

ELIGIBILITY CRITERIA

1. Transaction Eligibility Criteria

- a) Naira denominated
- b) Brownfield
- c) Debt Instrument (including Sukuk)
- d) Must be an Eligible Infrastructure Activity
- e) Acceptable Credit Profile based on InfraCredit's internal credit assessment
- f) Asset value is not directly linked to oil
- g) Minimum 'Bbb-' investment grade rating
- h) Adequate Security Package
- i) Transactions demonstrate implicit government support
- j) Debt Tenor of up to 20 years
- k) Satisfies InfraCredit's Environmental and Social Safeguards Standards
- l) Is not on IFC's Project Exclusion List

2. Types of Eligible Infrastructure Entities¹

The Company may provide support for the financing of investments by the following forms of Client Companies/Entities for the provision of infrastructure services:

- i. *Special Purpose Vehicles/Companies*: established to securitise a pool of assets engaged in an eligible infrastructure activity e.g. residential housing. Also Special Purpose Vehicles/Companies established and backed by parent/sponsor entities to execute an eligible infrastructure activity
- ii. *Operating Infrastructure Companies*: going concerns that require finance for upgrades, expansions and other forms of growth.
- iii. *Privatised Companies*: privatised infrastructure businesses that have a proven track record and are expanding or rehabilitating their operations.
- iv. *Parastatals or Public Corporations*: the public entity has proven track record of conducting operations along regular commercial principles and significant performance risks have been transferred to the private sector
- v. *State and Local Governments*: The Company can support infrastructure investments undertaken by local government or state governments and state government corporations. The Company will not guarantee such debt issued

¹ *Start-up Companies and "Greenfield" Developments to be included once an appropriate guarantee product is developed*

on a general obligation basis, unless the credit risk is satisfactorily mitigated

3. Eligible Beneficiaries

The Beneficiaries are the holders of the debt instruments that are guaranteed by the Company or representatives of such holders include *Trustees* representing a collective of investors that have invested in a debt instrument issued by an eligible entity.

4. Types of Eligible Infrastructure Activity

The Company shall provide guarantees to support the funding of Client Companies (such support may be extended via intermediaries). The Client Companies shall be engaged in one of the following activities:

- i. *Energy supply*: the generation, transmission and/or distribution of electricity, including rural electrification.
- ii. *Water/waste services*: urban/rural fresh water production and treatment, supply and distribution, sanitation, solid waste disposal/collection and waste treatment, bulk water supply (water reservoirs, transfer schemes, dams and pipelines).
- iii. *Transportation*: fixed transportation infrastructure including toll roads, bridges, tunnels, light and heavy rail systems and railway equipment, airports (passengers and freight), ports and harbours, warehousing and bulk storage/handling facilities which may include certain moveable assets.
- iv. *Telecommunications*: the development and operation of: (i) long distance and local telephone services, cellular radio telephone services and other radio common carrier communications services, including paging and specialised mobile radio systems; (ii) telegraph, microwave and private communications networks, electronic mail and other emerging telecommunications technologies.
- v. *Gas transportation, distribution and storage*: gas pipelines and bulk storage/logistical facilities and downstream gas development.
- vi. *Mining*: only where the Company's involvement expands the provision of infrastructure and associated services and where the Client Company agrees to allow third party use of the assets (in so far as it does not prejudice their mining operations) and where the Company's participation is believed to be additional.
- vii. *Urban infrastructure*: the provision of economic and social infrastructure (e.g. housing, hospitals, education) within towns and cities.
- viii. *Inputs to Infrastructure*: other activities that impact positively on the development of the government's basic infrastructure and promote the objectives of the Company. Such activities may include the infrastructure component of industrial or agro-industrial projects; productive investments where the investment if undertaken will involve significant new infrastructure investment (for example investments in the infrastructure for agribusiness); and the manufacture, construction or assembly of goods, equipment, plant and buildings or the provision

of services (for example cement plants, producers of pipes, pumps, switching equipment, cables, bricks, tarmac and other basic materials used in infrastructure construction).

- ix. *Agricultural Infrastructure:* (i) Agro-Food Processing Infrastructure: Agro-food processing as investments in the infrastructure for agribusiness i.e. establishment of food processing mills and facilities (by companies that import processed foods), where such agro-industrial projects are backward integration initiative in line with the Federal Government of Nigeria's agricultural initiatives/policies on diversification and import substitution to boost local food production; (ii) Storage Infrastructure: (e.g. silos, hermetic cocoons, etc.) Establishment of climate-appropriate and crop-appropriate silos, hermetic cocoons, etc. Establishment of export terminals for agricultural produce. To serve the export market and earn foreign exchange, thus diversifying production and boosting foreign reserves; (iii) Distribution network. Investment in farm access roads, bridges and railroads to improve market access for rural farmers

5. Sectors Excluded

The following Sectors shall be excluded from Company support:

- i. Oil and Gas Exploration and Production ("upstream" activities);
- ii. Oil transportation for exports (however, facilities for domestic use are eligible for support);
- iii. Mining or mineral exploration and extraction except for investments which fall under 4 (vi);
- iv. Nuclear power or nuclear waste treatment; and
- v. Military Infrastructure.