency Agreement.

In certain circumstances, the Note Trustee can be required (subject to it being indemnified and/or secured to its satisfaction) by Noteholders holding, at least, 30% of the aggregate Principal Amount of the Notes outstanding (or by a Special Resolution of the Noteholders) to exercise its powers under the Trust Agreement. Copies of the Trust Agreement will be available for inspection during usual business hours at the offices of the Note Trustee.

3.4 SUMMARY ROLE OF NOTE TRUSTEE

The Note Trustee is the primary representative of all Noteholders and acts in their interest to ensure that all necessary terms underlying the offer are adhered to. The full details of these responsibilities are contained in the Trust Agreement.

3.5 SUMMARY ROLE OF CALCULATION AGENT

The Calculation Agent is primarily responsible for the determination of the Interest Rate for Floating Rate Notes and the calculation of any Principal Amount and Interest due from time to time. The full details of these responsibilities are contained in the Agency Agreement.

3.6 SUMMARY ROLE OF PAYING AGENT/PAYING BANK

The Paying Agent/Paying Bank is responsible for the processing and payment of any Principal Amount and Interest due to each individual Noteholder when required. The full details of these responsibilities are contained in the Agency Agreement.

3.7 SUMMARY ROLE OF ESCROW BANK

The Escrow Bank is responsible for setting up and operating the Escrow Accounts for the deposit of all amounts raised from each issue of Notes until payment of the deposits therein to the Issuer. The full details of these responsibilities are contained in the Escrow Account Agreement.

4. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents are incorporated by reference and form part of the Prospectus. The content of these documents shall, where appropriate, modify and supersede the contents of this Prospectus. These documents will be available for inspection, on request, at the principal place of business of the Issuer or the offices of the Note Trustee during normal business hours:

- (a) all supplements to the Prospectus circulated by the Issuer from time to time;
- (b) the Trust Agreement;
- (c) the Agency Agreement;
- (d) the Escrow Account Agreement;
- (e) each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under this Prospectus;
- (f) the financial report dated March 8, 2018 and prepared by Deloitte;
- (g) the audited financial statements of the Issuer for the financial years ended December 31, 2014, December 31, 2015 and December 31, 2016; and
- (h) the audited annual financial statements (and notes thereto), and any interim quarterly financial statements (whether audited or unaudited) published subsequent to such annual financial statements of the Issuer for the subsequent financial years prior to each issue of Notes.

5. FORM OF THE NOTES

The details of the form of the Notes shall be as follows:

- (a) the Notes shall be held electronically on the CSD;
- (b) all Noteholders will be required to open and maintain CSD accounts prior to a purchase under this Programme if they do not own one already, to which all purchases will be credited upon allotment;
- (c) the Register will be maintained electronically in book-entry form on the CSD and no certificates will be issued to individual Noteholders;
- (d) the CSD shall maintain a Register, which shows a record of Noteholders' respective electronic book entries in the CSD system, the particulars of Noteholders and their respective holdings;
- (e) entry on the Register shall represent proof of ownership of the rights in a Note;
- (f) the Issuer shall issue a single Global Note Certificate to the Note Trustee (in respect of each Series or Tranche of Notes), who will hold the Global Note Certificate as a nominee for the Noteholders; and
- (g) if Notes are transferred subsequent to issue, rights of ownership will be transferred by entries in the Register, per the CSD securities transfer rules.

6. RISK FACTORS

Prior to making an investment decision, prospective purchasers of the Notes should carefully consider, along with the information referred to in this Prospectus, the following risk factors associated with an investment in Ghana, the Issuer and the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The risks and uncertainties below are not the only ones relating to the Issuer and the Notes. Additional risks and uncertainties not presently known to the Issuer, or that it currently believes are immaterial, could also impair the Issuer's business operations and, as a result, its ability to service its payment obligations under any Notes.

6.1 RISKS RELATING TO GHANA

6.1.1 Investment in a Developing Country such as Ghana

Investing in securities of emerging markets issuers operating in countries such as Ghana is subject to substantially greater risks than investments in securities of issuers from more mature markets. These risks range from higher volatility and liquidity constraints in respect of the Notes to political and foreign exchange.

6.1.2 Failure to Implement Economic and Fiscal Reforms may have a Negative Effect on the Performance of the Economy

The Government of Ghana is currently pursuing various fiscal reforms as part of its fiscal consolidation programme to correct macroeconomic imbalances in response to the significant pressures which its economy is facing. These reforms include rationalisation of public spending, restructuring public sector wages, restructuring statutory funds and enhancing revenue collection and tax administration. Although the Government of Ghana has begun and intends to continue to carry out its economic and fiscal reforms, there is no assurance that it will succeed in implementing them. The Government of Ghana's failure to implement these reforms may have a negative effect on the performance of the economy and the businesses that operate within it. However, the Government of Ghana's efforts, such as the attempt to pass a law to cap fiscal deficits, shows commitment to the reforms.

6.1.3 Commodity Price Fluctuations and Production Decreases may Adversely Affect Ghana's Economy

Ghana's key exports are cocoa, gold and crude oil. The proceeds from the exports of these commodities are the major sources of hard currencies for Ghana. As such, Ghana's ability to effectively manage public finances is subject to uncertainty and variability resulting from unexpected fluctuations in commodity production or commodity prices. Reductions in commodity related revenues, whether due to lower production or lower prices, will have a material adverse effect on government revenues and economic growth and as a result, hamper the overall economic prospects of Ghana.

6.1.4 Challenges in the Power Sector may Impact Economic Growth

Although Ghana has made significant investments in its power generating infrastructure and has increased its installed power capacity to approximately 4,400MW, the power sector continues to be challenged by inadequate fuel supply, planned and unplanned disruptions to infrastructure and the financial distress of the Energy Sector State Owned Enterprises operating within the power sector. Since sufficient and sustainable additional generating capacity, fuel supply or continuous supply of power is not guaranteed, there is a risk of that any power shortages will have a negative impact on Ghana's industrial sector output and adversely affect Ghana's budgetary position by increasing expenditures and slower economic growth.

6.1.5 Political Instability May Negatively Affect the Economy

The recent elections and the ensuing change in government has sparked renewed confidence in the Ghanaian economy. However, it is not clear how the new government's policies will impact the general economy.

Ghana has also experienced periods of political and economic instability in the past. During the period immediately prior to and following elections in 1992, 1996, 2000, 2004, 2008, 2012 and 2016, Ghana experienced periods of economic instability characterised by exchange rate volatility, high inflation and fiscal overruns. The previous government had, since 2009, implemented broad economic reform programmes focused on achieving macroeconomic stability and an environment conducive to sustainable economic growth.

The most critical structural reforms to be fully implemented or continued include (i) comprehensive reforms of Ghanaian tax legislation with a view to broadening the tax base by bringing a substantial portion of the shadow economy into the reporting economy, (ii) reform of the energy, mining and agriculture sectors and (iii) reform of social benefits and pensions. There can however be no assurance that the political initiatives necessary to achieve these or any other reforms will continue, will not be reversed or will achieve their intended aims.

6.1.6 Financial and Statistical Information may be Unreliable

Although a range of government ministries, along with the Bank of Ghana produce statistics on Ghana and its economy, given the size of the informal economy, such data cannot be relied upon. Secondly, standards of accuracy of statistical data may vary from ministry to ministry and from period to period due to the application of different methodologies. Because of this lack of harmonisation, captured data is often inconsistent. In addition, comparing national and international data sources can also yield inconsistencies. Decisions taken based on this inaccurate data may therefore affect an enterprise negatively.

6.1.7 Events in Neighbouring and Other Emerging Markets

Economic, security or health distress in Ghana's neighbours and nearby countries may adversely affect Ghana's economy, the prices of securities and the level of investment in other emerging market issuers as investors move their money to more stable, developed markets. Financial problems or an increase in the perceived risks associated with investing in emerging market economies could dampen foreign investment in Ghana, adversely affect the Ghanaian economy or adversely affect the trading price of the Notes. Even if the Ghanaian economy remains relatively stable, economic distress in other emerging market countries could adversely affect the trading price of the Notes and the availability of foreign funding sources for the government. Adverse developments in other countries in sub-Saharan Africa, in particular, may have a negative impact on Ghana if investors perceive risk that such developments will adversely affect Ghana or that similar adverse developments may occur in Ghana. Risks associated with sub-Saharan Africa include political uncertainty, civil unrest and conflict, corruption, threats of terrorist attacks, the outbreak of communicable diseases, economic recession, cocoa smuggling and poor infrastructure. Investors' perceptions of certain risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Ghana.

6.1.8 Natural Disasters such as Floods and Droughts have Negatively Affected Ghana in the Past and may Negatively Affect it in the Future

Like other countries in Africa, Ghana has historically been affected by a variety of natural disasters, including floods and droughts. Natural disasters such as floods often lead to casualties, the destruction of crops (including cocoa) and livestock, the outbreak of waterborne disease and the destruction of infrastructure, such as roads and bridges. Droughts may negatively affect the production of agricultural commodities, the food supply in general and the generation of hydroelectric power. Expenditures associated with natural disaster relief efforts adversely affect Ghana's budgetary position.

6.2 RISKS RELATING TO THE ISSUER

6.2.1 Difficult Macroeconomic and Financial Market Conditions may have a Material Adverse Effect on the Issuer's Business

Disruptions in global capital and credit markets, coupled with the re-pricing of credit risk creates difficult conditions in financial markets. These conditions have resulted in historically high levels of volatility across many markets (including capital markets), volatile commodity prices, decreased or no liquidity, widening of credit spreads, lack of price transparency in certain markets and the failure of a number of financial institutions in the United States and Europe. In response to the global financial crisis, the government of the United States, a number of European governments and international monetary organisations have taken steps intended to help stabilise the financial system and increase the flow of credit in their respective economies and globally. There can be no assurance as to the actual impact that these measures and related actions will have on the financial markets and consumer and corporate confidence generally and on the Issuer specifically, including the levels of volatility and limited credit availability in wholesale markets that have recently characterised the financial markets. The failure of these measures and related actions to help stabilise the financial markets and a continuation or worsening of current financial market conditions could lead to further decreases in investor and consumer confidence, further market volatility and decline, further economic disruption and, as a result, could have an adverse effect on the Issuer's business, financial condition, results of operations and prospects.

6.2.2 Interest Rate Risk

The Issuer may be borrowing at a fixed interest rate. Should interest rates on the market trend downwards during the life of the Note, the Issuer's cost of borrowing would appear high. This may motivate the Issuer to consider refinancing the note with a less expensive option by exercising any embedded call option in the Notes. On the other hand, soaring interest rates may also increase substantially the Issuer's cost of doing business and increase the risk of a potential default by the Issuer.

6.2.3 Licensing Regime of the Issuer

The Issuer's operations are licensed by the Bank of Ghana. Changes to the Issuer's regulatory compliance regime may adversely affect the Issuer's business. If the Issuer's license is revoked or suspended, this would have a material adverse effect on the Issuer's business and financial condition or result of operations.

6.2.4 Changes in Tax Law and Interpretation

The Issuer's activities are subject to tax under Ghanaian law. Future actions by the Government of Ghana to increase tax rates or impose additional taxes would reduce the Issuer's profitability. Revisions to tax legislation or to its interpretation might also affect the Issuer's financial condition and results of operations in the future.

The Issuer is subject to periodic tax audits which could result in additional tax assessments relating to the past. Any such assessments could be material and could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

6.3 RISKS RELATING TO THE MARKET

6.3.1 No Active Secondary Market

Given that the Notes are to be listed on the GFIM, there will be an avenue to trade these Notes, thereby providing liquidity to Noteholders. However, secondary trading is limited in Ghana and as a result, investors in these Notes may have to hold these Notes to maturity.

6.3.2 The Market Price of the Notes may be Volatile

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments,

changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the trading market for notes issued by or on behalf of the Republic of Ghana as a sovereign borrower. In addition, the global markets in recent years have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's results of operations or financial condition.

6.3.3 Financial Turmoil in Emerging Markets Could Cause the Price of the Notes to Suffer

In recent years, Ghana has undergone significant economic reforms which have contributed to economic growth. Ghana is nonetheless considered by international investors to be an emerging market. In general, investing in the securities of issuers that have operations primarily in emerging markets, like Ghana, involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of the EU or similar jurisdictions. The market price of the Notes is influenced by economic and market conditions in Ghana and, to a varying degree, economic and market conditions in both emerging market countries and more developed economies, including those in the EU and the United States. Financial turmoil in Ghana and emerging markets in the past have adversely affected market prices in the world's securities markets for companies that operate in developing economies. Even if the Ghanaian economy remains relatively stable, financial turmoil in these countries could have a material adverse effect on the market price of the Notes.

6.3.4 Exchange Rate Risks and Exchange Controls

The Issuer will pay the Principal Amount and Interest in the GHS. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the GHS. These include the risk that exchange rates may significantly change (including changes due to a devaluation of the Currency or a revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. An investor may also not be able to convert (at a reasonable exchange rate or at all) amounts received in the Currency into the Investor's Currency, which could have a material adverse effect on the market value of the Notes. There may also be tax consequences for investors.

6.3.5 Interest Rate Risk and Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes. Noteholders' risk not being able to sell the notes until maturity.

6.4 RISKS RELATING TO THE NOTES

6.4.1 Redemption at the Option of the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may similarly be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes

being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

6.4.2 Senior Notes Constitute Unsecured Obligations of the Issuer

The Issuer's obligations under the Senior Notes constitute unsecured obligations of the Issuer. Accordingly, any claims against the Issuer under the Senior Notes would be unsecured claims. The ability of the Issuer to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows. The claims of the holders of the Senior Notes will however rank above the claims of the holders of the Subordinated Notes.

6.4.3 Subordinated Notes Constitute Subordinated Obligations of the Issuer

The claims of holders of Subordinated Notes will rank below the claims of holders of Senior Notes issued by the Issuer and will also be subordinate to the claims of other senior creditors of the Issuer. Any such preferential claims may reduce the amount recoverable on the Subordinated Notes on any dissolution, winding up or liquidation of the Issuer and may result in an investor in Subordinated Notes losing all or some of its investment.

6.4.4 Modification, Waivers and Substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. As a result, such binding decisions made by majority of Noteholders may be unfavourable to the interests of potential investors.

6.4.5 The Value of the Notes could be Adversely Affected by a Change in Ghanaian Law or Administrative Practice

The Conditions are based on Ghanaian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Ghanaian law or administrative practice after the date of this Prospectus and any such change could have a material adverse effect on the value of any Notes affected by it.

6.4.6 Further Notes May be Issued without the Consent of Noteholders

The Issuer may, from time to time, create and issue further Notes without the consent of Noteholders, subject to terms and conditions which are the same as those of existing Notes, or the same except for the amount of the first new payment of interest. Such new Notes may be consolidated and form a single series with outstanding Notes.

6.4.7 The Global Note is Held by or on Behalf of the CSD

The Issuer shall issue a single Global Note Certificate to the Note Trustee in respect of each Series or Tranche. The CSD shall maintain a record of Noteholders' respective electronic book entries in the Register showing the particulars of Noteholders and their respective holdings. The Register will be maintained electronically in a book-entry form on the CSD.

The Register will be held and updated by the CSD, which shall record each Series and Tranche, the number of Notes in each Series and Tranche held by each Noteholder and the names and addresses and bank account details of each Noteholder.

While the Notes are represented by the Global Note Certificate, investors will be able to trade their beneficial interests only through the CSD. If Notes are transferred subsequent to issue, rights of ownership will be transferred *via* entries in the Register, per the CSD securities transfer rules. The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the Paying Agent for distribution to their account holders. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Note.

7. OVERVIEW OF GHANAIAN ECONOMY

7.1 GENERAL OVERVIEW

Over the last decade, the Ghanaian economy has grown rapidly, largely due to contributions from discovered oil and gas resources, which have attracted large amounts of foreign direct investment, as well as the strong performance of the services sector led by finance and information, communication & technology (ICT). The effects of recent economic growth since 2000 have had a significant impact on poverty reduction, with poverty rates falling consistently from approximately 51% in 1991/92 to approximately 24% in 2012/13, enabling Ghana to meet the first Millennium Development Goal (MDG) ahead of schedule. However, the impact has not been experienced evenly across the country. Disparities remain between urban and rural communities, as well as between the northern and the southern regions of the country. Again, a number of domestic and external challenges which caused the economy to weaken emerged in 2012, including significant depreciation of the GHS, high fiscal and current account deficits, rising inflation, power shortages, a financial crisis impacting state-owned companies operating in the power sector and declining prices of its key exports, oil and gold. GDP growth fell to 3.7% in 2016 from 3.9% in 2015, compared to 4.0% in 2014 and 7.3% in 2013. The Government of Ghana attributed the lower growth rates to disruptions to energy supplies, higher interest rates and falling world-wide commodity prices. In contrast, the high GDP growth rate of 9.3% in 2012 resulted from the first full year of oil production from the Jubilee field. A 3-year International Monetary Fund (IMF) support programme (the Extended Credit Facility) which commenced in April 2015 and has been extended by government until 2018 is yielding positive results for the macroeconomic stability of Ghana. Additionally, the fiscal policies and the re-profiling of government debt being implemented by the new administration have begun to yield positive impact resulting in declining inflation, decreasing interest rates and consistent reduction in monetary policy rates.

Selected Economic Information						
	2012	2013	2014	2015	2016 ⁽¹⁾	June 2017 ⁽¹⁾
The Economy						
GDP current (GHS millions)	75,315	93,416	113,343	139,936	167,353	89,264 ⁽²⁾
Fiscal Deficit (% of GDP)	(10.8)	(11.1)	(10.1)	(6.9)	(8.7)	(3.7) ⁽³⁾
Real GDP Growth Rate (per cent.)	9.3	7.3	4.0	3.8	3.7	9.0 ⁽²⁾
Yearly Inflation (per cent.)	8.8	13.5	17.0	17.7	15.4	12.2 ⁽⁴⁾
Ghana Cedi / US\$ Exchange Rate	1.88	2.2	3.2	3.8	4.2	4.4 ⁽⁴⁾
Balance of Payments (US\$ millions)						
Current Account	(4,910.6)	(5,704.1)	(3,694.5)	(2,809.1)	(2,832.0)	(102.9) ⁽²⁾
Capital and Financial Account	3,651.3	5,368.2	3,752.8	3,123.2	2,557.9	5,681.1 ⁽²⁾
Overall Balance of Payments ⁽⁶⁾	(669.2)	(874.2)	(86.1)	(105.8)	362.1	256.3 ⁽²⁾
Reserves						
Gross Foreign Assets (US\$ millions) ⁽⁶⁾	5,442	5,632	5,461	5,885	6162	7083 ⁽⁵⁾
Public Finance						
Total Government Revenues and Grants (GHS millions)	16,668	19,472	24,746	32,040	33,678	17,470 ⁽²⁾
Total Government Expenditures (GHS millions)	20,590	27,463	31,962	38,590	51,125	23,509 ⁽²⁾
Government Overall Balance (GHS millions)	(8,715)	(9,455)	(11,454)	(9,586)	(13,145)	(5,564) ⁽²⁾
Government Overall Balance (% of GDP)	(10.8)	(11.1)	(10.1)	(6.9)	(8.7)	(3.7) ⁽³⁾
Public Debt (GHS millions)						
Domestic Public Debt	17,206.9	25,827.3	44,529.9	59,912.8	68,859.6	74,621.9 ⁽²⁾
External Public Debt	18,792.7	27,524.0	35,040.2	40,322.1	53,403.4	63,921.4 ⁽²⁾
Gross Public Debt (% of GDP)	47.80	56.82	70.20	72.24	73.30	68.6 ⁽²⁾

Source: Government of Ghana, Ghana Statistical Services

(1) 2016 and 2017 data are provisional and subject to revisions.

(2) Represents data for the first 6 months of 2017 only.

(3) Represents data for July 2017 only. The government projects that the annual fiscal deficit for 2017 will be 6.3% of GDP.

(4) Represents data for September 2017 only (Bank of Ghana).

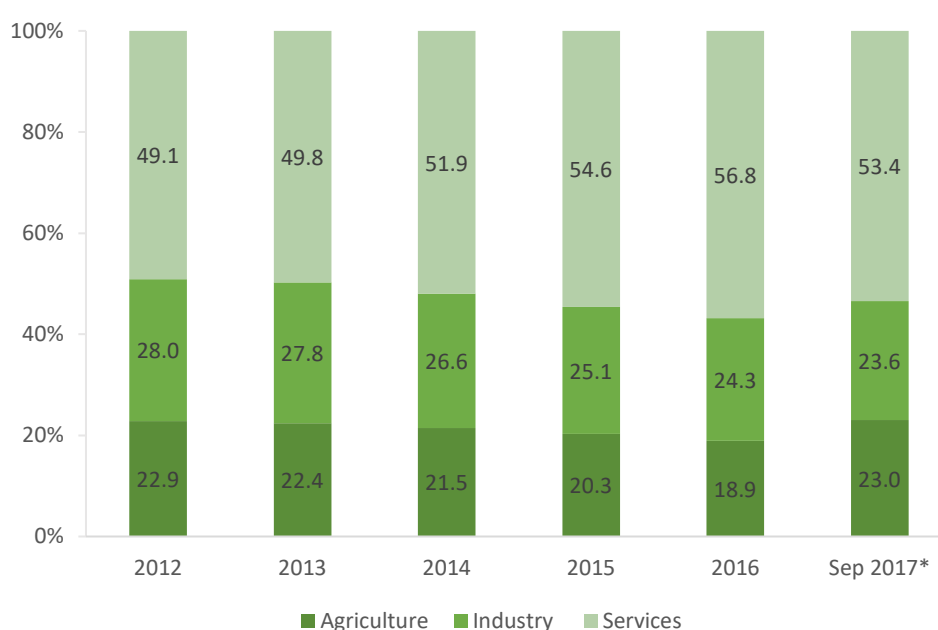
(5) Represents data for August 2017 only (Bank of Ghana).

(6) Represents all foreign assets of the Bank of Ghana and includes short term assets, long term assets, encumbered funds, the Ghana Heritage Fund and the Ghana Stabilisation Fund.

7.2 STRUCTURE OF THE ECONOMY

Ghana's macro-economic structure comprises of 3 main sectors; agriculture, industry and services sectors. Subsectors falling under the agriculture sector are crops, livestock and fishing. Cocoa is the most notable under the crop subsector of agriculture due to its contribution to export revenues. Historically, the agriculture sector was the largest in terms of percentage contribution to GDP and employment provided by the sector. Agriculture was followed by industry and services in that order. Economic activities classified under the industry sector are construction, electricity, mining and crude oil. Following the first production of crude oil in 2011, the industry sector growth outpaced the agriculture sector. The services sector comprises of finance and insurance, ICT, transportation, trade, health and education. Currently, the services sector has overtaken both agriculture and industry to become the largest and fastest growing sector in Ghana, accounting for 53.4% of GDP as at September 2017. Industry and agriculture followed at a distance with respective GDP contributions of 23.6% and 23.0% respectively.¹

Table 3: Contribution to Ghana's GDP by Sector



It is expected that the new government's agriculture policy dubbed, "Planting for Food and Jobs" will include funding, tax incentives and implementation support to promote expansion in the agriculture subsectors spearheaded by cash crops such as soybean, cashew and rice. Furthermore, short term loans which seek to boost the overall quality and quantity of output will provide much needed funding into various entities within this sector, especially with government's new focus on agriculture. Cocoa exports, a main driver of growth in the agriculture sector is expected to lead the anticipated growth prospects in the sector in 2017 having already recorded a 12.5% increase to 900,000 tonnes as of June 2017.

The services sector growth will be sustained through efforts to increase financial inclusion by the introduction and widespread usage of mobile money which provides convenient banking in remote regions for Ghana's large unbanked population. The upcoming mobile money interoperability system will further contribute to growth in this sector. Indications from the Bank of Ghana's September 2017 Monetary Policy report suggests that the economy is also set to continue on a downward trend for inflation and will also continue to have a relatively stable foreign exchange rate. These 2 trends will lead to increase in trading and commerce activity that will drive growth in the services sector. In the finance subsector, the energy bond issued in November 2017 has helped to clear debts owed to commercial banks by state-owned enterprises in the energy sector and this is expected to reduce non-performing loans in the banking sector, increase liquidity and stimulate the economy for further growth. Similarly, a boom in finance and insurance operations (riding on the back of the young oil and gas industry, increased liquidity as well as lower treasury bill interest rates and the consequent ability for

¹ Source: 2016 revised and 2017 provisional data from the Ghana Statistical Service

businesses to obtain cheaper credit to replace more expensive debt) would keep services as the most prominent sector. ICT advances reflecting in the impending digital migration and keen competition in the entertainment and media space will further contribute to growth. Transportation services, linked to improvement in roads, lower cost of aviation fuel and efforts to deepen the capital markets as the engine for private sector led economic growth will provide further impetus for services sector growth. In education, the commencement of the 'Free Senior High School' policy is also set to expand the growth that will be observed in the services sector. Put together, the services sector is anticipated to increase in growth significantly and beat its previous growth rate (5.7% in 2016).

In the industry sector, it is expected that the finances of the energy-sector SOEs will be improved due to the energy bond issuance which has liquidated the legacy debt in the energy sector. It will also be improved due to petroleum levies, efforts to sanitise and expand electricity power sector through restructuring the proposed Electricity Company of Ghana concession agreement, as well as production from oil fields (the TEN fields commenced production in August 2016 and the Sankofa-Gye Nyame has since July 2017 commenced commercial production of oil) to secure medium term growth. The clarity provided by the International Tribunal for the Law of the Sea (**ITLOS**) ruling on Ghana's maritime border dispute with Côte D'Ivoire will have some positive impact on growth in the oil and gas subsector which will in turn advance growth in the industry sector. Growth in the industry sector will also be affected positively if government succeeds with the implementation of its 'one district, one factory' policy.

Real GDP Growth by Sector

	2012	2013	2014	2015*	2016**	Q3 2017
	(%)					
Services	12.1	10.0	5.6	6.3	5.7	5.7
Trade, Repair of Vehicles, Household Goods	11.3	14.5	1.6	9.7	3.1	0.9
Hotels and Restaurants	5.7	24.6	(1.2)	1.5	0.9	1.4
Transport and Storage	9.2	(0.5)	0.3	3.0	2.2	1.1
Information and Communication	41.5	24.3	38.4	21.6	21.7	0.7
Financial and Insurance Activities	21.9	23.2	22.9	3.5	3.6	(4.1)
Real Estate, Professional, Administrative and Support Service	18.3	(17.5)	(1.5)	7.7	3.8	9.4
Public Administration and Defence; Social Security	4.2	8.4	(4.7)	1.4	2.2	13.0
Education	6.7	6.9	7.1	7.9	8.3	14.0
Health and Social Work	10.9	7.8	(1.7)	15.7	16.8	24.0
Community, Social & Personal Service	4.2	36.5	(1.6)	(6.4)	(5.2)	1.7
Industry	11.0	6.6	0.8	1.0	(1.2)	16.6
Mining and Quarrying	16.4	11.6	3.2	(2.2)	(11.2)	40.8
o/w Oil and Gas	21.6	18.0	4.5	0.9	(13.5)	
Manufacturing	2.0	(0.5)	(0.8)	2.2	2.4	5.2
Electricity	11.1	16.3	0.3	(10.2)	8.8	15.3
Water and Sewage	2.2	(1.6)	(1.1)	21.5	7.7	1.5
Construction	16.4	8.6	0.0	2.1	3.5	2.6
Agriculture	2.3	5.7	4.6	2.5	3.6	10.0
Crops	0.8	5.9	5.7	2.0	3.3	8.6
o/w Cocoa	(9.5)	2.6	4.3	(2.3)	2.5	
Livestock	5.2	5.3	5.3	5.3	5.3	5.7
Forestry and Logging	6.8	4.6	3.8	3.9	4.1	(1.1)
Fishing	9.1	5.7	(5.6)	1.3	4.4	57.0

Sources: 2017 Budget Statement

*Revised **Provisional

7.3 GDP GROWTH

Although the Ghanaian economy is currently in its 16th consecutive year of expansion, gross domestic product (**GDP**) growth in 2016, based on data from the Ghana Statistical Service (**GSS**) fell to 3.7%, compared to 3.9% in 2015 and 4.0% in 2014. GDP growth averaged approximately 9.6% from 2010 to 2013. The lower growth rates achieved since 2013 resulted from disruptions to energy supplies, higher interest rates and falling world-wide commodity prices. In contrast, the high GDP growth in 2011 (14% vs. 8.2% for non-oil) resulted from the first full year of oil production from the Jubilee Field. In 2016, the agriculture, industry and services sector registered growth rates of 3.0%, -0.5% and 5.7%, respectively. The industry sector continues to suffer from the effects of the power crises as seen in the declining growth rate (-0.5 %) of the subsector. The industry sector has however begun to recover and is leading the way in terms of sector growth. Based on the 2017 provisional estimates of GDP released by the GSS the industry sector growth was 16.6% during the second quarter compared to 19.6% and 11.6% for the second and first quarter of 2017. Likewise, the service sector growth also accelerated from 3.4% (in the first quarter) to 5.6% in the second quarter and increased marginally to 5.7% in the third quarter. In the Agricultural sector however, growth declined to 3.4% from a previous quarter value of 7.6% and reverse the decline to expand at 10.0% during the third quarter. In aggregate, GDP growth in the second quarter of 2017 as reported by the GSS was 9.3% up from a second quarter value of 9.0% year-on-year.

	2012	2013	2014	2015	2016	Q3 2017
Real GDP Growth Annual (%)	9.3%	7.3%	4.0%	3.9%	3.7%	9.3%

Source: Government of Ghana, Ghana Statistical Services

7.4 INFLATION TREND

Headline Inflation decreased from 18.1% in 2008 to a low of 8.6% in 2011 but has since increased steadily and by March 2016 stood at 19.2%. Historically, the key causal factors for the rise in inflation have been depreciation of the GHS, increased fuel prices and a significant increase in utility tariffs. In the period leading up to the 2016 elections, inflation trended downwards ending the year on 15.5%. As with post-election conditions, inflation continues to decline with a current value of 11.8% (December 2017). This raises the expectation of a sustained decline in headline inflation towards the Bank of Ghana medium term target of 10% \pm 2% in 2017, barring significant downside risks from energy led producer prices.

7.5 FISCAL DISCIPLINE

Although the overall fiscal deficit decreased from 9.7% of GDP in 2000 to 4% of GDP in 2011, it rose significantly in 2012 (to 11.5%) before easing marginally to 10.2% in 2014. The pace of decline however, quickened to 6.3% in 2015 before moving up again in 2016 to 8.7%, an occurrence consistent with an election year in Ghana. Provisional fiscal data for 2017 (half year) recorded an overall fiscal deficit of 2.7% vis-à-vis a budgeted figure of 3.5%. The observed difference is as a result of both revenues and expenditures falling below their projected targets.

The government attributes the earlier increases to efforts to rationalise public sector wages, higher interest payments on domestic and foreign debt, declines in commodity prices, increased infrastructure costs, delays in reducing fuel subsidies, shortfalls in corporate taxes from petroleum operations and reduced grant inflows from development partners. The government succeeded in reducing the fiscal deficit to 6.3% of GDP in 2015, primarily as a result of the impact of the government's fiscal consolidation programme. Specific policies include higher tax revenues (including VAT on fee-based financial services and a 5% flat rate on real estate, a special petroleum tax of 17.5% and a special import levy of 1–2% on certain imported goods). Government spending increased again in 2016 which pushed the fiscal deficit to 8.7 in 2016. In response to the fiscal slippages recorded in 2016, the new government has developed a fiscal policy to restore confidence in the economy, ensure fiscal and debt sustainability and promote overall macroeconomic stability. Under the IMF-assisted fiscal consolidation programme (which commenced in April 2015 and would run to April 2018) coupled with the government's renewed effort to tighten spending, the fiscal deficit is set to reduce to a projected value of 6.5% in 2017.

7.6 MEDIUM TERM ECONOMIC OUTLOOK

The medium-term outlook on the Ghanaian economy is broadly positive (with a modest-paced recovery expected in 2018 and beyond). Although GDP growth rate at the close of 2016 (3.7%) turned out 40bps lower than projected, the government expects the economy to grow at 4.3% in 2017 on the back of newly initiated policies.

Growth in the agricultural sector improved marginally in 2016 by 20bps year-on-year to 3.0%. This was triggered by increasing yield in the cocoa, fishing and forestry sub-sectors of the economy. Ghana's industrial sector declined in 2016 (20bps below an already poor 2015 growth rate of -0.3%), propelled by reducing prices on the commodity markets. Government efforts directed at boosting cocoa output are expected to lead to recovery in cocoa yields in 2018, while the construction led growth in the industrial subsector is expected to continue unabated. Although weak oil and cocoa prices, as well as lower gold volumes, may present downside risks, medium term production expectations of TEN and Sankofa oil/gas fields would be major boosts to government revenues. These hydrocarbon fields are also expected to boost gas supplies to the power sector, and reduce the dependence of the country on imported gas.

On the back of the extension to the IMF supported reform programme, improved power supply and a recent fall in interest rates, a steady decline is expected to persist for headline inflation in the short-medium term, unless there are significant upward revisions in fuel prices at the pump, and government underperforms on fiscal consolidation and restructuring of its debt. Structural bottlenecks with the supply and demand of the Dollar, coupled with rising import demand of the country, are also downside risks to the medium-term outlook of prices. Another downside risk to the medium term economic outlook is the lack of recovery of oil prices in spite of the cuts seen in world production.

Critical sub-sectors of industry such as mining & quarry (-7.6%) and oil (-16.9%) which recorded huge declines in their value in 2016, largely due to the acute shortage in electricity supply and lower gold prices in 2016 are projected to recover in the medium-term subject to anticipated structural improvements in electricity generation and distribution. The IMF expects the pace of Ghana's economic growth to recover strongly in 2017 to 6.0%, with a relatively stronger growth in 2018 at 9.2%.

The positive outlook hinges critically on sustained stability in power supply, together with additional production of hydro-carbons from the TEN and Sankofa oil fields to augment current production on the Jubilee oil field. Despite these positive projections, economic activity in the short-term remains vulnerable to risks arising from the uncertainty in the global commodities market, the continued fiscal and monetary tightening, as well as the challenging domestic operating environment.

8. OVERVIEW OF THE FINANCIAL INDUSTRY IN GHANA

8.1 OVERVIEW OF THE GHANAIAN BANKING SECTOR

8.1.1 History and Development of the Banking Sector in Ghana

8.1.1.1 History

Since gaining independence from the United Kingdom in 1957, Ghana's economy has developed inconsistently. The economy was centralised where the government actively managed interest rates, exchange rates and commodity prices and attempted to use state ownership of commercial enterprises to direct lending in an effort to drive growth. In 1983, after a period of economic decline, worsened by falling commodity prices and inflation in excess of 100%, the Economic Recovery Programme was launched. Reforms were introduced, slowly liberalising the economy with the assistance of the IMF and World Bank. Further reforms followed in 1989, which saw the establishment of the Ghana Stock Exchange amongst other initiatives. The Ghana Poverty Reduction Strategies of 2003 and 2005, and the Ghana Shared Growth and Development Agenda of 2009, saw further shifts in the economy towards a more decentralised model, where local economic sustainability was going to be crucial to growth.

The banking sector's development has mirrored this economic decentralisation and liberalisation. Until 1983, banks were largely state-owned, but since reforms were introduced, the sector has seen increased competition and the entry of new institutions, as well as the introduction of legislation reflecting an increased understanding of the needs of the informal economy, that is perhaps not best served by commercial banks alone.

8.1.1.2 Current structure of banking sector

The banking system in Ghana is today broadly divided between the formal, semi-formal and informal lending sectors.

The formal sector comprises commercial banks and specialised deposit-taking institutions, which include, rural and community banks, finance houses, savings & loans institutions, leasing companies, remittance companies and credit reference bureaux. The semi-formal sector includes the credit unions, "susu" companies and the financial non-governmental organisations (**FNGOs**). Below these is the informal sector consisting of Microfinance Institutions, local "susu" collectors, rotating savings and credit associations, and informal money lenders.

As at the date of this Prospectus, there are 34 universal banks, 1 apex bank, 140 rural and community banks, and 72 NBFIs operating in Ghana. In the informal sector, there are 347 registered Micro Finance Institutions (**MFIs**), comprising microfinance entities, money-lenders and FNGOs and 71 non-bank financial institutions.

8.1.1.3 Impact of the Global Financial Crisis

The global financial crisis impacted Ghana through the fluctuations in oil prices and increased investor aversion to risk, which resulted in a withdrawal of portfolio capital and reduced access of private sector borrowers to external credit lines. The impact of the global downturn that followed is primarily evidenced by a reduction in external reserves, the weakening of the GHS towards the end of 2008, falling commodity prices, reduced net capital inflows and the bad debt exposures of Ghanaian banks.

8.1.2 Growth of the Microfinance Sector

Microfinance in Ghana can trace its origins back to the first credit union established in northern Ghana by Canadian Catholic missionaries in the 1950s. Since then, the sector has passed through a number of developmental stages, from the localised credit union of the type described above, through the aid-focussed models which NGOs adopted in the 1960s and 1970s, to the 1990s when the number of universal banks expanded and the Financial Institutions (Non-Banking) Act, 1993 (P.N.D.C.L. 328) was passed allowing for a range of financial institutions, including NBFIs, to provide financial services to micro and small enterprises, and then through

to a 4th stage that has seen the commercialisation of microfinance and its acceptance into the financial sector.

Structurally, the Ghanaian microfinance industry is relatively unique, in that, it has evolved as tiered structure of financing alternatives, which have developed largely in response to local conditions and active legislating by the Ghanaian government. This “multi-layer” structure closely resembles the microfinance concept developed in the World Bank’s 1999 study of the regulation of microfinance and is a key element that differentiates the industry in Ghana compared with other sub-Saharan African states such as Ethiopia.

Microfinance in Ghana is now carried out by all types of financial institutions, although it is concentrated in those entities falling in the Rural Community Bank sector and below. In addition to financial institutions, microfinance is also supported and undertaken by public bodies such as the UN Development Programme and the Social Investment Fund.

Microfinance (whether in the formal, semi-formal or informal sectors) plays an important role in providing basic financial services to the economically active who do not have access to the higher-level banking system, due to the restrictive account opening requirements imposed by commercial banks. Given that an overwhelming majority of the economically active in Ghana operate within the informal sector, it is vital for economic development to ensure that these people and businesses have access to financial resources.

The development of so-called “microfinance apex bodies” in Ghana has assisted in providing organisation, recognition and skills to their members. They include the Ghana Co-operative Credit Unions Association, the Ghana Co-operative Susu Collectors’ Association, the Association of Financial NGOs, the Ghana Co-operatives Council, the Ghana Microfinance Network and the ARB Apex Bank.

8.1.3 Regulatory Environment for Ghanaian Credit Institutions

8.1.3.1 Regulatory Environment

The Bank of Ghana acts as both central bank and financial regulator under various powers contained in the Bank of Ghana Act, 2002 (Act 612), the BSDI Act and the Non-Bank Financial Institutions Act, 2008 (the **Non-Bank Financial Institutions Act**), along with various other statutory instruments. The legislation gives the Bank of Ghana the powers needed to maintain the stability and integrity of the Ghanaian financial system and manage both traditional banks, NBFIs and MFIs. The NBFI Act regulates non-deposit taking NBFIs and MFIs.

The BSDI Act regulates commercial banks, Rural and Community Banks and the following types of NBFIs: Savings and Loan Companies, Finance Houses and those MFIs that take deposits. The Issuer is therefore regulated under the BSDI Act.

On July 11, 2016, Parliament passed the BSDI Act into law. The purpose of this law is to amend and consolidate the laws relating to deposit taking, and to regulate institutions which carry on deposit taking business. The BSDI Act provides an apt and robust legal framework to address emerging risks and lapses associated with the banking sector. In February 2017, 2 guidelines on this new Act, aimed at promoting fair banking practices, were released by the Bank of Ghana and the financial regulator has stated that periodic reviews will be done on these guidelines.

8.1.3.2 Capital Adequacy

The required capital adequacy ratio (**CAR**) for financial institutions regulated by the BSDI Act is 10%, and 8% for those entities regulated by the Non-Bank Financial Institutions Act. In both cases the CAR threshold may be raised in relation to a particular institution only or in relation to all institutions, by a directive of the Bank of Ghana.

8.1.3.3 Anti-Money Laundering

The Issuer is subject to the Anti-Money Laundering Act, 2008 (Act 749) and the Anti-Money Laundering Regulations, 2008 (L. I. 1925) (**AML Rules**). The Financial Intelligence Centre (the **FIC**) administers the AML Rules. The AML Rules require NBFIs like the Issuer to (i) formulate and implement an AML policy (ii) train employees on AML (iii) report suspicious or unlawful transactions to the FIC and (iv) keep records

of all clients, all transactions with clients and the suspicious transaction reports made to the FIC.

9. OVERVIEW OF THE GHANAIAN DEBT CAPITAL MARKET

9.1 OVERVIEW OF THE GSE

9.1.1 Background

The GSE was incorporated under the Companies Act as a private company limited by guarantee in July 1989. It was authorised as a stock exchange in October 1990 under the repealed Stock Exchange Act, 1971 (Act 384). The council of the GSE was inaugurated on November 12, 1990 and trading commenced on its floor on the same day. The GSE changed its status to a public company limited by guarantee in April 1994.

A 9-member council governs the GSE. The operations of the GSE are regulated by the SEC, which is empowered by the Securities Industry Act. The criteria for listing on the GSE include capital adequacy, profitability, spread of shares, years of existence and management efficiency.

9.1.2 Developments and Trends

The GSE started operating with 11 listed companies. By 2002, 26 stocks, 4 corporate bonds and 2 government bonds had been listed on the First Official List of the GSE. This later increased to 35 listed equities, 1 Exchange Tradable Fund, 1 preference share and 1 depository share as several companies listed on the First Official List. The GSE has also listed a number of government bonds and corporate bonds.

In 2007, the Central Securities Depository Act, 2007 (Act 733) was passed to permit the issuance of dematerialised shares, where shareholders and board of directors of an issuer have authorised this. The passing of the law paved the way for the GSE to achieve several milestones in its development. These milestones include the incorporation and operation of the GSE Securities Depository Company Limited (the **GSD**) and the establishment of a clearing and settlement system. In December 2013, an agreement was signed between the Bank of Ghana and the GSE for the merger of the CSD and the GSD. Thus, from January 2014, both the CSD and the GSD operate as a single depository, the CSD.

Further to that, the GSE completed the automation of its trading system with the support of the Government of Ghana's Economic Management and Capacity Building project. The GSE introduced major changes in trading activities in 2011 to complement the automated trading regime. Trading hours, which were initially 09.30 hours to 13.00 hours, were extended, and the new trading period is from 09.30 hours to 15.00 hours. This affords dealers more time to interact with clients during the day while also allowing non-resident investors in different time zones more time to participate in the trading session through their local brokers.

9.1.3 Ghana Alternative Market

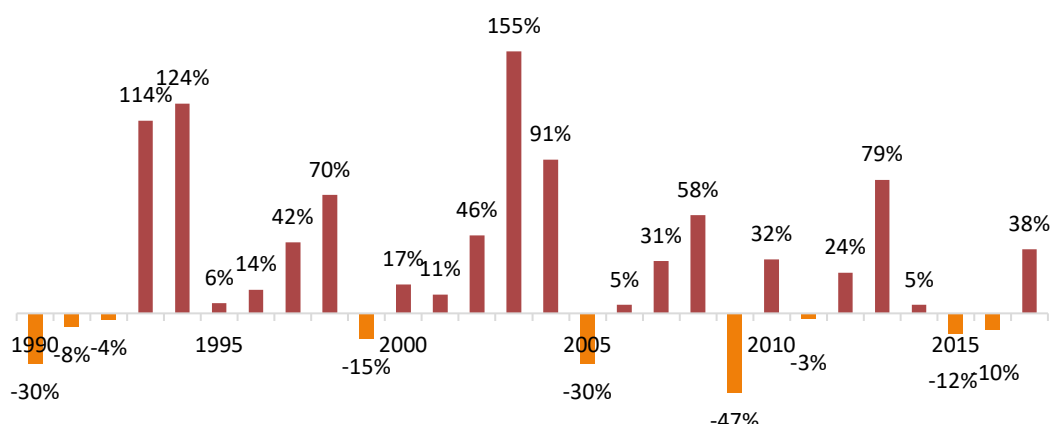
The Ghana Alternative Market (**GAX**) is a parallel market to the GSE's First Official List launched in 2013 to focus on businesses with potential for growth. The GAX accommodates companies at various stages of their development, including start-ups and existing enterprises, both small and medium. There are several benefits due the small to medium scale companies that qualify to be listed on this market. This alternative market affords companies the opportunity to secure long term capital, broaden their investor base and provide liquidity for their shareholders/investors. Currently, there are 4 listed entities on the GAX.

9.1.4 Performance of the GSE

The performance of the GSE has been remarkable in recent years, experiencing improved volume trades and increased market capitalisation following the listing of index heavy weights such as Tullow Oil Plc and Ecobank Transnational Inc. Following annual rallies of 23.8% and 78.8% in 2012 and 2013 respectively, returns on the benchmark GSE Composite Index (**GSE-CI**) slowed down, recording a 5% return in 2014. As at the end of 2016, the GSE-CI and the GSE Financial Stock Index (GSE-FSI) have returned -15.33% and -19.93%, respectively. In the face of further decline in returns observed in 2016 (relative to 2015) market activity improved significantly. The aggregate volume and value of shares traded surged by 102.3%/y/y and 97.8%/y/y to 498,570,000 shares and GHS 489,810,000, respectively, in 2016. By the end of

2017, the 2 main indices had soared remarkably posting a return of 52.73% for the benchmark composite index (GSE-CI) and 49.51% for the financial services index (GSE-FSI).²

Table 4: GSE Returns 1990 to December 2017³



9.1.5 Outlook of the GSE

The stock market recovery seen thus far in 2017 is set to continue in 2018 as government's effort will continue to keep treasury yields low and fixed income securities will consequently remain unattractive to fund managers and investors forcing them to seek alternative financial assets such as equities. The sustainability of this positive market movement to a large extent, however, would be dependent upon investors' perception of the ability of the new government to sustain and build on recent macroeconomic gains beyond 2017.

In the years ahead, the exchanges in the West African sub region plan to integrate their operations with open new frontiers on Ghana's market. This is anticipated to improve market accessibility and liquidity as trade volumes are boosted. Additionally, the coordinated efforts of the Ministry of Finance and Economic Planning and the SEC to increase capital market and investment education will, in time, enhance market activity. This will further help change the psyche of business owners in Ghana who tend to favour retention of control of their businesses. It is also expected that the financial sector will increase its use of the market by seeking long term equity and debt capital instead of the expensive short-term debt capital most firms within sector rely on today.

The GSE's efforts at creating an opportunity for SMEs and other institutions to raise and list debt and equity securities on the market through the GAX is thus a noteworthy move that needs to be supported. The GAX appears to be catching up recently in view of its more flexible requirements for listing as compared to the main bourse. It is a possibility for the GAX listed firms to outnumber those on the main bourse in the near future.

Table 5: Other Market Information

Trading Days	Trading takes place every working day
Trading Hours	Pre-opening period: 9:30hrs to 10:00hrs (GMT) Market opens for continuous trading: 10:00hrs to 15:00hrs (GMT)
Clearing & Settlement	Trade settlement is done electronically using a web-based application. Settlement occurs 3 Business Days (T+3) after the trade date. The System allows for mutual settlement of trade on T+0 or T+1 basis

Trade and general information on the GSE can be found on the GSE website - <http://www.gse.com.gh>

² Source: GSE

³ Source: GSE

9.2 GFIM

The GFIM, established in 2015, is a market that is organised for the listing and trading of all fixed income securities. As a market, its core function is to facilitate the secondary trading of debt instruments. In its current form, the GFIM distinguishes between two types of securities; Government of Ghana treasuries (bills, notes and bonds) and Bank of Ghana Bills which are automatically admitted and traded on the GFIM and all other instruments including corporate bonds, quasi-government agency debt instruments, local government bonds, supra-national bonds, repurchase agreements which may apply to list and trade on the GFIM. The GFIM is currently dominated by Government of Ghana securities in terms of listings and trading. Currently bonds issued by 8 corporate entities are listed on GFIM.

9.2.1 Historical Overview

Before 1994, the Bank of Ghana issued Bank of Ghana and Government of Ghana securities (comprising notes of 2-year maturity periods and bonds of 3 to 5 years' maturity periods). Due to high inflation rates in the domestic economy, the issuance of 5-year bonds were discontinued in 1994 in favour of short dated securities (the 91-day and 182-day bills).

Between 1990 and 1999, only 5 bonds were issued on the GSE. The first bond was the 26% GSE Commemorative Registered Stock with a total par value of GHS 500,000, issued on behalf of the Government of Ghana to commemorate the launching of the GSE in 1990. HFC Bank (Ghana) Limited (then, the Home Finance Company Limited) ("HFC") on September 17, 1996 made a shelf registration of USD 35,000,000 bonds on the GSE, under which 4 bonds were issued as of October, 1999. On August 13, 2002, the HFC again made a shelf registration of GBP 1,200,000 bonds on the GSE.⁴

In the 2000s, as the economy recovered and became relatively stable, the Government of Ghana, as a policy, revisited the issuance of long dated treasury bonds. This has continued up to date. The activities of the bond market between 2004 and 2016 (as reported in Bank of Ghana Annual Reports) are outlined below:

- 2004 – The market for both corporate and government bonds remained relatively quiet at the secondary level, in spite of deliberate attempts by the Government of Ghana to boost the long-term end of the financial market. A total of USD 73,417 worth of corporate bonds were traded during the year compared with USD 606,600 traded in 2003;
- 2005 – The corporate bond market remained relatively quiet. However, the USD denominated corporate bonds traded on the market increased from USD 41,783 to USD 115,200;
- 2006 – During the year, 35 Government of Ghana 2-year fixed rate notes, totalling GHS 204,020 and 27 Government of Ghana 3-year fixed rate bonds amounting to GHS 41,629,000 were issued on the GSE. Standard Chartered Bank Ghana Limited's GHS 35,000,000 medium-term notes were also issued on the Exchange. HFC's corporate bonds worth USD 40,000 were exchanged while USD 1,200,000,000 worth of Government of Ghana bonds were sold;
- 2007 – A total of 48 Government of Ghana 2-year, 3-year and 5-year bonds, amounting to GHS 1,337,100 were issued on the GSE during the year. HFC also issued a corporate bond (Series J) totalling USD 3,900,000. Government of Ghana bonds worth GHS 3,800,000, Standard Chartered Bank Ghana Limited's medium-term bonds totalling GHS 1,400,000 and HFC's corporate bonds worth USD 20,000 were traded on the GSE;
- 2008 – A total of GHS 1,237,500 government bonds consisting of 2-year, 3-year and 5-year maturities were listed on the GSE as at the end of the year. The other listed bonds on the market were HFC bonds (series H '\$' and series J '\$') and SCB medium term notes amounting to USD 6,400,000 and GHS 35,000,000 respectively. There were no

⁴ Source: Bank of Ghana

trades in both the HFC bonds and SCB medium term notes. However, GHS 3,400,000 worth of government bonds were traded in 2008; and

- 2014 to 2015 – Between 2014 and 2015, 4 companies, Izwe Loans Company Limited, AFB Company Limited, Edendale Properties Plc Limited and Bayport Financial Services Limited issued and listed corporate bonds on the GAX. These listings have since been moved to the GFIM, which is now the authorised market for all debt instruments.
- 2016 – In August, Mortgage Lender, Ghana Home Loans issued a USD 100,000,000 (GHS 380,000,000) 5-year bond on the GFIM, a maiden such issue by a corporate entity. USD 5,000,000 (first and second tranches) of the total amount issued commenced trading on the GFIM in November. Following this issue, PBC Limited have also undertaken a GHS 400,000,000 domestic note programme. The first and second tranches of notes under the note programme have been issued and listed on the GFIM.
- 2017 – The Ministry of Finance sponsored the issue of a 10 billion Ghana cedi bond by E.S.L.A Plc. The bond raised 4.7 billion from the two tranches which were issued in October 2017. Following this, Bond Savings and Loans Limited has also listed a 100 million Ghana cedi note programme on the GFIM of which two tranches with a combined value of about GHS16.5 million have been issued.

9.2.2 Market Overview

The GFIM facilitates secondary trading of all fixed income and other similar securities. Ghana's fixed income securities include corporate bonds, corporate notes, treasury bonds, treasury notes, treasury bills and other types of money market instruments (such as repos and Bank of Ghana bills). The market was established by key stakeholders in the financial services industry, including the Bank of Ghana, the GSE, the CSD, the Ghana Association of Bankers, the Ministry of Finance, Financial Market Association and Licensed Dealing Members of the GSE (the "LDMs").

The market activity and its scope of operations are governed by SEC and the Bank of Ghana. The regulatory framework of the SEC mainly covers the secondary market activities, while the Bank of Ghana regulates the activities of primary dealers on the primary market.

The main objectives of GFIM are to improve transparency, increase market efficiency, enhance price discovery and increase liquidity in the secondary trading of fixed income securities in Ghana. Ultimately, secondary trading of fixed income securities in Ghana is expected to align with international best practices. Bloomberg and GFIM, in September 2015, launched the Bloomberg E-Bond trading and market surveillance system, a new electronic trading system for Ghanaian government bonds which Bloomberg began operating in August 2015. The system will be the primary execution platform for all fixed income trading.

The main dealers on GFIM are:

- Primary Dealers ("PDs") authorised by the Bank of Ghana and licensed by the SEC to deal in securities in Ghana. The PDs participate in the primary auction of Government of Ghana and Bank of Ghana securities;
- Non-PD banks licensed by the SEC to deal in securities trading; and
- LDMs.

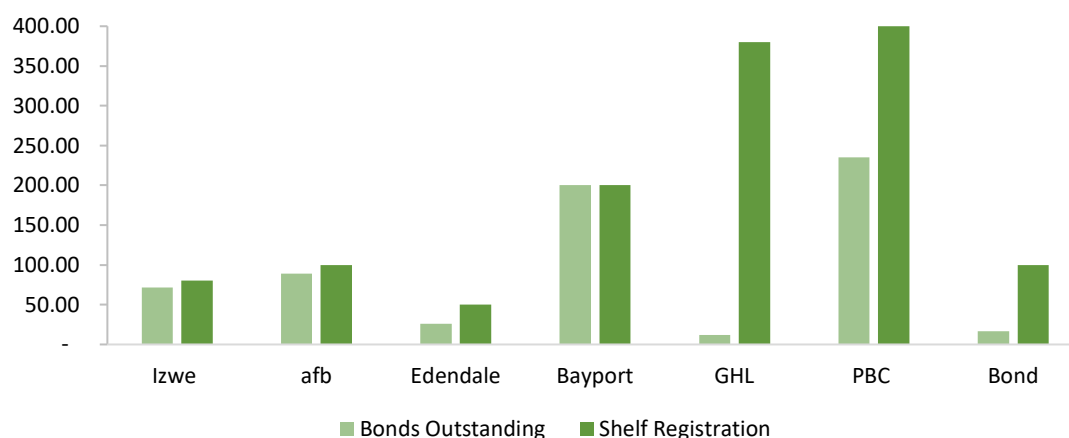
The market infrastructure which aids the operation of the Ghana fixed income market includes:

- an electronic trading and market surveillance system provided by Bloomberg L.P.A; and
- a clearing and settlement system operated by the CSD with the Bank of Ghana as the settlement bank.

9.2.3 Market Structure and Performance

The debt market in Ghana has experienced an increase in trading activities since the introduction of a market dedicated to fixed income activities. Volume of trades on the secondary market has consequently increased by about 210% from 10.5 billion in 2015 to 32.5 billion in 2017.⁵ Total outstanding debt issued in 2017 alone amounted to approximately GHS 75 billion which is distributed between Government of Ghana securities and those of its related agencies: COCOBOD (GHS 3.1 billion) and E.S.L.A Plc (GHS 4.7 billion) and finally securities of corporate entities. In addition, the Bank of Ghana in 2017 issued bills to the tune of GHS 207 billion for its open market operations and to aid its monetary policy. Apart from the cedi denominated securities, the Government of Ghana issued a 3 Year dollar bond to the tune of US\$ 221,400,000 in November 2017. The Government of Ghana and the Bank of Ghana issue debt securities ranging from 2 weeks to 15 years. While still relatively small, the corporate debt market is on the rise, buoyed by the introduction of the GAX and the GFIM that paved the way for a number of corporate debt listings by financial services and real estate firms in the last 4 years. There are 7 listed corporate debt securities (outstanding amount of approximately GHS 750,000,000 excluding E.S.L.A. Plc) issued by IZWE Loans Limited, AFB Ghana Limited, Edendale Properties Plc, Bayport Financial Services Limited, Ghana Home Loans Limited, PBC Limited and more recently by Bond Savings and Loans Limited. E.S.L.A. Plc has by far issued the largest corporate bond in Ghana (GHS 4.7 billion raised in 2017).⁶

Corporate Debt in Issue versus their Shelf Registration in million GHS (excluding E.S.L.A. Plc)



At the end of December 2017, the 5-year Bonds accounted for the largest share of outstanding Government of Ghana securities on the **GFIM**, representing about 17.7% of outstanding debt stock. This was followed by the 10-Year bond (14.3%) and 15-Year bond (7.0%) and then by the 3-Year bond (11%) and 7-Year bond (6.7%). At the same time, the 1-Year Note and the 2 Year-Note formed about 16.78% of the total debt stock. The 91 Day and 182 Day treasury bills also contributed about 15.06% of the outstanding debt stock. The Government of Ghana is in the process of changing the maturity profile of outstanding government debt from short term to long term. To this end, government issued 7-year bonds, 10-year bonds and 15-year bonds (for the first time) in the respective amounts of GHS 2.1 billion, GHS 7.4 billion and GHS 4.8 billion in 2017. The combined value of outstanding 91-day and 182-day treasury bills on the other hand has declined by about 104% decreasing from about GHS 17.6 billion in 2016 to about GHS 8.6 billion in 2017. This has led to a reduction in the proportion of outstanding fixed income securities that are in short term securities (91-day and 182-day bills).

About 64.40% of the outstanding securities (GHS 42,686,921,891) on GFIM at the close of December 2017 were held by local investors including commercial banks (31.05%), firms and institutions (17.01%), Bank of Ghana (2.91%), rural banks (0.44%), insurance companies (0.59%) and the Social Security and National Insurance Trust (1.45%). The remaining 37.60% (GHS 25,727,035,413) were held by foreign investors.

Trading activity on **GFIM** is highly concentrated in the 5-year and the 3-year bonds largely because foreign investors who hold these bonds actively trade them on the secondary market

compared to their local counterparts. For the most part however, local investors trade at the lower end of the yield curve and often buy and hold to maturity.

Table 6: GFIM Market Information

Trading Days	Trading takes place every working day
Trading Hours	Market opens for continuous trading: 9:00hrs to 16:00hrs (GMT)
Clearing & Settlement	Trade settlement is done electronically using a web-based application. Settlement occurs 2 Business Days (T+2) after the trade date. The System allows for mutual settlement of trade on T+0 or T+1 basis

Trade and general information on the GFIM can be found on the GSE website - <http://www.gse.com.gh>

9.2.4 Market Outlook

Ghana's economy (GDP) is projected to grow at around 6% in 2017, spurred on by the new administration's resolve to cut waste and ensure fiscal discipline and the Bank of Ghana's monetary and exchange rate policy reforms. Oil production is also expected to increase, as repairs are completed in the Jubilee field and the TEN Field reaches its full capacity while the non-oil sectors are set to remain robust. Oil and commodity price recoveries on the world market will support exports and growth necessary to stabilise the exchange rate. Together with recent foreign exchange inflows and the government's plan to increase Ghana's net foreign reserves in 2017 by USD 700,000,000, the Ghanaian Cedi is projected to remain sturdy⁵.

Secondary market trading on Ghana's fixed income market (particularly on the longer end of the market) is likely to rise, amid government's debt management strategy to primarily focus on cedi denominated bonds with longer term maturities. Investors could turn to corporate debt instruments as an alternative to lowering yields of short-term government of Ghana securities. Optimism about outlook for short-term instruments on the fixed income market will wane as investors remain wary of adverse impact of government's decision to reduce its short-term financing. Consequently, trading activity on the secondary bonds market is expected to be constrained to longer term instruments, as short-term yields (currently with a downside potential) are expected to decline, due in part to downward pressure on inflation and monetary policy rate. With inflation anticipated to drop to about 10% (the upper limit of the Central Bank's medium-term target for inflation), coupled with the 200-basis points reduction in the monetary policy rate, interest rates are likely to follow this decline.

As government strengthens its fiscal consolidation efforts and remains committed to the IMF's Extended Credit Facility program which ends in 2018, downward pressure on yields will ease and possibly narrow the bid-ask spread, culminating in enhanced market liquidity and trading activity on the fixed income market in the medium term (possibly in 2018). The successful introduction of the Bloomberg E-Bond trading and market surveillance system should also improve price discovery and boost trading activity. The e-trading platform and surveillance system is expected to improve information flow to all market participants and boost confidence in the market.

⁵ Source: IMF

10. INFORMATION ON THE ISSUER

10.1 PROFILE OF DALEX

Dalex was incorporated on September 13, 2004, as a private limited liability company, under the Companies Act with registration number CA-13,484. Dalex was issued with a certificate to commence business with effect from April 27, 2006.

Dalex was re-registered on October 28, 2016 with a new company registration number of 'CS192312016', as required by the Registrar General's Department under the Government of Ghana e-registration system.

Pursuant to the establishment of the Programme, Dalex was converted into a public limited liability company on 21 April, 2017, by a resolution of the Dalex Board passed on December 19, 2016 and a resolution of the shareholders of Dalex passed on December 13, 2016. Following the conversion, the Registrar General's Department has issued Dalex with a new company registration number of PL000152017.

Dalex currently conducts its business from 10 branches and 95 agency offices. The branch network of Dalex is set out below:

	Region	Branch Office Location
1.	Greater Accra	Accra, Head Office
2.	Greater Accra	Dalex Swift Office
3.	Greater Accra	Asylum Down Branch
4.	Eastern Region	Koforidua Branch
5.	Western Region	Takoradi Branch
6.	Northern Region	Tamale Branch
7.	Volta Region	Ho Branch
8.	Ashanti Region	Kumasi Branch
9.	Brong-Ahafo	Sunyani Branch
10.	Upper East Region	Bolgatanga Branch

10.2 VISION AND CORE VALUES OF THE ISSUER

Dalex's vision is to be an institution that leads the financial sector with a robust corporate culture of unparalleled customer service and the highest levels of employee productivity in the Ghanaian financial sector

10.2.1 The core values of the Issuer are:

- Passion
- Attention to Detail
- Teamwork
- Tenacity
- Initiative

10.3 BUSINESS OVERVIEW OF THE ISSUER

Dalex is authorised to engage in the following businesses:

- (a) financing the acquisition of equipment, vehicles and consumer durables etc. through finance lease and/or hire-Purchase;
- (b) pre-financing of insurance premiums for SMEs; and
- (c) providing of consumer credit, business finance and subscription of short-term securities.

10.3.1 Licence held by the Issuer

Dalex is a non-bank financial institution and was licensed by the Bank of Ghana under the Non-Bank Financial Institutions Law, PNDCL 328, 1993 on December 29, 2005 and was authorised to commence operations on November 30, 2005. However, in accordance with the third schedule of the Non-Bank Financial Institutions Act, 2008 (Act 774), as a finance and leasing company, Dalex is currently regulated under the BSDI Act.

10.4 PRODUCTS AND SERVICES

Summary Table

Logo	Product	Distribution Model
	Snap Loan	<ul style="list-style-type: none"> Nationwide distribution with focus on rural and peri-urban areas 1,920 full-time, commission-only sales agents Agents are in teams of 20, led by Dalex Sales Manager based at a Sales Point 95 Sales Points report to 10 Branches who are subsequently organised into 4 sectors nationwide Disbursement is by Mobile Money and Bank Funds transfer
	Business Loans	<ul style="list-style-type: none"> Focus is on SMEs in Accra Business Development is by the executive team
	Turbo Advance	<ul style="list-style-type: none"> Focus is on private salaried employees in Accra, Kumasi, and Takoradi Direct Business Development team recruits employees through employers Employees are reached through Call Centre, Mobile App, USSD and Web Disbursement and repayments are solely by Mobile Money and Bank Funds Transfer
	Dalex FDA Investments	<ul style="list-style-type: none"> Focus is on High-Net-Worth individuals and Fund Aggregators nationwide Direct Business Development team
	SWIFT	<ul style="list-style-type: none"> Focus is on individuals in Accra, Kumasi, and Takoradi Clients are recruited through telesales team Clients are reached through Call Centre, Mobile App, USSD and Web Deposits are solely by Mobile Money and Bank Funds Transfer

10.4.1 Snap Loan

The Dalex Snap is the core salary loan product provided to government workers by Dalex. The Dalex Snap loan is designed to give credit facilities primarily to government sector workers with repayment deducted at source from the Controller and Accountant General's Department (CAGD). The maximum amount disbursed per transaction is GHS 30,000 with loan tenors ranging from 1 month to 54 months. The Dalex Snap is transparent and ensures that clients are aware of the full cost of the loan, rather than simply advertising speed and accessibility of funds. As of 31 December, 2017 Dalex Snap had in excess of 80,000 customers with loans totalling approximately GHS 345,000,000.

10.4.2 Business Loans

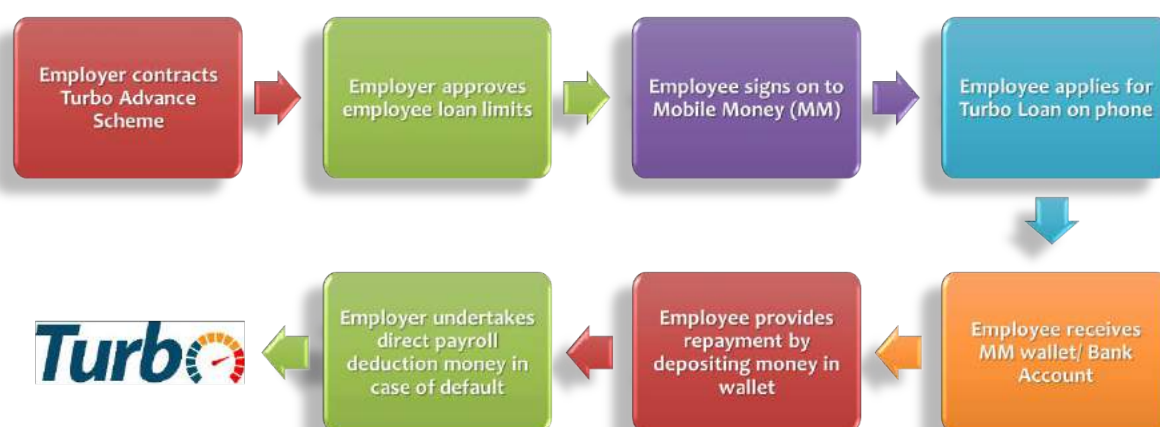
Dalex has a broad range of products that provide loans & equipment leases to Small & Medium Size Enterprises through the following:

- Working Capital Loans
- Project Financing
- Import-Export Loans
- Construction Finance
- Purchase Order Finance
- Letters of Credit

The minimum transaction size under this category is GHS 500,000 and takes an average of 2 weeks to process. Loan tenors range from 1 month to 36 months and a collateral is required under this product. Total SME Loans outstanding as of 31 December, 2017 was approximately GHS 151,000,000.

10.4.3 Turbo Loan

This is a private sector short-term credit aimed at providing instant access to loans at any time within the day by redeeming through Mobile Money Agents or ATMs. The term of the loan is 1 to 2 months with loan amount ranging from GHS 100 to GHS 10,000. The product is a salary advance that can be refreshed every month. The Turbo Loan product requires no prior credit approval or processing and is designed to be a substitute to the untimely nature of applying for salary advances from HR department of employers.



Turbo loan approval process

10.4.4 Investments

- **Dalex SWIFT**

SWIFT is a contributory investment scheme, that allows the deposit of a target amount as frequently as may be desired i.e. daily, weekly, monthly, or ad hoc. Contributions can be any amount starting from GHS 1.00 and a customer's phone number is the investment account number. SWIFT contributions can be made through over 20,000 points including mobile money agents, post offices, and bank branches in addition to the unlimited convenience of a mobile phone. SWIFT invests the contributions made in any 30-day period and will pay a competitive compound interest from month to month until the maturity of the investment. Investment tenors are for 12 months to 60 months.

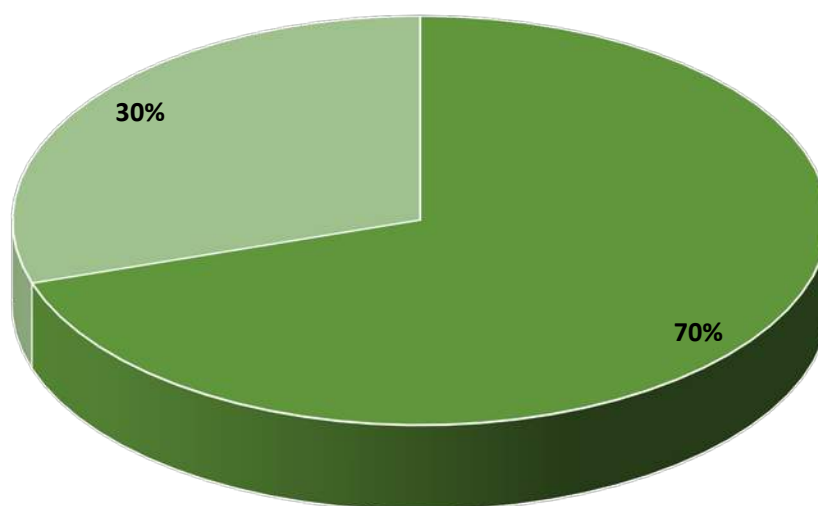
- **Fixed Deposits**

The Issuer offers its clients fixed term deposit investments with competitive rates. Funds received from clients are invested at flexible periods of 91 days, 182 days and 365 days for a fixed return. As of 31 December, 2017, the issuer had approximately GHS 516,245,286 outstanding in fixed deposits.

10.5 LOAN PORTFOLIO

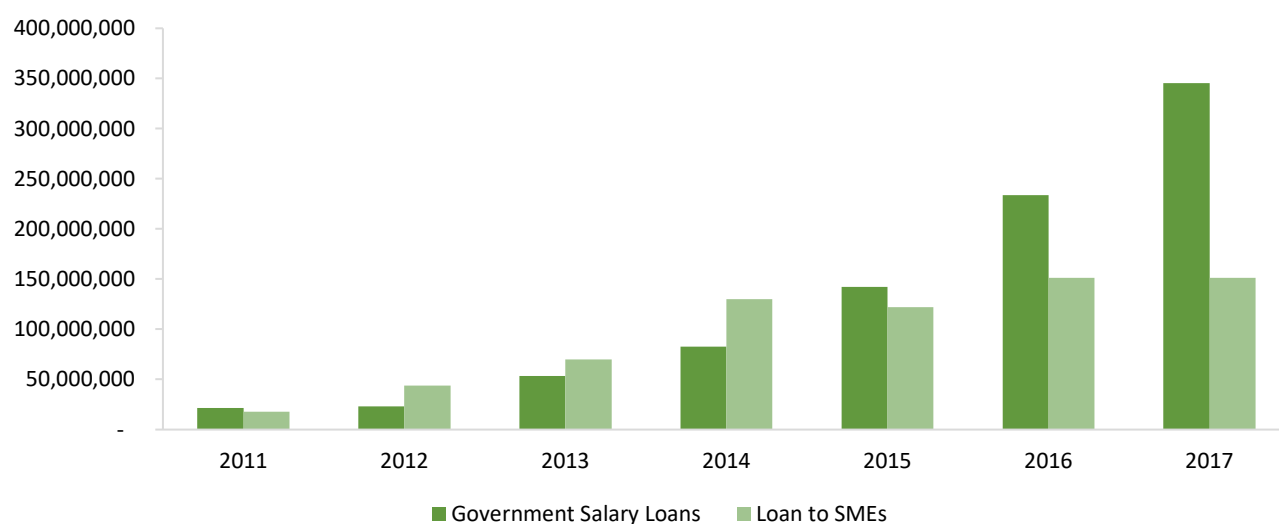
Loan Book Composition as at 31 December, 2017

Loan Type	Value of Loan Book	Percentage
Government Salary Loans	GHS 345,321,268	70%
Loan to SMEs	GHS 151,444,210	30%



■ Government Salary Loans ■ Loans to SMEs

GROWTH OF LOAN BOOK



10.6 STRATEGY AND OUTLOOK OF THE ISSUER

Dalex has 3 fundamental actions that underpins its corporate strategy. It involves a series of steps that will enable Dalex to achieve its overarching objective of becoming the best financial institution by the end of 2020. The 3 fundamental actions are as follows:

1. Increase consumer loan portfolio relative to the SME loans;

2. Adopt the Fast-Moving Consumer Goods (“**FMCG**”) distribution model approach to grow consumer loans; and
3. Increase the use of financial technology in the loan distribution process.

Dalex previously held a larger loan book for SME loans, relative to consumer loans. The core strategy adopted by Dalex however, is to shift focus to consumer loans and in the process, restrict its SME loan services to big ticket transactions with minimum value of GHS 500,000. By doing so, Dalex intends to reduce the number of SME loans which will in turn reduce its credit risk and in addition reduce its NPL and improve the Company’s bottom line.

In line with this strategy, Dalex took steps to increase its consumer loan portfolio which mainly comprises of salaried workers who draw their monthly pay from the Controller and Accountant Generals Department and the Ghana Police Service. Within the last 5 years, this has resulted in altering the SME Loan to Consumer loan ratio from 56%:44% in 2012 to 30%:70% as of end of year December 2017.

Dalex recognizes that the market is very saturated within the city and urban centres and hence the need to move away from these markets to focus on peri-urban and rural areas. In Dalex’s view, consumers in these peri-urban and rural areas are prepared to pay a premium for the convenience which Dalex has committed to provide.

Instead of the conventional way of accessing loans in which consumers move to banks and finance houses to apply for loans, Dalex has decided to serve customers at their door steps. To achieve this, Dalex has adopted the FMCG distribution approach. The Dalex distribution model is a decentralized system of 4 major branches and six minor ones. In addition, there are more than 120 team leaders who oversee 1,920 solely-commission-based sales agents who provide maximum product exposure to clients, within their catchment area through 95 sales points set up across the country. The key aspect of this distribution approach is the speed and the ease with which consumers within the target market can access the loans. To further facilitate this process, Dalex has established partnerships with GCB Bank and GN Bank and mobile telecoms operators like Tigo and MTN, as well as the Ghana Interbank Payment and Settlement Systems (“GhIPSS”) to get loans to customers within the shortest possible time.

Ultimately, the plan of Dalex is to integrate its services by increasing the use of software and modern technology in the delivery of its products and services. Dalex believes that this will enhance its plan to increase its presence nationwide, as well as enable it to get ahead of its competitors.

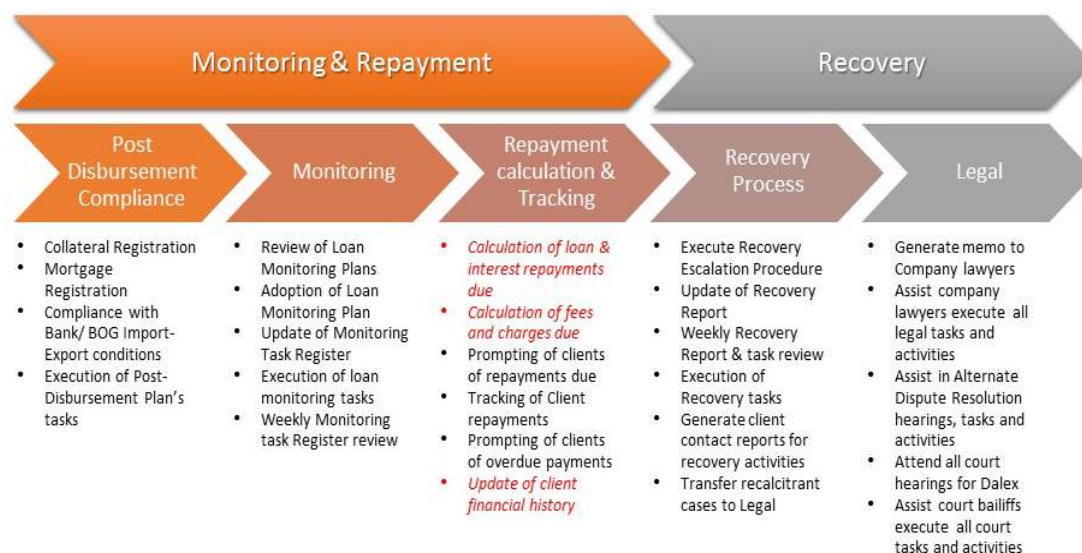
10.7 ISSUER’S LENDING POLICIES

Credit Review & Approval Process



10.8 LOAN RECOVERY PROCESS

Loan Servicing Workflow/Process



10.9 ISSUER'S DISTRIBUTION CHANNELS

The Issuer distributes its products via its 10 branch offices located in the regional capitals across the country. The Issuer also has Sales Points in 95 locations nationwide. In addition, Dalex has over 1,900 sales agents across the country who are primarily responsible for servicing its Salary Loan schemes.

10.10 ISSUER'S REVENUE

The Issuer generates revenue by means of interest income on the loans it disburses, investments in other financial institutions and administrative fees for the arrangement of the loans.

10.11 FUNDING OF OPERATIONS OF THE ISSUER

The Issuer funds its operations by means of deposits received from investment customers as well as equity. The Issuer also plans to utilize its entry into the domestic capital market as an issuer of debt securities to augment and diversify its funding stream.

10.12 LOAN USAGE

The Issuer's customers use the loans primarily for personal consumption including education, rent, home improvement, short-term financing needs and to finance working and capital expenditure needs in the case of small and medium scale enterprises.

10.13 SHAREHOLDING AND CAPITAL STRUCTURE OF THE ISSUER

Dalex is registered with 500,000,000 authorised ordinary shares of no par value. Dalex has issued 10,060,000 of its ordinary shares to its shareholders.

Dalex's current stated capital (as at the date of this Prospectus) is GHS 16,000,000. Dalex has no treasury shares as at the date of this Prospectus. The Issuer's shareholding structure is shown in the table below:

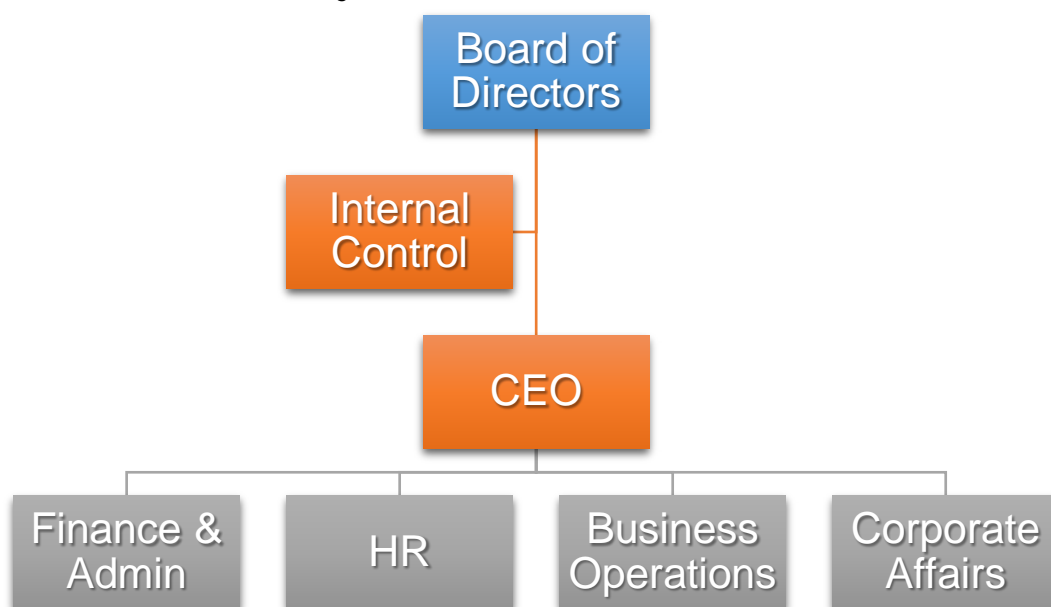
Shareholder	No. of Shares	Equity Holding(GHS)	Equity Holding (%)
Alex Kwasi Bruks	4,325,800	6,880,000	43%
Glendex Limited	4,325,800	6,880,000	43%
Kenneth Kwamina Thompson	804,800	1,280,000	8%
Kofi Owusu	503,000	800,000	5%
Eno International LLC	100,600	160,000	1%
Total	10,060,000	16,000,000	100%

10.14 GOVERNANCE STRUCTURE OF THE ISSUER

10.14.1 Organisational Structure

The following is the organisational structure of the Issuer:

Table 8: Organisational Structure of DALEX



10.14.2 The Dalex Board

As at the date of this Prospectus, Dalex has 6 directors. The current members of the Dalex Board are as follows:

Table 9: Summary of Directors

Director	Position	Age	Date of Appointment	Other Directorships
Alex Kwasi Bruks	Chairman	62	First Director	RPS Engineering Services (GH) Ltd, Reliance Personnel Services Ltd, Dalex Vision Fund Ltd, Accra Mall Ltd, Reliance Logistics Ltd, Zac Computers Ltd, West Coast Brands Ltd, Dalex Capital Management Ltd.

Director	Position	Age	Date of Appointment	Other Directorships
Kenneth Kwamina Thompson	Chief Executive Officer	56	May 16, 2006	Dalex and Cowrie Limited, RPS Engineering Services (GH) Ltd, Reliance Personnel Services Ltd, Iceberg Ventures (GH) Ltd, Sixth Parl Company Ltd
Kofi Owusu	Non-Executive Director	55	May 18, 2007	ZAC Company Ltd, Surface Energy Co. Ltd, Reliance Logistics Ltd, Kayles Construction Company Ltd, ZAC Computers Ltd
Roland Akosah	Non-Executive Director	60	June 20, 2012	Pelsa Properties Ltd, Quantum Mining Ltd, Eno International Investment GH Ltd, Alvanti Properties Ltd, Transgen Heritage Group Ltd, Geopay systems GH Ltd, Ananse Kingdom Ltd
William Owusu	Non-Executive Director	58	May 16, 2006	Glendex Ltd, Fiesta Royale Hotel, Cal Oil Services Ltd
John Kofi Owusu	Non-Executive Director	64	May 16, 2006	Prime Plus Merchants Ltd

10.14.3 Profile of the Directors

(a) **Alex Kwasi Bruks**(Chairman), Ghanaian, 62 years

Mr. Alex Kwasi Bruks has over 30 years of management experience in retail, banking, telecommunications, real estate and personnel management. He holds a Masters in Agriculture Business Management from the Ohio State University and a BSc. Economics from Manchester College in the USA.

In 2001, Mr. Alex Kwasi Bruks left his job as an Investment Officer with the International Finance Corporation (IFC) and founded Bruks Associates, a consulting firm, in Ghana.

The company's financial advisory services secured loans totalling USD 36,000,000 for private companies between 2001 and 2006.

He is the founder and Chairman of Dalex. He also serves as the Chairman and CEO of Reliance Personnel Services Limited and he is the Executive Chairman of RPS Engineering Services and West Coast Brands (Adolfo Dominguez).

In the early 90s, Mr. Alex Kwasi Bruks served as the director for Private Sector Development (Trade and Investment) for the Africa region whilst working for USAID in Washington, D.C. He was also the Assistant Branch Chief with the Commodity Credit Corporation, a private company established by the United States Department of Agriculture.

(b) **Kenneth Kwamina Thompson** (*Chief Executive Officer*), Ghanaian, 56 years

Mr. Kenneth Kwamina Thompson has been a shareholder of Dalex since its incorporation in 2004 and has been the Chief Executive Officer of Dalex since 2006. He has helped grow Dalex as a start-up company with 3 employees to over 2200 employees, 10 branches and 95 Sales Points in 11 years.

Mr. Kenneth Kwamina Thompson is a fellow of the Institute of Chartered Accountants in England & Wales. He holds a BSc Administration (Accounting Option) from the University of Ghana, Legon.

Mr. Kenneth Kwamina Thompson is also a founding shareholder and Executive Director for Reliance Personnel Services Company Limited (RPS) which currently has a staff strength of over 1,200 and RPS Engineering Services Company. He is a director of RPS Engineering Services Company Limited (RPS) which provides telecoms engineering services. He is a director of Ghana Grid Company and Unique Insurance Company Limited.

Mr. Kenneth Kwamina Thompson has worked with the following institutions:

- Bruks Associates from 2004 to 2006;
- Fidelity Equity Partners as the Head of Funds Management from 1999 to 2004;
- Barclays Bank PLC, United Kingdom as the Assistant Operations Audit Manager from 1997 to 1999;
- Turning Point, United Kingdom as Operations Manager from 1996 to 1997;
- Northamptonshire County Council, United Kingdom as a Principal Auditor from 1991 to 1995; and
- UHY Hacker Young, United Kingdom as an Audit Senior from 1985 to 1991.

(c) **Kofi Owusu** (*Non-Executive Director*), Ghanaian, 55 years

Kofi Owusu is intrepid entrepreneur with wide experience recognizing and exploiting business opportunities in various sectors including Heating, Ventilation and Air Conditioning ("HVAC"), Information Technology and Logistics.

Kofi is the founder and Executive Chairman of Zac Computers Limited. He is also the Managing Director of Reliance Logistics Ltd. He has also had extensive management experience working in the USA with several companies including JC Penney Insurance Company Limited. Kofi holds a BA in Marketing from University of Texas, Arlington, USA.

(d) **Roland Akosah** (*Non-executive Director*), Ghanaian, 60 years

Mr. Akosah holds an MBA from the Wharton School of the University of Pennsylvania and a Bachelor's Degree in Economics & Statistics from the University of Ghana, Legon.

He is the founder and CEO of ENO International, LLC, a privately-held firm founded in 1994, which invests largely in start-up companies.

Prior to becoming an entrepreneur, Mr. Akosah has had corporate careers at SallieMae Corporation (a higher education financier), United Technologies (an industrial conglomerate), and IBM. His varied areas of responsibilities in his career have included contract negotiations and technology management (at SallieMae), business planning, analysis, and management reporting (at the North American Operations of the Otis Elevator Division of United Technologies), forecasting the personal computer systems and telecommunications marketplace in the United States (at IBM).

Mr. Akosah serves on several boards. These boards include the Multimedia Group, (the largest privately-held media company in Ghana); Dalex; FOCOS, a world-class orthopaedic hospital; the National Partnership for Children's Trust, a charity that awards scholarships and educational material to bright but needy students, National Investment Bank Ghana Limited as well as Garden City University College. He is a fellow of the West African Leadership Initiative of the Aspen Institute (USA), which is committed to advancing enlightened citizenship around the world.

(e) **William Owusu** (*Non-executive Director*), Ghanaian, 58 years

Mr. William Owusu holds a BA (Hons) in Accounting from the City University of London.

He is currently a director of Cal Oil Limited, Glendex Limited and Fiesta Royale Hotel.

(f) **John Kofi Owusu** (*Non-executive Director*), Ghanaian, 64 years

Mr. John Kofi Owusu holds a diploma in Production Technology from the Liverpool College of Building (UK). He is a certified member of the Institute of Wood Science (UK).

Mr. John Kofi Owusu was an executive chairman of Hanmax Veneer and Plywood Limited. He was also the former Chief Executive Officer of the Fiesta Royale Hotel Limited, the chairman of the board of directors of St. Joseph Senior High Technical School and a former board member of National Investment Bank.

10.14.4 Board Committees

The Dalex Board has 2 committees i.e. the Audit and Finance Committee and the Credit Committee. The details of the committees of Dalex are as follows:

Table 10: Board Committee

Finance and Audit Committee	
Membership	Terms of Reference of the Committee
<p>An independent non-executive director as chairman and 3 directors</p> <p>Current Members:</p> <ul style="list-style-type: none"> • Mr. Roland Akosah-Chairman; • Mr. William Owusu; and • Mr. Kenneth Thompson. 	<p>The Committee shall among other responsibilities assigned to it by the Dalex Board:</p> <ul style="list-style-type: none"> • ensure the integrity of financial statements and adequacy of internal controls, act as liaison between shareholders and independent auditors, ensure compliance with regulatory requirements and supervise the management of the Company's assets and liabilities; • appoint Auditors, recommend the Audit Fees, define scope of the audit, and consult with auditors on their audit plan; • review the procedures and results for internal audit and control; • consult with independent auditors regarding adequacy of internal Controls; • review annual and quarterly financial statements; • review examination reports of supervisory authorities; • review reports and recommendations generated by internal and external auditors and ensure that corrective action is implemented by management; • review and monitors the Company's budget and make suggestions before budget presentation to the full board; • supervise the management of credit, interest and liquidity risk and the management of the Company's assets and liabilities; and • discuss and evaluate the impact of regulatory & general economic trends on the Company's performance and advice Management.

Credit Committee	
Membership	Terms of Reference of the Committee
At least 2 independent non-executive directors	The Committee shall:
Current members:	<ul style="list-style-type: none"> • monitor portfolio quality and compliance with credit policies and applicable regulations; • ensure lending policies are adequate; • ensure lending activities follow institutional policy as well as applicable laws and regulations; • monitor loan portfolio quality, recognize adverse trends, and ensure appropriate corrective action is taken; • set provision and write-off policy and ensure compliance with prudential requirements of the Bank of Ghana which requires adequate impairment provisions for all loans; • evaluate credit applications and make credit decisions for larger; and • loans that are beyond the authorized limit of executive management.
<ul style="list-style-type: none"> • Mr. Alex Bruks; • Mr. Kofi Owusu; and • Mr. Kenneth Thompson. 	

10.14.5 Other Director Matters

(a) ***Conflicts of Interest***

The Issuer is not aware of any conflicts, or any potential conflicts, between the duties of the Directors to the Issuer and their private interests or other duties. The Directors are not permitted to participate in the Programme.

(b) ***Directors' Interest in the Shares of the Issuer***

The following directors hold shares of the Issuer

Shareholder	Number of Shares	Percentage Shareholding
Alex Kwasi Bruks	4,325,800	43%
Kenneth Kwamina Thompson	804,800	8%
Kofi Owusu	503,000	5%

(c) ***Directors' Remuneration & Benefits***

The aggregate of Directors' remuneration for the year ended December 31, 2016 is GHS 674,918.

10.14.6 Key Management of the Issuer

The details of the key management of the Issuer are as follows:

(a) **Kenneth Kwamina Thompson** (*Chief Executive Officer*)

Please see [section 10.7.3\(a\)](#) above for his profile.

(b) **Joseph Gyakyé Jackson** (*Director, Business Operations*)

Mr. Jackson is a successful entrepreneur in both Ghana and Nigeria.

He was the founder and CEO of the pioneer software house in Ghana, “the SOFTtribe”, which has been in operation for over 17 years. He has established a successful computer software business in Nigeria in 2006 which he sold off at the end of 2011.

In 2012, Mr. Jackson became a member of a “husband-and-wife team” at Rainbow Consult. He was influential in the development of strategy for the small and medium scale enterprises markets at several financial institutions including Fidelity Bank, Bond Financial Services, and Dalex.

In 2013, he became the Director of Business Operations with additional responsibility for Corporate Strategy at Dalex. Mr. Jackson is also an expert in the use of design thinking for corporate innovation and growth solutions.

(c) **Richard Obeng Dwamena** (*Head, Finance and Credit Operations*)

Richard Obeng Dwamena is a Chartered Accountant and a member of the Institute of Chartered Accountants (Ghana). He also holds a BSc. (Hons) in Applied Accounting from the Oxford Brookes University (UK).

He has had extensive experience in the accounting field having worked for firms such as ‘MGI HydeFynn & Osei’ and ‘Kissi Consult’. In his 8 years at Dalex, Richard has chalked significant achievements including being instrumental in the reorganization policies and procedures of the Dalex’s Finance Department to reflect the increased volumes of business and to utilize Information Technology effectively.

(d) **Mutawakil Alhassan** (*Finance and Business Partner*)

Mutawakil Alhassan is a chartered accountant and a member of the Institute of Chartered Accountants Ghana. He also holds a Bachelor of Commerce degree from the University of Cape Coast, Ghana. He has held senior management positions in various organizations including MTN Ghana as Project Finance Manager and RPS Engineering Services Limited as Chief Finance Officer.

His last 12 years of work experience covers various positions including Accounts Receivable, Accounts Payable and Project Financial Management and Reporting.

(e) **Patience Dordunu** (*National Sales Coordinator*)

Patience Dordunu has worked in Dalex Finance since 2012, she started her career at Dalex as a Sales Executive and worked her way up to become Sector Sales Manager in 2014. In April 2016, she became the National Sales Coordinator of Dalex. As National Sales Coordinator Patience has achieved salary loan sales of GHS 110,000,000 over a nine-month period and set up 25 sales offices for Dalex Finance in strategic locations to boost sales and increase the market coverage of Dalex.

Patience holds a BSc in Accounting from the University of Professional Studies and an LLB from the Mountcrest University College and has attended a number of courses and seminars on sales team management and management.

10.15 RELATED PARTY TRANSACTIONS

The related party transactions for the years ended 31 December 2014, 2015 and 2016 comprised of loans given to junior and senior officers and are presented in the table below:

Related Party	2014	2015	2016
Senior Officers	38,727	53,648	43,953
Junior Officers	177,583	410,536	640,175
TOTAL	216,310	464,184	684,128

10.16 AFFILIATE COMPANIES

The Issuer has 3 affiliate companies. The details of the affiliates, their authorised businesses and shareholding are set out below:

NAME OF COMPANY	SHAREHOLDERS/ PERCENTAGE HOLDING	NATURE OF BUSINESS	DIRECTORS
Dalex Capital Management Limited	Alex Kwasi Bruks – 99.83% Rose Kessie – 0.16%	<ul style="list-style-type: none"> Managing Investments for Individuals and corporate institutions; Project Development Advisory Services including sourcing loans; Advice on corporate mergers acquisitions and restructuring; Establishing mutual funds to harness investments from non-resident Ghanaians and the informal sector; Raise money for corporate clients through the sale of commercial paper, corporate bonds and equity placement; Manage pension funds; and Offer Brokerage services. 	<ul style="list-style-type: none"> Alex Kwasi Bruks; Rose Kessie; Kofi Asamoah Addo
Reliance Personnel Services Limited	Alex Kwasi Bruks - 50% John Warmann- 25% Kenneth Kwamina Thompson-25%	<ul style="list-style-type: none"> Personnel Supply Services, Recruitment, Employment Agency. 	<ul style="list-style-type: none"> Alex Kwasi Bruks; John Warmann; Kenneth Kwamina Thompson.
RPS Engineering	Jemima Kukua Ansah- 3% Kofi Owusu-11% Oswald Oduro-Gyimah-10% John Warmann- 11% Kenneth Kwamina Thompson-17% David Fiifi Hasford- 10% Africanus Mensah- 8% Alex Bruks-30%	<ul style="list-style-type: none"> Telecoms and utility infrastructure developers, telecommunication engineering services, Building industry consulting services for commercial, industrial and residential projects. 	<ul style="list-style-type: none"> Africanus Mensah. Jemima Kukua Ansah. Alex Kwasi Bruks. Kofi Owusu. Oswald Oduro-Gyimah. John Warmann. Kenneth Kwamina Thompson; David Fiifi Hasford.

10.17 INDEBTEDNESS OF THE ISSUER

At the date of this prospectus, the Issuer had no outstanding indebtedness.

10.18 EMPLOYEES

As at December 2017, the Issuer employs 2,195 persons, of which 247 are permanent staff, 28 contract staff and a commission only sales force of 1,920 who have no formal contract with the

Issuer. Employees of the Issuer are not unionized and have no collective bargaining agreement. The table below gives a breakdown of the Issuer's employees:

Category	2014	2015	2016	2017
Executive	5	5	4	4
Managers	10	11	12	14
Officers	108	127	159	229
Contract Staff	7	12	17	28
Sales Executives	812	1,214	1,453	1,920
Total	942	1369	1645	2,159

10.19 IMMOVABLE PROPERTY

The Issuer rents all of the properties it uses for its operations. The details of the Issuer's tenancy agreements in respect of its business premises are as follows:

11 Table 10: Schedule of Issuer's Immovable Property]

Location	Interest	Use
The Basement, Ground, 1 st and 2 nd Floors of House Number 114/3 Farrar Avenue, Adabraka, Accra	Tenancy for 5 years from May 1, 2016 with an option to renew for a further 5-year term.	Head Office
House Number C3202/2 Office at Farrar Avenue, Adabraka, Accra	Tenancy for 2 years which commenced on October 1, 2014. The tenancy has been extended for an additional period of 12 months ending October 31, 2018.	This premise is used as the Dalex Swift Office
Owusu Yeboah, Opposite Greenlight Pharmacy, Sunyani	Tenancy for 5 years, 8 months. The tenancy commenced on July 1st, 2017 and is to end on June 30th, 2022.	Sunyani Branch Office
Room 3, of the 2 nd Floor of House No. 57/7, near Ho Housing Estate, Ho.	Tenancy for 5 years with an option to renew for a further 5-year term. The tenancy commenced on October 1, 2014 and is to end on October 2, 2019.	Ho Branch Office
Ward E41B (Stores 4, 5 & 6) opposite the OLA Catholic Cathedral Chagil Tamale	Tenancy for 5 years with an option to renew for a further 5-year term. The tenancy commenced on April 1, 2011. The tenancy has been extended for a further period of 5 years and is to expire on March 31, 2021.	Tamale Branch Office
2nd Floor of Property on Block 24 A, Block XI, Old Amakom, Kumasi	Tenancy for 5 years from August 15, 2014. Dalex has the option to renew the tenancy upon its expiration for a further term.	Kumasi Branch
Dufie House, C 371/3 Samora Michel Road, Asylum	Tenancy for 4 years from March 12th, 2017. The tenancy was extended upon its expiration in March 11th, 2021. For a further term of 4 years.	Accra Branch (Asylum Down)
Ground floor of one storey building at Alhaji I.D. Danladi Palace near Tigo office. Bolgatanga	Tenancy for 4 years from September 21, 2015 to September 21, 2018. Dalex has the option to renew the tenancy upon its expiration for an additional term of 3 years.	Bolgatanga Branch Office
Biney Plaza, Near Koforidua Stadium and the Gallay Junction, Koforidua	Tenancy for 5 years from July 1st, 2017 to June 30th, 2022. Dalex has the option to renew the tenancy upon its expiration for an additional term of 2 years.	Koforidua Branch Office
2 units, measuring 46 square metres in Amonoo Niezer Fie on Collins Avenue, Takoradi.	Tenancy for 3 years from December 1, 2016 to December 30, 2019. Dalex has the option to renew the tenancy upon its expiration for an additional term of 3 years.	Takoradi Branch Office

10.20 DIVIDEND POLICY

The Issuer has not paid any dividends since incorporation and does not have a policy in respect of dividend payments.

10.21 INSURANCE

The Issuer holds valid insurance policies covering the following designated risks and assets:

Table 13: Schedule of Issuer's Insurance Policies

Insurer	Policy Type	Start Date	Expiry Date
Vanguard Life Assurance Company	Group Life (Employee Risk Benefit Plan)	August 28, 2017	August 27, 2018
Hollard Insurance	Bankers Indemnity	November 29, 2017	November 28, 2018
Nsia Insurance	Assets All Risk	June 6, 2017	June 4, 2018

10.21 CORPORATE SOCIAL RESPONSIBILITY

Dalex is committed to being a leader, not only as a provider of quality financial services, but as a responsible corporate citizen by giving back to the communities in which it does business. The Issuer's Corporate Social Responsibility focus is on health and education which are some of the most important but deficient areas in our society. Dalex is committed to making the lives of others better by contributing towards making communities worth living in.

In 2014, the Issuer was one of the foremost companies in Ghana to recognise the looming danger of an outbreak of the deadly Ebola Virus Disease ("**Ebola**") and proposed a response to the threat. The Issuer collaborated with United Nations International Children's Fund ("**UNICEF**") Ghana and the Business and Financial Times ("**B&FT**") in the formation of the Ebola Education Fund ("**EEF**"). This effort encouraged many other local companies to contribute to the Ebola prevention effort which was a success by all standards since Ghana did not record a single case of Ebola.

Deloitte.

DALEX FINANCE & LEASING COMPANY LIMITED

REPORTING ACCOUNTANT'S REPORT IN
CONNECTION WITH GH¢ 150 MILLION NOTE
PROGRAMME

12. CONDITIONS

The following are the Conditions of the Notes to be issued by the Issuer under the Programme. The Applicable Pricing Supplement in relation to any Series or Tranche may specify other terms and conditions, which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the following Conditions for the purpose of such Series or Tranche. The Conditions, as replaced or modified by the Applicable Pricing Supplement, will be incorporated by reference in each Note.

The Notes are issued subject to the Trust Agreement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Agreement.

Copies of the Trust Agreement are available for inspection by the Noteholders, upon request, at the registered office of the Note Trustee and for so long as any Notes remain outstanding.

1. AUTHORISATION, ISSUE AND SUBSCRIPTION**1.1 Authorisation**

1.1.1 The Notes are issued by the Issuer in accordance with, and subject to, these Conditions, which were approved by resolutions of the Dalex Board, passed on December 19, 2016 and the shareholders of the Issuer passed on December 13, 2016.

1.1.2 A total Principal Amount of GHS 150,000,000 is authorised for issue under this Programme. The Principal Amount of each Note issued by the Directors shall be as recorded in the Applicable Pricing Supplement.

1.2 Issue and Subscription

1.2.1 The Issuer may issue Notes to such applicants and on such dates as the Issuer deems fit. The Issuer reserves the right, in its sole discretion, to refuse any application in whole or in part, or to accept some applications for the Notes in full and others in part, or to refuse all applications for the Notes on any basis determined by it.

1.2.2 Each Note shall be held subject to the Conditions, which Conditions shall be binding on the Issuer and each Noteholder.

1.2.3 The Noteholders are (by virtue of their subscription for, or purchase of, the Notes) deemed to have notice of, entitled to the benefit of, and are subject to, all the provisions of the Trust Agreement.

2. FORM, DENOMINATION, TITLE AND TRANSFER**2.1 Form of Notes**

2.1.1 The Notes are in dematerialised form and will be electronically maintained on the CSD with an identifying number that will be recorded in the Register.

2.1.2 All Noteholders will be required to open and maintain CSD accounts, which will be credited with the Notes upon issue.

2.2 Denomination of Notes

Notes shall be issued in the Currency specified in the Applicable Pricing Supplement.

2.3 Title to the Notes

2.3.1 Title to the Notes shall pass by registration in the Register, unless Applicable Laws provide otherwise or provide for additional formalities for

transfer of title. In so far as Applicable Law requires notification to the debtor for a valid transfer of title to the Notes, the registration of the transfer in the Register shall constitute evidence of this notification. Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder, as reflected in the Register, shall be deemed to be and may be treated as the absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Noteholder.

2.3.2 The Issuer shall issue a single Global Note Certificate to the Note Trustee in respect of each series or tranche of Notes. The CSD shall maintain a record of Noteholders' respective electronic book entries in the Register, showing the particulars of Noteholders and their respective holdings.

2.3.3 The Issuer, Note Trustee, and CSD shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of change of ownership or writing thereon or notice of any previous loss or theft thereof) and the Note Trustee shall not be bound to request in writing the CSD to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which the Notes may be subject.

2.4 **Transfer of Notes**

2.4.1 No transfer of Notes may be registered unless a form of transfer has been delivered to the CSD as per the rules of CSD relating to transfer of securities. Each form of transfer shall be in writing in the usual form or in any other form approved by the CSD. Each form shall be signed by the Noteholder or his duly authorised agent and be delivered to the CSD in respect of the Notes to be transferred and such evidence as to identity, title, authority and legal capacity of the transferor and transferee and their respective agents, if any, as the Issuer or the CSD, may reasonably require (the **Transfer Form**).

2.4.2 The Register shall contain the name, address and bank account details of the Noteholders. The Register shall set out the Principal Amount of the Notes issued to any Noteholder and shall show the date of such issue, the date upon which the Noteholder became registered as such and the unique serial numbers of all securities as pertains in the CSD system.

2.4.3 The CSD shall make information on Noteholders contained in the Register available to any Noteholder, or any person authorised in writing by the Noteholder as they may reasonably request. The CSD shall not record any transfer other than on Business Days or while the Register is closed.

2.4.4 The Register shall be closed during the Book Closure Period. Noteholders entitled to participate in a distribution of Interest, or a Redemption Amount shall be those registered as such on the Last Day to Register.

2.4.5 The CSD shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with these Conditions.

2.4.6 In the case of an exercise of the Issuer's right to Early Redemption or a partial redemption of a holding of Notes held in the CSD system, the CSD will change the holdings in the Register to reflect the redemption and the balance of the holding not redeemed.

- 2.4.7 Exchange and transfer of Notes and securities on registration, transfer, partial redemption or exercise of an option shall be effected according to the rules of the CSD and subject to charges by the CSD and brokers.
- 2.4.8 No Noteholder may require the transfer of a Note to be registered during a Book Closure Period, after any such Note has been called for Redemption, or (in the case of a partial redemption of Notes) during the period beginning on the 5th Business Day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

3. STATUS

3.1 Status of the Senior Notes

The Senior Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall rank *pari passu* among themselves and (save for certain obligations required to be preferred by Applicable Law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

3.2 Status of the Subordinated Notes

The Subordinated Notes constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall rank *pari passu* among themselves and equally with all other present and future unsecured and subordinated obligations of the Issuer, from time to time outstanding.

4. NEGATIVE PLEDGE

So long as any Note remains outstanding, the Issuer shall not create, incur, assume or permit to arise or subsist any Encumbrance other than a Permitted Encumbrance upon the whole or any part of its undertakings, assets or revenues, present or future, to secure any Financial Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes:

- (a) are secured equally and rateably therewith, to the satisfaction of the Note Trustee;
- (b) have the benefit of such other arrangement as shall be approved by a Special Resolution (as defined in the Trust Agreement) of the affected Noteholders.

5. INTEREST

5.1 Interest on Fixed Rate Notes

- 5.1.1 Each Fixed Rate Note bears Interest on its outstanding Principal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate, with such Interest being payable in arrears on each Interest Payment Date up to the Maturity Date.
- 5.1.2 If a Fixed Coupon Amount or a Broken Amount is specified in an Applicable Pricing Supplement, the amount of Interest payable on each Interest Payment Date in respect of the Fixed Interest Period will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and, in the case of the Broken Amount, will be payable on the particular Interest Payment Date(s) specified hereon.

5.2 Interest on Floating Rate Notes

5.2.1 Interest Payment Dates

Each Floating Rate Note bears Interest on its outstanding Principal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate, with such Interest being payable in arrears on each Interest Payment Date up to the Maturity Date.

5.2.2 *Business Day Convention*

5.2.2.1 If any date referred to in these Conditions would otherwise fall on a day that is not a Business Day then such date is subject to adjustment by:

- (a) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;
- (b) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day;
- (c) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

5.2.3 *Interest Rate for Floating Rate Notes*

5.2.3.1 The Interest Rate payable, from time to time, in respect of the Floating Rate Notes shall be determined in the manner specified in the Applicable Pricing Supplement.

5.2.3.2 The Interest Rate for each Interest Period shall be either

- (a) the offered quotation; or
- (b) the arithmetic mean (rounded if necessary to the second decimal place, with 0.002 being rounded upwards) of the offered quotation,

(expressed as a percentage rate *per annum*) for the Reference Rate (as specified in the Applicable Pricing Supplement), in the case of Government of Ghana treasury bill rate on the relevant Interest Determination Date (as specified in the Applicable Pricing Supplement) plus or minus the margin (if any), all as determined by the Calculation Agent.

5.3 **Accrual of Interest**

Interest shall cease to accrue on each Note on the Redemption Date, unless payment of the Principal Amount is improperly withheld or refused, in which event, Interest shall continue to accrue (before as well as after judgment) at the Interest Rate in the manner provided in this Condition 5 to the date of actual payment.

5.4 Minimum Interest Rate and/or Maximum Interest Rate

- 5.4.1 If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period (determined in accordance with this Condition 5) is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.
- 5.4.2 If the Applicable Pricing Supplement specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period (determined in accordance with this Condition 5) is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

5.5 Calculation of Interest

- 5.5.1 The Interest payable in respect of any Note for any Interest Period shall be calculated by multiplying the Interest Rate and the outstanding Principal Amount by the applicable Day Count Fraction, unless the amount of Interest (or a formula for its calculation) is specified in the Applicable Pricing Supplement in respect of such Interest Period (the **Applicable Pricing Supplement Interest Amount**), in which case the Interest payable in respect of such Note for such Interest Period shall equal the Applicable Pricing Supplement Interest Amount. Where any Interest Period comprises 2 or more Interest Periods, the amount of Interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Periods.
- 5.5.2 “**Day Count Fraction**” in this Condition 5 means:
- (a) if “Actual/365” or “Actual/Actual” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
 - (b) if “Actual/365 (Fixed)” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
 - (c) if “Actual/360” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360; and
 - (d) if “30/360”, “360/360” or “Bond Basis ” is specified in the Applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12, 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).
- 5.5.3 For the purposes of any calculations of Interest required pursuant to these Conditions (unless otherwise specified):

- (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (b) all Interest and Interest Rate figures shall be rounded to 2 decimal places (with halves being rounded up); and
- (c) any Currency amount that falls due and payable shall be rounded to the nearest unit of the Currency (with halves being rounded up). For these purposes “unit” means the lowest amount of the Currency.

5.6 **Determination and Notification of Interest Rate, Interest and Redemption Amount**

5.6.1 *Determination of Interest*

5.6.1.1 The Calculation Agent shall (as soon as practicable after the Relevant Time or as it may be required to) determine any Interest Rate, obtain any quotation, or calculate any Interest or Redemption Amount or other amount (as the case may be) and the relevant Interest Payment Date for review by the Note Trustee.

5.6.1.2 The Calculation Agent shall (as soon as practicable on the first day of the Book Closure Period) determine the Interest Rate, obtain the quotation, or calculate the Interest or Redemption Amount or other amount (as the case may be) and the relevant Interest Payment Date for review by the Note Trustee.

5.6.2 *Notification of Interest*

5.6.2.1 In relation to the determination under Clause 5.6.1.1 the Calculation Agent shall cause:

(a) the determination of such Interest Rate, obtaining of such quotation, or calculation of such Interest or Redemption Amount or other amount (as the case may be) and the relevant Interest Payment Date, to be notified to the Issuer and the Note Trustee; and

(b) the Interest Rate and the relevant Interest Payment Date to be notified to the Noteholders.

no later than the 4th Business Day after such determination or calculation.

5.6.2.2 In relation to the determination under Clause 5.6.1.2 the Calculation Agent shall cause the determination of such Interest Rate, obtaining of such quotation, or calculation of such Interest or Redemption Amount or other amount (as the case may be) and the relevant Interest Payment Date, to be notified to the Issuer, the Note Trustee and the Noteholders, no later than the 4th Business Day after such determination or calculation.

5.6.2.3 Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5.2.2 (*Business Day Convention*), the Interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

5.6.3 *Finality of Determination*

The determination of any rate or amount, the obtaining of any quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified thereon at its Final Redemption Amount.

6.2 Early Redemption

The Early Redemption Amount payable in respect of any Note shall be the Final Redemption Amount unless otherwise specified in the Applicable Pricing Supplement.

6.3 Optional Redemption

6.3.1 The Notes may be redeemed at the option of the Issuer in whole or in part at any time, on giving not less than 30 Business Days' but no more than 60 Business Days' notice to the Noteholders (which notice shall be irrevocable), at the Principal Amount, together with Interest accrued to the Redemption Date, if (immediately before giving such notice) the Issuer satisfies the Note Trustee that the Issuer has or will become obliged to pay any Additional Amount. Prior to the publication of any notice of redemption pursuant to this Condition 6.3, the Issuer shall deliver or procure delivery to the Note Trustee of:

- (a) a certificate signed by 2 Directors of the Issuer stating that the obligation to pay an Additional Amount has occurred or will occur (irrespective of whether the obligation is then effective); and
- (b) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing, to whom the Note Trustee shall have no reasonable objection, to the effect that the Issuer:
 - (i) has or will become obliged to pay any Additional Amounts; or
 - (ii) has or will become obliged to make any additional withholding or deduction as a result of such change or amendment in Applicable Laws (irrespective of whether the obligation is then effective).

6.3.2 The Note Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in Condition 6.3.1(a) and Condition 6.3.1(b) above. Upon expiry of any such notice as referred to in this Condition 6.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 6.3.

6.3.3 All Notes in respect of which an Exercise Notice is served shall be redeemed, on the date specified in such notice in accordance with this Condition 6.

6.3.4 In the case of a partial redemption pursuant to a Call Option, the notice to Noteholders shall also contain the applicable Notes to be redeemed. In the case of a partial redemption, each Note in a Series or a Tranche shall be redeemed in the same percentage of its Principal Amount outstanding. In the case of partial redemption of all Notes, each Series or Tranche shall be redeemed in that percentage of the funds available for payment in redemption as the aggregate Principal Amount outstanding in that Series or

Tranche bears to the aggregate Principal Amount of all Notes outstanding and each Note in the Series or Tranche shall be redeemed in the same percentage of Principal Amount outstanding, subject to compliance with any Applicable Laws.

- 6.3.5 The Issuer may at any time purchase or procure others to purchase for its account the Notes at any price in the open market or by tender or by private treaty. Notes so purchased may be held or resold or surrendered for cancellation, at the option of the Issuer. Any Notes so purchased, while held by or on behalf of the Issuer or any Affiliates, shall not entitle the Noteholder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Noteholders.
- 6.3.6 Notes purchased by or on behalf of the Issuer, or any Affiliates may be cancelled and if so, together with all Notes redeemed by the Issuer, may not be reissued or resold and the obligations of the Issuer in respect of any cancelled Notes shall be discharged. Notes that have been cancelled shall be notified to the CSD.
- 6.3.7 Notwithstanding any provision in this Condition 6, the Issuer shall not redeem any of the Notes within 12 months of the relevant Issue Date.

7. PAYMENTS

7.1 General

Payments of Interest, Principal Amounts and Redemption Amounts shall be made by the Issuer *via* electronic funds transfer to the account designated for the purpose by the Paying Bank (the **Trust Account**) by 9:00 am on 4th Business Day before the Redemption Date or Interest Payment Date. Such payment into the Trust Account by the Issuer shall be a valid discharge by the Issuer of its obligation to pay Interest, the Principal Amount or the Redemption Amount on Redemption, as the case may be.

7.2 Payment Upon Redemption

Interest and Principal Amounts due on Redemption shall only be payable, in respect of Interest, to Noteholders registered as such on the Last Day to Register immediately preceding the Interest Payment Date in question, and, in respect of Redemption, to Noteholders registered as such on the Last Day to Register prior to the Redemption Date.

7.3 Methods of Payment

Payments of Principal Amount and Interest in respect of the Notes shall be made in GHS when due and the amounts credited *via* bank transfer or cheque payment to Noteholders. All payments of Principal Amount and Interest in respect of the Notes are subject, in all cases, to any Applicable Laws, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

7.3.1 *Electronic Transfers*

Where payment is to be made by electronic transfer to a designated account, payment instructions (for value on the due date or, Business Day Convention per the Applicable Pricing Supplement) will be initiated (i) on the due date for

payment, and (ii) on the due date for payment (in the case of Interest due other than on Redemption).

7.3.2 *Payment by Cheque*

- 7.3.2.1 Payments of Interest, Principal Amounts and Redemption Amounts may be made by cheque mailed to the Noteholder's address in the Register if it does not have a bank account, as indicated by the Noteholder on the application form.
- 7.3.2.2 Cheques in payment of Interest, Principal Amounts and Redemption Amounts shall be drawn on the Note Trustee and issued by the Note Trustee. Payment of cheques shall be a valid discharge by the Note Trustee of the obligation upon it to pay Interest, Principal Amounts and Redemption Amounts, as the case may be.
- 7.3.2.3 Cheques shall be made payable to the order of (i) the registered Noteholder or (ii) such other person as may have been notified in writing to the Note Trustee by the registered Noteholder (accompanied by the address of that person and such proof of authority as the Issuer or the Note Trustee may require) not later than the Last Day to Register in respect of the relevant Interest Payment Date or Redemption Date, as the case may be.
- 7.3.2.4 Cheques shall be dated with the relevant Interest Payment Date or Redemption Date, as the case may be, and shall therefore be payable on that date.
- 7.3.2.5 Cheques shall be posted to the Noteholder entitled thereto, or such person notified by the Noteholder to the Note Trustee in terms of Condition 7.3.2.3:
- (a) in the case of Interest, 1 Business Day before the relevant Interest Payment Date; or
 - (b) in the case of Redemption Amounts, 1 Business Day before the Redemption Date.
- 7.3.2.6 Cheques shall be posted by registered post, provided that neither the Issuer nor its agents shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 7.
- 7.3.2.7 If written notice of the intention to collect a cheque is given to the Note Trustee at least 15 Business Days before the relevant Interest Payment Date or Redemption Date, the cheque shall be available for collection by the Noteholder or other person entitled pursuant to Condition 7.3.2.3 at the office of the Note Trustee:
- (a) in the case of Interest, on the relevant Interest Payment Date; or
 - (b) in the case of Redemption, on the Redemption Date.
- 7.3.2.8 If a cheque is not collected within 2 Business Days of the date for collection set forth in Condition 7.3.2.7 above, the cheque shall be posted to the Noteholder or other person entitled thereto at his/her/its address set out in the Register (or to such other

address as may have been notified in writing to the Note Trustee not later than the relevant Last Day to Register).

7.4 Partial Payments

If at any time a partial payment of Principal Amount and/or Interest is made in respect of any Note, the CSD shall endorse the Register with a statement indicating the amount and date of such payment.

7.5 Unclaimed Payments

The Issuer shall submit a report of any unclaimed payments of Principal Amounts and Interest to the SEC on an annual basis.

8. TAXATION

All payments made by the Issuer to the Noteholders in respect of the Notes will be subject to withholding tax under the Income Tax Act, except where the Noteholder is exempt under Applicable Laws. The Issuer shall not be required to gross up any interest payments on account of any reduction resulting from withholding tax.

9. PRESCRIPTION

Claims against the Issuer for payment of Principal Amount or Interest in respect of the Notes, shall become void unless presented for payment within 6 years from the date on which such payment first becomes due.

10. MEETINGS OF NOTEHOLDERS, AMENDMENT, MODIFICATION, WAIVER AND SUBSTITUTION

10.1 Meetings of Noteholders

10.1.1 The Trust Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification of these Conditions and the Trust Agreement. Noteholder meetings may be convened by the Issuer or by the Note Trustee and shall be convened by the Issuer or the Note Trustee if so requested in writing by the Noteholders, holding not less than 30% in aggregate of the total Principal Amount of the Notes then outstanding.

10.1.2 The quorum at any such meeting for passing a Special Resolution shall be as stated in the Trust Agreement.

10.1.3 A decision to:

- (a) amend the Maturity Dates or Redemption of any of the Notes, any Interest Payment Date on the Notes;
- (b) reduce or cancel the Principal Amount of, or any premium payable on Redemption of, the Notes;
- (c) reduce the Interest Rate/s in respect of the Notes or to vary the method or basis of calculating the amount of Interest, Interest Rate/s or the basis for calculating any Interest in respect of the Notes;
- (d) if a Minimum Interest Rate and/or a Maximum Interest Rate is shown hereon, reduce any such Minimum and/or Maximum;

- (e) vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount;
- (f) vary the Currency or Currencies of payment of the Notes; or
- (g) modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment of such meeting or the majority required to pass the Special Resolution, may only be taken following approval by a Special Resolution.

10.1.4 Any Special Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

10.2 **Modifications & Waiver**

10.2.1 The Note Trustee may agree, without the consent of the Noteholders, to effect:

10.2.2 any modification of any provision of the Trust Agreement or the Notes (including these Conditions) which is of a minor nature or is made to correct a manifest error in the opinion of the Note Trustee, provided that such modification is not prejudicial to the interests of the Noteholders; and

10.2.3 any other modification and any waiver or authorisation of any breach or proposed breach of any provision of these Conditions or the Trust Agreement which are in the opinion of the Note Trustee, not materially prejudicial to the interests of the Noteholders, provided that no such modification shall be permitted unless an opinion of legal counsel is delivered to the Note Trustee to the effect that the Noteholders will be subject to Ghana tax on the same amount, and in the same manner, and at the same times as would have been the case if such modification had not occurred.

10.2.4 The Note Trustee may take into account, among other things, any confirmation from the rating agencies that the then current ratings of the relevant Notes would not be adversely affected in considering whether any such modification, waiver or authorisation would be materially prejudicial to the interests of the Noteholders.

10.2.5 Any such modification, waiver or authorisation may be given or made on such terms and subject to such conditions as the Note Trustee may in its sole discretion determine and shall be binding on the Noteholders. Unless the Note Trustee otherwise agrees, the Note Trustee shall cause such modification to be notified to the Noteholders within 5 Business Days after modification, provided that the Note Trustee shall not exercise any powers conferred upon it by this Condition 10 in contravention of any express direction by a Special Resolution or a request in writing made by the Noteholders of not less than 30% in aggregate Principal Amount of the affected Notes then, outstanding (provided that no such direction or request shall affect any authorisation, waiver or determination previously given or made).

10.3 **Substitutions**

10.3.1 The Note Trustee may, without the consent of the Noteholders, agree on such terms as it may specify to the substitution of the Issuer's successor in business where the substitution of the Issuer is as a result of a merger, an acquisition, or other form of business combination involving the Issuer.

10.3.2 Subject to obtaining the prior consent of the Noteholders, the Note Trustee may agree on such terms as it may specify to the substitution of the Issuer where the Issuer is substituted with its Affiliate in its place as issuer under the Trust Agreement and the Notes.

11. NOTICES

- 11.1 Notices to Noteholders will be deemed to be validly given if: (i) sent by first-class mail (airmail if overseas) to them (or, in the case of joint holders, to the first-named in the Register) at their respective addresses as recorded in the Register; or (ii) published in a newspaper of general circulation in Ghana and approved by the Note Trustee. Each such notice shall be deemed to have been validly given on the 10th Business Day after the date of postage.
- 11.2 Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at its registered address and clearly marked on their exterior "*Urgent - Attention: Chief Executive Officer*" (or at such other address and for such other attention as may have been notified to the noteholders in accordance with Condition 11.1). Such notices will be deemed to have been validly given at the opening of business on the next Business Day on which the Issuer's registered address is open for business.
- 11.3 Notices to the Note Trustee will be deemed to have been validly given if delivered to the registered office of the Note Trustee and clearly marked on their exterior "*Urgent - Attention: Director, Treasury.*"

12. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Agreement, create and issue further securities ranking *pari passu* with the Notes or a Series or Tranche in all respects (except for Interest, the first Interest Payment Date and Issue Date) and so that such further issues shall be consolidated and form a single series with the outstanding Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 12. Any such other securities shall be constituted by an addendum to the Trust Agreement.

13. ENFORCEMENT

- 13.1 At any time after the Notes become due and payable, the Note Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Agreement and the Notes, but it need not take any such proceedings unless:
- (a) it shall have been so directed by a Special Resolution or so requested in writing by Noteholders holding, at least, 30% in Principal Amount of the Notes outstanding; and
 - (b) it shall have been indemnified to its satisfaction.
- 13.2 No Noteholder may proceed directly against the Issuer unless the Note Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14. INDEMNIFICATION OF THE NOTE TRUSTEE

- 14.1 The Trust Agreement contains provisions for the indemnification of the Note Trustee and for its relief from responsibility in certain circumstances. Subject to the fiduciary obligations of the Note Trustee to the Noteholders, the Note Trustee may enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Note Trustee is not responsible for the validity, sufficiency or enforceability of the Trust Agreement or the Notes, nor is the Note Trustee obliged to take any action unless indemnified and/or secured to its satisfaction. The Note Trustee is also entitled to be paid its costs and expenses in priority to the claims of the Noteholders.

- 14.2 In the exercise of its powers and discretion under these Conditions and the Trust Agreement (including but not limited to those referred to in this Condition 14), the Note Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence of such exercise for individual Noteholders of Notes, as a result of such Noteholders being connected in anyway with a particular territory or otherwise. The Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15. GOVERNING LAW AND JURISDICTION

- 15.1 The Notes and the Trust Agreement are governed by, and shall be construed in accordance with Ghanaian law.
- 15.2 The courts of Ghana shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes or the Trust Agreement.

16. FINANCIAL COVENANTS

An Applicable Pricing Supplement may contain such financial covenants as may be determined by the Issuer.

17. EVENTS OF DEFAULT

The Note Trustee may (at its discretion) or shall (if so requested in writing by the Noteholders of not less than 30% in Principal Amount of the Notes then outstanding or if so directed by a Special Resolution) (subject in each case to being indemnified and/or secured to its satisfaction), give notice to the Issuer specifying any affected Notes and that such Notes are immediately due and repayable in the Principal Amount together with accrued interest if, in the case of the Notes, any of the following Events of Default occurs:

- (a) **Non-payment:** the Issuer fails to pay the Principal Amount of any of the Notes when the same becomes due and payable either at the Maturity Date, upon Redemption, by declaration or otherwise, or the Issuer is in default with respect to the payment of Interest or Additional Amounts on any of such Notes and such default in respect of Principal Amount, Interest or Additional Amounts continues for a period of 5 Business Days;
- (b) **Breach of Other Obligations:** the Issuer is in default in the performance, or is otherwise in breach, of any warranty, covenant, obligation, undertaking or other agreement, under the Notes or the Trust Agreement (other than a default or breach elsewhere specifically dealt with in this Condition 17(b)). Such default or breach (if capable of remedy) is not remedied within 30 calendar days (or such longer period as the Note Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer and, if applicable, by the Note Trustee;
- (c) **Cross-default:**
- (i) any Financial Indebtedness of the Issuer in excess of GHS 2,000,000 (A) becomes due and payable prior to the due date for payment thereof by reason of any default by the Issuer; or (B) is not repaid at maturity as extended by the grace period, if any, applicable thereto; or
 - (ii) any guarantee given by the Issuer in respect of any Financial Indebtedness to any other person is not honoured when due and called,

provided that the aggregate Principal Amount of such Financial Indebtedness exceeds GHS 2,000,000.

- (d) **Insolvency:**
- (i) any Person shall have instituted a proceeding or entered a decree or order for the appointment of a receiver, manager, administrator, liquidator or rehabilitation manager in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Issuer or all or substantially all of their respective assets and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 Business Days; or
 - (j) the Issuer shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be placed into rehabilitation, adjudicated as bankrupt or shall consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganisation under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, manager, administrator, liquidator, rehabilitation manager or trustee or assignee in bankruptcy or liquidation of the Issuer or in respect of its property, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or the Issuer commences proceedings with a view to the general adjustment of its Indebtedness, which event in any such case is (in the sole opinion of the Note Trustee), materially prejudicial to the interests of the Noteholders; or
- (e) **Substantial Change in Business:** the Issuer makes or threatens to make any substantial change in the principal nature of its business as presently conducted which is (in the sole opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders;
- (f) **Maintenance of Business:** the Issuer fails to take any action as is required of it under the Applicable Laws or otherwise to maintain in effect its corporate existence or fails to take any action to maintain any material rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations which is (in the sole opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders and such failure (if capable of remedy) is not remedied within 30 Business Days (or such longer period as the Note Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer;
- (g) **Material Compliance with Applicable Laws:** the Issuer fails to comply in any material respect with any Applicable Laws for any purpose to enable it lawfully to exercise its rights or perform or comply with its obligations under the Notes or the Trust Agreement or to ensure that those obligations are legally binding and enforceable or that all necessary agreements or other documents are entered into and that all necessary consents and approvals of, and registrations and filings with, any such authority in connection therewith are obtained and maintained in full force and effect;
- (h) **Invalidity or Unenforceability:** the Note Trustee is of the opinion determined in its sole discretion that any of following occurrences in this Condition 17(h) is materially prejudicial to the interests of the Noteholders:
- (i) the validity of the Notes or the Trust Agreement is contested by the Issuer;

- (ii) it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or the Trust Agreement; or
 - (iii) the Issuer shall deny all or any of its obligations set out in the Notes or the Trust Agreement (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise);
- (i) **Government Intervention:**
 - (i) all or any substantial part of the undertaking, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government; or
 - (ii) the Issuer is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets, revenues and, following the occurrence of any of the events specified in this Condition 17(i), the Note Trustee is of the opinion determined in its sole discretion that such occurrence is materially prejudicial to the interests of the Noteholders.
- (j) **Financial Covenants:** If any financial covenant specified in an Applicable Pricing Supplement falls below the required thresholds contemplated therein or in the Applicable Pricing Supplement and the said default is not rectified within 60 clear days; or
- (k) **Negative Pledge:** The Issuer fails to remedy a breach of Condition 4 (*Negative Pledge*) and such failure continues for a period of 10 Business Days after receipt by the Issuer of written notice from any Noteholder or the Note Trustee requiring same to be remedied.

13. SUBSCRIPTION AND SALE INFORMATION

13.1 GENERAL

The Notes will be offered from time to time by the Issuer to the Dealer that is appointed by the Issuer in respect of any Series or Tranche of Notes.

Any agreement for the sale of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be sold by the Dealer and the commissions or other agreed discounts (if any) payable or allowable by the Issuer in the event of an underwriting of the Notes by the Dealer(s).

13.2 APPLICATION PROCEDURE

Application forms (as set out in Appendix B) for the Notes may be obtained from the head offices of the Arranger, Sponsoring Broker, or the Issuer. Applications must be submitted directly to the Arranger or Sponsoring Broker at either of their respective head offices marked for the attention of the “*Chief Executive Officer*”, so as to arrive no later than 17:00 hours GMT on the date specified in the Applicable Pricing Supplement. Successful Applicants will be notified by the Sponsoring Broker or the Arranger of the amount of Notes allotted to them immediately after the allotment date specified in the Applicable Pricing Supplement.

13.3 PAYMENT FOR THE NOTES AND DELIVERY

Payment for the Notes is to be made in full to the Issuer in immediately available funds by the date specified in the Applicable Pricing Supplement. The Notes will be credited electronically on the CSD.

13.4 SETTLEMENT PROCEDURE

Payment of the subscription price for the Notes may be made:

- 13.4.1 By bank transfer or remittance, to be made on the instructions of the successful applicant to his/her/its bank for the funds to be credited to the Issuer's bank account, with details below:

Account Name: **Dalex Finance Note Programme Collection Account**
Bank Name: Fidelity Bank Ghana Limited
Account Number: 1300000434313
Bank Branch: Ridge
Branch Sort Code: 240101
SWIFT: FBLIGHAC

13.5 SELLING RESTRICTIONS

13.5.1 The following are the selling restrictions relating to the Notes:

- (a) the Notes being issued under this Prospectus and the Applicable Pricing Supplement are restricted to distribution only within the Republic of Ghana and not for distribution in any other jurisdiction;
- (b) each Dealer undertakes that:
 - it has complied, and will comply, with all Applicable Laws in relation to any sale or distribution of the Notes; and
 - it will not distribute this Prospectus, any Applicable Pricing Supplement or any related offering material outside Ghana.

- 13.5.2 These selling restrictions may be supplemented or modified with the agreement of the Issuer subject to the approval of the SEC. Any such supplement or modification may be set out in the Applicable Pricing Supplement (in the case of a supplement or modification only relevant to a particular Series or Tranche of Notes) or in a supplement to this Prospectus.



D1/149

16-May-18

The Director-General
Securities and Exchange Commission
30, Third Circular Road
Cantonments, Accra
Ghana

The Managing Director
Ghana Stock Exchange
5th Floor, Cedi House
Liberia Road, Accra
Ghana

Dear Sirs,

DALEX FINANCE AND LEASING COMPANY PLC: ESTABLISHMENT OF GHS 150 MILLION MEDIUM TERM NOTE PROGRAMME AND LISTING OF NOTES ON THE GHANA FIXED INCOME MARKET OF THE GHANA STOCK EXCHANGE

1. Introduction

We have acted as legal counsel to Dalex Finance and Leasing Company Plc, a public limited liability company incorporated under the laws of Ghana ("Dalex"), in connection with the establishment of a GHS 150 million medium term note programme (the "Note Programme") and the proposed listing of notes issued under the Note Programme (the "Notes") on the Ghana Fixed Income Market of the Ghana Stock Exchange (the "GFIM Listing").

2. Documents Examined

2.1 For the purpose of giving this opinion, we have examined drafts of the following documents (the "Programme Documents"):

- 2.1.1 the prospectus to be issued by Dalex and which sets out, among others, the terms and conditions of the Notes (the "Prospectus");
- 2.1.2 the trust agreement to be entered into between Dalex and Fidelity Bank Ghana Limited as the trustee (the "Note Trustee") for the noteholders under the Note Programme (the "Trust Agreement");
- 2.1.3 the agency agreement to be entered into between Dalex, the Note Trustee as paying agent and paying bank for the Note Programme and the Central Securities Depository (Ghana) Limited as the transfer agent, calculation agent and registrar for the Note Programme (the "Agency Agreement"); and
- 2.1.4 the escrow account agreement to be entered into between Dalex, Temple Investments Limited and the Note Trustee (the "Escrow Account Agreement").

2.2 Unless otherwise indicated, all expressions defined in the Prospectus have the same meanings when used in this opinion.

2.3 In addition, we have examined originals or copies certified to our satisfaction of the following documents:

LEX MUNDI

LEXAfrica

LEGAL PRACTITIONERS, NOTARIES PUBLIC & TRADEMARK AGENTS

Kojo Bentsi-Enchill
D. K. D. Letsa
Ace Anan Ankomah
Seth Asante
Susan B. A. Kumapley

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In association with

Lex Mundi
Lex Africa
Udo Udoma & Belo-Osagie

- 2.3.1 the certificate of incorporation of Dalex issued upon its conversion to a public company, dated April 21, 2017;
- 2.3.2 the certificate to commence business of Dalex issued upon its conversion to a public company, dated April 21, 2017;
- 2.3.3 the regulations of Dalex adopted by a special resolution on December 13, 2016 (the "**Regulations**");
- 2.3.4 the written resolution of the shareholders of Dalex dated December 13, 2016, approving and authorising, *inter alia*, the conversion of Dalex into a public company, the adoption of the Regulations, the establishment of the Note Programme, the issuance of the Notes by public offer and the application for the GFIM Listing;
- 2.3.5 the written resolution of the board of directors of Dalex dated December 19, 2016, approving and authorising, *inter alia*, the conversion of Dalex into a public company, the adoption of the Regulations, the establishment of the Note Programme, the issuance of the Notes by public offer and the application for the GFIM Listing;
- 2.3.6 the written resolution of the board of directors of Dalex dated October 10, 2017 approving and authorising, *inter alia*, the terms and conditions of the respective Programme Documents, the execution and performance of the Programme Documents and the appointment of any 2 directors of Dalex to sign the Programme Documents;
- 2.3.7 the letter from the Bank of Ghana to Dalex dated April 3, 2017, approving the establishment of the Note Programme, the conversion of Dalex into a public company, the adoption of the Regulations, and the listing of the Notes on the GFIM, subject to compliance with the applicable provisions of the listing rules of the Ghana Stock Exchange (the "**GSE Listing Rules**"), the Companies Act, 1963 (Act 179) (as amended) (the "**Companies Act**") and the Banking Act, 2004 (Act 673) (as amended) (the "**Bank of Ghana Approval**").

2.4 We have also examined such other documents and certificates, searches and records as are necessary under the laws of Ghana to enable us give this opinion.

3. Scope and Purpose of the Opinion

- 3.1 We are qualified to practise law in Ghana. This opinion is limited to matters of Ghanaian law as in force and applied at the date of this opinion. We have not investigated the laws of any country other than Ghana and we express no opinion on the laws of any other jurisdiction.
- 3.2 This opinion is given on the basis of the assumptions set out in Schedule A (Assumptions) and is subject to the qualifications set out in Schedule B (Qualifications).

4. Opinion

Based on the preceding paragraphs, we are of the opinion that:

4.1 Incorporation

- 4.1.1 Dalex is duly incorporated as a public limited liability company under the laws of Ghana.

4.1.2 Dalex has perpetual corporate existence and the capacity to sue or be sued in its name and to carry on its businesses as currently conducted.

4.1.3 To the best of our knowledge and upon due enquiry, Dalex has all the necessary power and authority to own its property and assets and to carry on its businesses as currently conducted and no steps have been (or are being taken) to appoint any administrator, receiver, liquidator or analogous person or body over, or to wind up or dissolve, Dalex (or to take any analogous action) nor has a moratorium been declared on the payment of any indebtedness of Dalex.

4.2 Powers and Authorisations

Dalex:

4.2.1 has the power to enter into, and perform its obligations under, the Programme Documents;

4.2.2 has taken all necessary action to authorise the entry into, and performance of its obligations under, the Programme Documents; and

4.2.3 has taken all necessary action to authorise the signature and delivery of all notices, certificates, communications and other documents to be delivered by it under the Programme Documents.

4.3 Regulatory Approvals and Consents

Apart from the approval of the Securities and Exchange Commission for the public offer of the Notes, the approval of the Ghana Stock Exchange for the GFIM Listing, and the Bank of Ghana Approval, no regulatory approvals, consents, licensing or authorisations are required for the establishment of the Note Programme, the issuance of the Notes or the GFIM Listing.

4.4 Prospectus and the Notes

4.4.1 The Prospectus complies with the relevant provisions of Schedule 5 of the Securities and Exchange Commission Regulations, 2003 (L.I. 1728) and Schedule 7 of the Companies Act.

4.4.2 The Programme Documents and the Notes constitute the legal, valid and binding obligations of Dalex, enforceable in accordance with their terms in Ghana.

4.4.3 Dalex's obligations under:

4.4.3.1 the senior notes constitute direct, unconditional, unsubordinated and unsecured obligations of Dalex, and shall rank *pari passu* among themselves and (save for such obligations as may be preferred by virtue of any provision of the insolvency and similar laws of general application in Ghana) equally with all other present and future unsecured and unsubordinated obligations of Dalex, from time to time outstanding; and

4.4.3.2 the subordinated notes constitute direct, unconditional, subordinated and unsecured obligations of Dalex, and shall rank *pari passu* among themselves and equally with all other present and future unsecured and subordinated obligations of Dalex, from time to time outstanding.

4.5 Contractual Obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing Dalex from undertaking the Note Programme.

4.6 The Regulations

- 4.6.1 The Regulations comply with all legal requirements on the contents of the regulations of a public company.
- 4.6.2 The Regulations comply with the requirements of Part V of the GSE Listing Rules.
- 4.6.3 The issue of the Notes pursuant to the listing rules of the Ghana Fixed Income Market does not contravene any provision of the Regulations.
- 4.6.4 The Note Programme does not contravene any provision of the Regulations or any applicable laws in Ghana.

4.7 Taxes and Stamp Duty

- 4.7.1 The statements in the Prospectus regarding taxation in Ghana are correct in all material respects.
- 4.7.2 Interest payments under the Notes will be subject to withholding tax of 8%, except in relation to noteholders who are exempt from withholding tax.
- 4.7.3 Each of the Agency Agreement, the Trust Agreement and the Escrow Account Agreement is subject to a nominal stamp duty, at a rate of GHS 0.50, in accordance with the Stamp Duty Act, 2005 (Act 689) in order to be admissible in evidence, and enforceable in any legal proceedings in Ghana.

4.8 Registrations and Filings

No registration or filing is required at any registry for the Agency Agreement, the Trust Agreement and the Escrow Account Agreement to be valid, binding and enforceable in accordance with their respective terms.

Yours faithfully,



Seth Asante
(Partner and Head of Financial Institutions and Capital Markets)
Bentsi-Enchill, Letsa & Ankomah

Schedule A

Assumptions

In giving this opinion, we have assumed, and this opinion is given on the basis, that:

1. all original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;
2. the written resolutions of the board of directors of Dalex were duly executed by all the directors of Dalex and all requirements relating to disclosure of interest and due consideration of the commercial interests of Dalex were complied with;
3. the written resolution of the shareholders of Dalex was duly executed by all the shareholders of Dalex after the board of directors of Dalex fully disclosed all material details relating to the transaction; and
4. all disclosures made to us by Dalex and its officers as reflected in the Prospectus are materially correct as at the date of this opinion and no event has occurred which undermines or may undermine the correctness of those disclosures.

We have found nothing to indicate that the above assumptions are not justified.

Schedule B

Qualifications

This opinion is subject to the following qualifications:

1. the enforcement of the Programme Documents may be limited by any laws relating to insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally; and
2. any claims may be or become barred under laws relating to the limitation of actions or may be or become subject to set-off or counterclaim.

15. GENERAL INFORMATION

15.1 AUTHORISATION

The establishment of the Programme and the issue and listing of Notes under the Programme have been duly authorised by a resolution of the Dalex Board dated December 13, 2016 and a resolution of the shareholders of the Issuer dated December 19, 2016. This Prospectus has been approved by the SEC. The listing of any relevant Series or Tranche of Notes on GFIM has been provisionally approved by the GSE.

15.2 MATERIAL CONTRACTS

Other than in the ordinary course of business, the Issuer has not entered into any contract containing provisions under which the Issuer has an obligation or entitlement, which is, or may be, material to the ability of the Issuer to meet its obligation in respect of the Notes.

15.3 LITIGATION

The Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administration or other proceedings, the results of which might have or have had (during the 12 months prior to the date of this Prospectus) a significant effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

15.4 CONFLICTS OF INTEREST

At the date of this Prospectus, there are no potential conflicts of interest between any duties, to the Issuer, of the members of its administrative, management or supervising bodies and their private interests or other duties. However, it cannot generally be ruled out that such persons have such interests at the time of the offer or issue of Notes. Whether this is the case, will depend on the facts at the time of the offer or issue. A description of any potential conflicting interest that is of importance to an offer or issue of Notes will be included in the Applicable Pricing Supplement, specifying the persons included and types of interests.

15.5 AUDITING

The Issuer's financial statements for the years ended December 31, 2014, December 31, 2015 and December 31, 2016 were prepared in accordance with IFRS and were audited by JOP Consult. Deloitte has acted as Reporting Accountants to this Programme.

15.6 MATERIAL CHANGE

Save as disclosed in this Prospectus, there has been no material adverse change in the prospects, nor any significant change in the financial or trading position of the Issuer since 31 December, 2016.

15.7 LISTING

The Notes will be listed on the GFIM.

15.8 EXCHANGE CONTROLS

Currently, there are no exchange control restrictions in Ghana preventing foreign residents from freely subscribing to the Notes. Foreign investors can freely subscribe for or purchase Notes. Interest payable on Notes held by foreign investors is freely remittable out of Ghana. The proceeds of Redemption or the sale of Notes due to a foreign investor are freely remitted out of Ghana through an authorised dealer bank.

15.9 CLEARING SYSTEM

The Notes have been accepted for clearance through the CSD system. The appropriate international securities identification number (ISIN) Code for each Tranche or Series of Notes will be specified in the Applicable Pricing Supplement. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the Applicable Pricing Supplement.

The address of the CSD is:

Central Securities Depository (Ghana) Limited

4th Floor, Cedi House
Accra, Ghana

15.10 DOCUMENTS AVAILABLE FOR INSPECTION

As long as any Notes are outstanding, certified copies of the following documents will be available for inspection, on request, at the principal place of business of the Issuer or the offices of the Note Trustee during normal business hours (except on Saturdays, Sundays and public holidays):

- (a) the Regulations and other constitutional documents of the Issuer;
- (b) the board and shareholder resolutions of the Issuer approving the Programme and the issue of the Notes;
- (c) this Prospectus;
- (d) when published, any future prospectus, supplements and Applicable Pricing Supplements;
- (e) the Trust Agreement;
- (f) the Agency Agreement;
- (g) the Escrow Account Agreement;
- (h) the audited annual financial statements of the Issuer for the years ended December 31, 2014, December 31, 2015 and December 31, 2016;
- (i) when published, the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements of the Issuer, together with any audit or review reports prepared in connection therewith;
- (j) the Legal Compliance Letter;
- (k) the report of Deloitte as Reporting Accountants to the Programme;
- (l) prospective financial information for 5 years, ending December 31, 2022;
- (m) the Global Note Certificate for each Series or Tranche of Notes held by the Note Trustee on behalf of Noteholders; and
- (n) any further documents incorporated into this Prospectus by reference.

DATE: [-----]



Incorporated as a public limited liability company in the Republic of Ghana with registration number PL000152017

Issue of [Aggregate Nominal Amount of Series/Tranche] [Title of Notes] under the GHS 150,000,000 Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Notes, as set forth in the Prospectus dated May 21, 2018. The Notes may be redeemed at the option of the Issuer on the terms contained in the Conditions. This Applicable Pricing Supplement contains the final terms and conditions of the Notes and must be read in conjunction with the Prospectus.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Applicable Pricing Supplement.]

1. Description of the Notes	
1.1 Issuer	Dalex Finance and Leasing Company Limited
1.2 Issue:	
1.2.1 Tranche Number:	
1.2.2 Series Number:	
1.3 Principal Amount:	
1.3.1 Tranche:	
1.3.2 Series:	
1.4 Issue Date	
1.5 Specified Denomination of Notes	
1.6 Minimum Subscription Amount	
1.7 Subscription Multiples beyond Minimum	
1.8 Issue Price	[*] % of Aggregate Principal Amount (plus accrued interest from (insert date) if applicable)
1.9 Status of the Notes	
1.10 Final Redemption Amount	
1.11 Closing Date for Subscription	
1.12 Date for Notification of Allotment	
2. Provisions Related to Interest Payable	
2.1 Fixed Rate Note Provisions	(Delete if not applicable)
2.1.1 Fixed Rate of Interest	% Rate applicable
2.1.2 Broken Amount	(Provide details of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount)
2.1.3 Day Count Fraction	(Applicable/Not Applicable)
2.1.4 Fixed Coupon Amount	

2.1.5 Interest Commencement Date	
2.1.6 Interest Determination Dates	
2.1.7 Interest Payment Dates	(*) each year
2.1.8 Maturity Date	
2.1.9 Other terms relating to the method of calculating interest for the Fixed Rate Notes	(Not Applicable/provide details)
2.2 Floating Rate Notes	(Delete if not applicable)
2.2.1 Interest Commencement Date	
2.2.2 Interest Rate	Reference rate Plus the Margin to be applied at the beginning of each interest payment period
2.2.3 Interest Periods	
2.2.4 Interest Payment Dates	
2.2.5 Interest Determination Date	
2.2.6 Reference Rate	
2.2.7 Method for determining Reference Rate	(Provide Details)
2.2.8 Business Day Convention	(Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (Provide Details))
2.2.9 Maximum Rate of Interest	
2.2.10 Minimum Rate of Interest	
2.2.11 Margin	(* percent or basis points)
2.2.12 Step up Margin	
2.2.13 Party Responsible for calculating the rate of Interest and Interest Amounts	
2.2.14 Day Count Fraction	
2.2.15 Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions.	
2.2.16 Maturity Date	
3. Provisions Regarding Redemption	
3.1 Redemption/Payment Basis	(Redemption at Par or other (specify))
3.2 Issuer's Early Redemption	(Applicable/Not-Applicable)
3.3 Issuer's Optional Redemption	(Applicable/Not-Applicable)
3.4 Other terms applicable on Redemption	(specify)
4. Distribution	
4.1 Provisions regarding distribution	
4.2 Method of distribution	(Syndicated/Non-Syndicated)
5. Financial Covenants Provisions	
5.1 Financial Covenants	
6. General Provisions	
6.1 Form of Notes	With the exception of a Global Note Certificate issued in respect of this Series or Tranche of Notes issued under this Applicable Pricing Supplement, all Notes will be in dematerialised form and electronically registered on the Central Securities Depository.
6.2 Additional selling restrictions	(provide details if any)
6.3 Settlement Procedures and Instructions	

6.4 Bank Account to which payments are to be made	
6.5 Listing	Ghana Fixed Income Market
6.6 Tax	Interest earned on Notes is subject to 8% withholding tax unless exempted by law (attach copy of certificate of exemption where applicable).
6.7 Governing Law	Ghanaian Law
7. Additional Information	
7.1 Date of receipt of approvals for issuance by Board of Directors and Shareholders	(NB: only relevant where Board (or similar authorisation is required for the particular series or tranche of notes)
7.2 New/Additional Agents plus Note Trustee	(Specify Note Trustee and Specify Agents and specified offices of Agents, if new or other Agents appointed).
IMPORTANT DATES AND TIMES FOR OFFER	
Offer Opening Date and Time:	
Offer Closing Date and Time	Completed Applications forms must be received by Dealers at their Specified Offices before or on.....
Allotment date	All applicants will be notified of their allotment by fax/email/telephone no later than.....
Payment date	Payment for good value by Successful Applicants must be received by
Issue Date	The Notes will be issued by the Issuer by
Delivery Date	Notes will be credited to CSD accounts of successful paid up (receipt of cleared funds in Issuers designated collection account) applicants within 2 days of Issue date
Listing on the GFIM	Issued Notes will be listed for trading within 2 Business Days of Issue date

[MATERIAL ADVERSE CHANGE STATEMENT]

[Except as disclosed in this document,] There has been no significant change in the financial or trading position of the Issuer since [*insert date of last audited accounts or interim accounts (if later)*] and no material adverse change in the financial position or prospects of the Issuer since [*insert date of last published annual accounts.*] [If any change is disclosed in the Applicable Pricing Supplement, consideration should be given as to whether or not such disclosure should be made by means of a supplemental prospectus rather than in an Applicable Pricing Supplement.]

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. [Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing persons involved and the nature of the interest.]

RESPONSIBILITY

The Issuer and its board of directors accept responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Prospectus, contains all information that is material in the context of the issue of the Notes.

DALEX FINANCE AND LEASING COMPANY LIMITED

By:

By:

Duly authorised signatory

Duly authorised signatory

APPENDIX B: APPLICATION FORM

APPLICATION FORM

(Incorporated as a public company with limited liability in the Republic of Ghana with registration number PL000152017)

APPLICATION FORM FOR TRANCHE/SERIES []

Issue of [] Year [] Rate [] [] Notes

Under the GHS 150 Million Note Programme

Applicants must complete all sections of the application form. Please read the Section E 'Notes and Instructions for Completing Application Form' below for guidance. Application lists will close at 17 hours GMT on [•]

SECTION A

Name of Applicant(s)	
Postal Address(es) (P. O. Box or Private Bag)	
Name of Contact Person(s)	
Telephone number(s)	
Facsimile number(s)	
E-mail address(es)	
Residential address(es)	
Tax Status (Y/N)	
<i>Central Securities Depository Account Details:</i>	
Depository Participant Code	
Depository Account Number	
Account Type	

SECTION B (Subscription Amount)

	A Nominal Value (GHS)	B Issue Price (%)	C Total Consideration (C = A x B)
Amount applied for		[•]	

SECTION C (Declaration)

<p>To: The Board of Directors of Dalex Finance and Leasing Company Limited</p> <p>I/We, the undersigned, warrant that I/we have full legal capacity to contract on behalf of the applicant(s) stated in Section A overleaf (the Applicant(s)), and on behalf of the Applicant(s) irrevocably and unconditionally apply for and agree to take up the nominal value of the Notes stated in Column "A" in Section B overleaf at the price stated in Column B in Section B, or any lesser nominal value of the Notes that may be allotted to the applicant in terms of the Trust Agreement dated May 21, 2018. Where a lesser nominal value of the Notes is allotted to the Applicant(s), I agree that the relevant amount payable by the Applicant(s) in terms of Column "C" in Section B overleaf will be reduced <i>pro rata</i> to the lesser nominal value so allotted. I/We acknowledge that the Applicant(s) will be unconditionally liable for payment in respect of the Notes allotted and that such payment will be made in full accordance with the payment procedures set out under <u>Section 13</u> (<i>Subscriptions and Sale</i>) of the Prospectus by 10 hours GMT on [•].</p>
Signature(s):
Full Name(s):
Capacity:
Date:

Jurat

<p>To: The Board of Directors of Dalex Finance and Leasing Company Limited</p> <p>I, the undersigned, have read the terms and conditions set out in this Prospectus, explained same in [insert language] to the Applicant and the Applicant confirms his understanding of these terms and conditions.</p>
Signature:
Full Name:
Capacity:
Date:
Thumbprint of Applicant:

SECTION D (Instructions: Payment of Entitlements)

Interest payments and the principal repayment in respect to the Notes and refunds, if any, that are due in respect of bids where payments have been made at the time of application are to be made to:

(a) At (postal address):

City:

Region:

(b) Or into my Current Account (Account Details for the CSD Account):

Name of Bank:

Bank Branch:

Bank Account Number:

Sort Code:

SWIFT Code:

Complete only (a) or (b). If both are completed, effect will be given to (b)

SECTION E (Notes and Instructions for Completing Application Form)

1. Completing this form:

- A. All alterations to this application form must be authenticated by full signature. All applications must be made without conditions stated by the applicants.
- B. Under no circumstances whatsoever may the name of the applicant be changed and if this is done then the application form will be invalid.
- C. All Applicants must open and maintain a Central Securities Depository account for the entire duration of the Notes.
- D. Guide to Completing the Application Form:

Section A:

Provide the following details:

- (a) Full Name of Applicant
- (b) Postal Address (e.g. P. O. Box 1235)
- (c) Name of Contact Person if the applicant is not the same person completing the forms in the case of individuals or representative of an institutional applicant.
- (d) Telephone Number on which the applicant can be contacted e.g. 0302-123456
- (e) Facsimile Number in the same format as Telephone Numbers

- (f) E-mail Address to receive communication regarding this offer such as Allotment Notification etc.
- (g) Tax Status: State your tax status as either 'Y' if the applicant is subject to pay Withholding Tax or 'N' if exempted by law. For guidance, mutual funds licensed by the SEC or approved Pension Fund Schemes licensed by the NPRA of Ghana are exempted by law from paying withholding tax on interest income.
- (h) Central Securities Depository Account Details:
 - Depository Participant Code e.g. ABC-P, BCDN-C etc.
 - Depository Account Number e.g. 11223344
 - Client Type: Local Individual (LI), LC (Local Company), FI (Foreign Individual), FC Foreign Company (FC).

Section B (Subscription Amount):

- (a) Amount applied must be in lots of GHS [●].
- (b) Nominal Amount of the Application
- (c) Issue Price for [●] is [●]%
- (d) Total Consideration: Nominal Amount x Issue Price

Section C (Declaration)

Applications are made subject to the provisions of the Prospectus to which this form is attached. This must be completed by the applicant if an individual or his/her attorney if one has been appointed or the authorised representatives of a legal person or institutional investor.

Section D (Instructions for the Payment of Entitlement)

The applicant must provide information instructions relating to the payment of entitlements from the investment (coupon and principal) by the paying agent. Only 1 of the 2 options provided should be selected by the applicant:

- (a) Warrant or Cheque mailed to the address provided by the applicant. The Paying Agent will not be liable for the risks associated with this method of receiving entitlements paid by the issuer.
- (b) Bank Account: All applicants should confirm the details of the bank account details from the depository member who set-up their CSD account. The Paying Agent will be said to have paid entitlements due an applicant to the bank account information provided by the note registrar (Central Securities Depository).

- E. Photocopies or other copies of an application form shall not be accepted.
- F. Applications are irrevocable and shall not be withdrawn or amended without the written consent of the Issuer. The Issuer reserves the right to accept or reject any application in whole or in part. The Sponsoring Broker or Arranger will notify successful applicants of amounts allotted to them no later than [●] hrs (GMT) on [●],[●].

2. Acceptance

By signing an application form the applicant undertakes to pay the Issuer on the Issue Date in same-day funds the purchase price for the Notes allotted in accordance with the provisions of the Applicable Pricing Supplement.

3. Settlement Procedure

Payment of the subscription price for the Notes shall be made either:

- (a) by bank transfer or remittance, to be made on the instructions of the successful applicant to his/her/its bank for the funds to be credited to the Issuer's bank account, with details below:

<i>Account Name</i> :	Dalex Finance Note Programme Collection Account
<i>Bank Name</i> :	Fidelity Bank Ghana Limited
<i>Account Number</i> :	1300000434313
<i>Bank Branch</i> :	Ridge
<i>Branch Sort Code</i> :	240101
<i>SWIFT</i> :	FBLIGHAC

4. Delivery of Notes

The Notes will be credited to each successful applicant's Central Securities Depository account against cleared funds within 2 days of the Issue Date.

5. General

The Prospectus and any contracts resulting from an acceptance of an application for the Notes shall be governed and construed in accordance with Ghanaian law.

APPENDIX C: FORM OF GLOBAL NOTE CERTIFICATE



(Incorporated as a public limited liability company in the Republic of Ghana with registration number PL000152017)

CERTIFICATE NUMBER

SERIES NUMBER

TRANCHE NUMBER

GHS 150,000,000 NOTE PROGRAMME

Issue of [Senior] [Subordinated](Floating/Fixed Rate) Notes Due.....

This Note Certificate certifies that

[Note Trustee Name and address]

holds this certificate on behalf of Noteholders specified in the Register dated {xxx} (the **"Noteholder"**) are, as at the date hereof, registered as the holder of [principal amount] of [Senior][Subordinated]Floating/Fixed] Rate Notes referred to above (the **Notes**) of Dalex Finance and Leasing Company Limited (the **Issuer**). The Notes are subject to the terms and conditions (the **Conditions**) in the Prospectus dated May 21, 2018. Expressions defined in the Conditions have the same meanings in this Note Certificate.

The Issuer, for value received, promises in accordance with the Conditions to pay to the Noteholders as the Registered holder hereof on the Redemption Date (or such earlier date as the amount payable upon prepayment in accordance with Conditions), the Principal Amount of: [amount in figures] (amount in words) (or so much thereof as may then be outstanding) and to pay interest on such Principal Amount from the Issue Date in arrears at the rates, in the amounts and on the dates for payment provided for in the Conditions and the Applicable Pricing Supplement together with such other sums and additional amounts (if any) as may be payable under the Conditions and the Applicable Pricing Supplement.

For the purposes of this Note Certificate, (a) the holder of the Note(s) represented by this Note Certificate is bound by the provisions of the Prospectus, the Trust Agreement, the Agency Agreement and the Applicable Pricing Supplement, (b) the Issuer certifies that the Noteholder is, at the date hereof, entered in the Register as the holder of the Note(s) represented by this Note Certificate, (c) this Note Certificate is evidence of entitlement only, (d) title to the Note(s) represented by this Note Certificate passes only on due registration on the Register, and (e) only the duly registered holder of the Note(s) represented by this Note Certificate is entitled to payments in respect of the Note(s) represented by this Note Certificate.

This Note Certificate shall not become valid for any purpose until authenticated by or on behalf of the CSD.

This Note shall be governed by, and constructed in accordance with, the laws of Ghana.

IN WITNESS whereof the Issuer has caused this Note Certificate to be executed on its behalf.

DALEX FINANCE AND LEASING COMPANY LIMITED

By:

By:

Duly authorised signatory

Duly authorised signatory

CERTIFICATE OF AUTHENTICATION

This Note is duly authenticated by or on behalf of Central Securities Depository (Ghana) Limited as Registrar (without recourse, warranty or liability)

By:

By:

Duly authorised signatory

Duly authorised signatory