

## Artemis | Group

Registered as Artemis Africa Group  
55, Street MZ 200, Mermoz  
Dakar, Senegal  
Tel: (+221) 33 860 52 21  
Fax: (+233) 302 251 734  
E-mail: [info@artemisafricagroup.com](mailto:info@artemisafricagroup.com)

14 March 2018

**The Chief Executive Officer**

Wari S.A.  
Sarrasins Above Street  
Lome, Republic of Togo

**Attention: Mr. Kabirou MBODJE**

Dear Sir,

**PROVISION OF FINANCIAL ADVISORY SERVICES TO WARI SA**

We refer to our recent discussions with WARI SA (the “**Client**” or “**WARI**”) regarding the provision of financial advisory services to raise equity capital in order to diversify its shareholding structure with reputable investors (the “**Transaction**”).

The foregoing presents the terms under which Artemis Africa Group (“**Artemis**” or “**AAG**”) (referred to as the “**Financial Adviser**”) would provide financial advisory services to WARI.

1. **Engagement:** Artemis is hereby appointed by the Client to act as the Financial Adviser to WARI.
  - (a) With effect from the date of signature of this letter (the “**Mandate Letter**”), the Client appoints the Financial Adviser on an exclusive basis to act as the Transaction Adviser to the Client in respect of the Transaction, and to provide the services described in paragraph 2 below (“**the Services**”) upon the terms and conditions of this Mandate Letter. The exclusivity will only apply on investors which have submitted a letter of interest to AAG.

- (b) This Mandate Letter shall commence on the date of execution hereof and expire on the date that is 9 (nine) months after the said date of execution (the “**Mandate End Date**”) subject to the provisions of paragraph 16 hereunder.
- (c) The condition of exclusivity referred to in paragraph (a) above shall not preclude the Client from employing the services of any other party with respect to the Services hereunder in the event that the Financial Adviser is in breach of any of its obligations or undertakings outlined herein and such breach has not been rectified within 30 calendar days of written notification of such breach by the Client.
- (d) Completion of the proposed Transaction is planned to be undertaken prior to the Mandate End Date. However, the parties acknowledge that Completion may occur after the Mandate End Date. In the likely event of a delay in execution beyond the Mandate End Date, the Client represents that it will continue to work with the Financial Adviser towards completion of the Transaction and shall extend this Mandate in writing by such period as shall be deemed necessary by the parties for completion.
- (e) Notwithstanding any other rights that the Financial Adviser may have in law, the success fee described in Clause 4b shall remain payable in full in the event that the project documentation developed under this engagement is used by the client to raise financing outside the terms of this mandate within 12 months of termination hereof.

No cancellation fee shall be payable to the Financial Adviser in the event that the Transaction is terminated by the Client due to an unremedied breach by the Financial Adviser in accordance with Clause 16(b).

## **2. Services:**

In the course of our engagement as the Financial Adviser, Artemis shall perform such transaction advisory services as may be required including but not limited to the following (in no order of priority):

- a) Familiarize ourselves to the extent appropriate and feasible with the business, operations, properties, financial condition and prospects of the Client;
- b) Advise and assist the Client in developing a general selling strategy for accomplishing the Transaction;
- c) Advise and assist WARI in identifying, evaluating and selecting potential investors and contacting, on behalf of WARI, such potential investors;
- d) Prepare standalone valuation analyses of WARI using a number of standard valuation techniques for strategic sale transactions such as Discounted Cash Flow Analysis, Precedent Transaction Multiple Analysis and Market Comparables Valuation Analysis;

- e) Advise and assist WARI in preparing and structuring a teaser and an Information Memorandum for distribution to potential investors describing WARI, its business operations, financial condition and prospects;
- f) Assist in the preparation of presentations or other documents to potential investors, and any other marketing documents as appropriate. Where relevant, such tasks will be done in conjunction with external legal advisers;
- g) Manage the investor due diligence process, including preparing the Client's management team for a delivery of presentations and scheduling of investor due diligence visits as may be required;
- h) Advise and assist WARI as to the strategy and tactics of discussions and negotiations with potential investors with respect to the proposed Transaction, and actively participate in such discussions and negotiations;
- i) Assist (with appropriate external legal advisers) the Client in negotiating the terms of any investment documentation including subscription and shareholder agreements in the case of equity financing and/or security agreements in the case of hybrid financing;
- j) Provide such other investment banking and financial advisory services as are customary and appropriate in transactions of this type and as may be mutually agreed upon between WARI and Artemis as necessary to see to the actualization and completion of the Transaction.

The Client acknowledges that in undertaking the Services, the Financial Adviser may be using and relying on the information contained in any business plan (or any such information provided) without independent verification. The Client shall approve and be responsible for the accuracy and completeness of the final versions of any business plan or information memorandum and any additional or supporting information supplied prior to distribution to prospective buyers.

**3. Conditions:**

Performance by the Financial Adviser of its obligations hereunder shall be subject to the satisfaction of each of the following conditions:

- (a) Receipt of all relevant internal approvals (including without limitation credit, tax, legal, controlling, accounting and compliance approvals) that the Financial Adviser may require (including any approval of any regulatory body or internal committee);
- (b) All representations made, and information provided by the Client being true, complete and accurate at all material times;
- (c) Completion, satisfactory to the Financial Adviser of all outstanding due diligence, if any, in respect of the Client;
- (d) there being no event or circumstance in relation to the Transaction which could result in the Financial Adviser acting contrary to any law, regulation or official directive or request applicable to it;

- (e) There not having occurred any Material Adverse Change as set out in paragraph 7; and
- (f) All parties agreeing to the general terms and structure of the Transaction and the terms and conditions of any documents prepared in respect of the Transaction.

**4. Fees and Expenses:** In consideration for our services, the Client will pay Artemis the following fees:

- a) **A non-refundable Advisory Fee** of US\$150,000 which shall cover our on-going costs of performing the Services herein. The advisory fee shall be payable in accordance with the following milestones:
  - 50% of the Advisory Fee, payable upon execution of the Mandate Letter; and,
  - 50% of the Advisory Fee, payable upon the completion of Information Memorandum for marketing the Transaction.
- b) **A Milestone Fee** being;
  - A flat fee of USD\$200,000 for successfully identifying a shortlist of potential strategic partners, selecting and assisting WARI with negotiation terms of reference with the preferred strategic partners and ultimately leading to the conduct of due diligence.
- c) **A Success Fee** equivalent to 2.00% of the Aggregate Value of the equity or mezzanine financing. The Success Fee shall become fully payable upon the completion of the Transaction.

The "Aggregate Value" of the transaction shall be the value of the consideration paid per ordinary share of WARI times the total number of common shares outstanding (including the number of shares which would be outstanding upon exercise of any in-the-money securities, including among others, options, convertible debt, convertible preferred stock or warrants) of WARI (or in the case of a sale or purchase of assets, the value of the consideration paid for such assets, be it in the form of shares, technical expertise or services rendered, assets or any other non-monetary instrument), plus the value of any debt, capital lease, and preferred stock obligations of WARI and its affiliates directly or indirectly assumed, retired, or defeased in connection with the Transaction.

Furthermore, for the purposes of the Success Fee, the Transaction shall be deemed to be complete upon the receipt by WARI of the purchase consideration consisting of either cash, assets, shares or other securities with a total value equivalent to the Aggregate Value of the portion of WARI sold to the potential buyer.

**5. Costs and Expenses:**

WARI hereby agrees to pay, or reimburse on demand, all costs and expenses incurred by Artemis in respect of the Transaction and services contemplated therein, including transportation, travel, hotel accommodation and the fees and disbursements of any legal, technical, insurance and other consultants and advisors retained by ARTEMIS, whether incurred before or after the date hereof.

Artemis shall seek WARI's consent prior to incurring any costs and expenses, which consent shall not be unreasonably withheld or delayed. Save for travel and a accommodation costs which are payable as soon as they are incurred and unless otherwise agreed by Artemis and you with respect to any other specific out-of-pocket expenses, Artemis will submit invoices monthly to you with respect to such costs and expenses incurred or paid by Artemis. Payment of the invoiced amount will be due within fourteen (14) days of delivery of the related invoice. WARI shall be responsible for the fees and expenses of its professional and other advisors (including any consultants or advisors jointly retained by you and Artemis) and for the costs and expenses incurred in connection with the preparation and publication of any documents.

**6. Payments and Taxes:**

All payments due under this Mandate Letter shall be made in the currency of invoice and in immediately available, freely transferable cleared funds to such account(s) with such bank(s) as the Financial Adviser shall notify to the Client on or before the business day immediately preceding the invoice date and shall be free and clear of and without deduction for, any set-off, claim or applicable taxes other than VAT and (with appropriate gross-up for any taxes deducted or withheld). The Client will pay such additional amount as will result in the Financial Adviser receiving and retaining (after a any deduction or withholding) an amount equal to the payment which would have been due if no such deduction or withholding had been required or made. For this purpose, "taxes" means all forms of taxation, duties (including stamp duty), levies, imposts, charges and withholdings (including a any related or incidental penalty, fine, interest or surcharge), whenever created or imposed, and whether required by the law or regulations of Senegal or elsewhere. If withholding tax is applicable, the Client will provide the Financial Adviser with an original or authenticated copy of the tax receipt.

**7. Material Adverse Change:**

The Financial Adviser's obligations in respect of the Transaction shall be subject to the absence, in its reasonable opinion, of any event(s) or circumstance(s) (including any material adverse change or the continuation of any circumstance(s) which, in its reasonable opinion, has (have) adversely affected or could adversely affect the:

- (a) Prospects (transaction or otherwise) of the Transaction;
- (b) The business or transaction condition of the Client generally; and
- (b) Ability of the Client to perform its obligations under this Mandate Letter, during the period from the date of this Mandate Letter to the date of signing of any documents for the completion of the Transaction.

**8. Representations and Undertakings:**

8.1 The Client represents to the Financial Adviser that:

- (a) It is acting for its own account, and has made its own independent decision to enter into this Mandate Letter and the proposed Transaction and as to whether each of the Mandate Letter and the proposed Transaction are appropriate or proper for it, based upon its own judgment and upon advice from such advisers as it has deemed necessary.
  - (b) It is not relying on any communication (written or oral) of the Financial Adviser as investment advice or as a recommendation to enter into this Mandate Letter or the proposed Transaction; it being understood that the information and explanations related to the terms and conditions of this Mandate Letter or the proposed Transaction shall not be considered to be investment advice or a recommendation to enter into the proposed Transaction.
  - (c) No communication (written or oral) received from the Financial Adviser shall be deemed to be an assurance or guarantee as to the expected results of the Transaction proposed hereunder or that the Transaction will occur hereunder.
  - (d) It is capable of assessing the merits (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and risks of the Mandate Letter and the proposed Transaction. It is also capable of assuming, and assumes the risks of this Mandate Letter and the proposed Transaction.
  - (e) all information made available to the Financial Adviser by the Client for the purposes of the Transaction including, without limitation, any documents, taken as a whole, will be accurate and complete in all material respects and will be prepared and/or submitted in good faith.
  - (f) Nothing has occurred or been omitted and no information has been given or withheld that results or would result in the information being untrue or misleading in any material respect.
  - (g) The Client represents that this Mandate Letter has been duly authorised by it and undertakes to furnish to the Financial Adviser, a copy of any such authorisation on request. Further, the Client undertakes to pay the Fees as and when due including any cancellation fees stated hereunder in addition to costs and expenses incurred by the Financial Adviser in the performance of the Services.
- 8.2 The representations set out in paragraph 8.1 and any other representations of the Client in this Mandate Letter are deemed to be made by the Client daily by reference to the facts and circumstances then existing, commencing on the date of this Mandate Letter and continuing until completion of the Transaction.
- 8.3 The Client shall immediately notify the Financial Adviser in writing if any representation and warranty set out in paragraph 8.1 is incorrect or misleading and agrees to supplement the information promptly from time to time to ensure that each

such representation and warranty is correct when made. The obligations of the Client under this section 8.3 shall be valid until the satisfaction in full of all obligations of the Client under the Mandate.

- 8.4 The Client acknowledges that the Financial Adviser will be relying on the information without carrying out any independent verification.
- 8.5 The Financial Adviser and the Client undertake that it will comply with all relevant laws and regulations in any relevant jurisdiction in respect of the Transaction.

**9. Use of Information:**

The Client recognizes and confirms that the Financial Adviser in acting pursuant to this engagement will be using publicly available information and information in reports and other materials provided by others, including, without limitation, information provided by or on behalf of the Client, and that the Financial Adviser does not assume responsibility for and may rely, without independent verification, on the accuracy and completeness of any such information. The Client agrees (and shall procure that other members of the Client's group, if any, agree) to furnish or cause to be furnished to the Financial Adviser all necessary or appropriate information for use in its engagement and hereby warrants that any information relating to the Client, the Transaction or any member of the Client's group(s), if applicable, that is furnished to the Financial Adviser by the Client or any of the other aforementioned parties will be true and correct in all material respects and not misleading. The Client agrees that any information or advice rendered by the Financial Adviser or any of its representatives in connection with this engagement is for the confidential use of the Client only in its evaluation of the Transaction and any related matter and the Client (and or members of the Client's group) will not, and will not permit any third party to use it for any other purpose or disclose or otherwise refer to such advice or information, or to the Financial Adviser, in any manner without the Financial Adviser's prior written consent.

**10. Certain Acknowledgments:**

The Client acknowledges that the Financial Adviser has been retained hereunder solely as Adviser to the Client, and not as an Adviser to or agents of any other person, and that the Client's engagement of the Financial Adviser is as an independent contractor and not in any other capacity including as fiduciaries. Neither this engagement, nor the delivery of any advice in connection with this engagement, is intended to confer rights upon any persons not a party hereto (including security holders, employees or creditors of the Client) as against the Financial Adviser or its affiliates or its respective directors, officers, agents and employees. The Financial Adviser may, at its own expense, place announcements or advertisements in transaction newspapers and journals describing its Services hereunder.

**11. Limitation of Liability:**

- (a) The maximum liability of the Financial Adviser or any of its personnel in respect of direct economic loss or damage suffered by the Client arising out of or in connection with the Services shall be limited to the amount of the Fees charged and actually paid

for the Services. The maximum liability shall be an aggregate liability for all claims arising, whether by contract, negligence or otherwise.

- (b) In determining the liability of the Financial Adviser for purposes of this paragraph, a court or an arbitrator shall limit the liability of the Financial Adviser to that proportion of the loss or damage suffered by the Client, which is ascribed to the Financial Adviser by such court

or arbitrator allocating a proportionate responsibility having regard to the contribution of the Client to the loss or damage in question, or that of any other person based upon relative degrees of fault.

- (c) The Financial Adviser' liability shall in no circumstances exceed the lower of the amount determined by the application of the monetary limit based upon Fees charged to, and recovered from, the Client and the amount determined by the apportionment of responsibility as the case may be.
- (d) The Client shall not bring any claim personally against any of the Financial Adviser' personnel in respect of loss or damage suffered by the Client arising out of or in connection with the Services. This restriction shall not operate to limit or exclude the liability of the Financial Adviser for the grossly negligent or fraudulent acts or omissions of its directors and employees. Any claim from the Client must be made within two years from the Mandate End Date.

**12. Advice:**

The Financial Adviser will not be responsible for providing the Client with any legal, regulatory, accounting, taxation or other specialist advice in connection with the Transaction. The Financial Adviser will not have any liability in respect of any services or advice provided to the Client by persons other than itself.

**13. Assignability:**

Either party may, subject to 30 days prior written notice and with the consent of the other parties (which consent shall not be unreasonably withheld), transfer or assign all or part of its obligations duties rights and responsibilities arising under this engagement to any of its affiliates, including the right to receive any and all payments due pursuant to this Mandate. In no event will the other parties become liable for any increased costs, expenses, taxes or the settlement of any other transaction obligation whatsoever as a consequence of such a transfer or assignment.

**14. Publicity/Announcements:**

All transaction market publicity in connection with the Transaction shall be arranged by the Financial Adviser in close consultation with the Client (and at the Client's expense) and the Client hereby agrees by the execution of this Mandate Letter that any publicity proposed



by the Client in connection with the Transaction shall first be cleared and approved for release by the Financial Adviser.

**15. Indemnity:**

In connection with our engagement hereunder, the Client hereby agrees that if any of the Financial Adviser, its respective directors, officers, agents and employees of the Financial Adviser and each other person, if any, controlling the Financial Adviser (each an "Indemnified Person") incurs any direct losses, claims, costs, direct damages or liabilities (including, without limitation, legal fees, costs and expenses) arising out of, in connection with or based on such engagement (a "Loss"), to the full extent lawful, the Client shall pay to the Financial Adviser on demand an amount equal to such Loss (and agrees that neither the Financial Adviser nor such persons shall have any liability to the Client arising out of, in connection with or based on such engagement) other than for a Loss finally judicially determined to result primarily from the bad faith or gross negligence of the Financial Adviser or such persons and any other indirect/consequential losses and/or damages.

**16. Termination:**

- (a) This Mandate Letter shall terminate on the Mandate End Date (as defined in paragraph 1(b) above) provided that the parties may agree to extend the term of this Mandate Letter for such period or periods as they shall in writing determine;
- (b) Notwithstanding paragraph 16(a) above, a party may terminate this Mandate Letter with immediate effect at any time by seven days written notice to the other parties, if a party has breached any of its obligations or undertakings contained in this Mandate Letter and such breach (if capable remedy) has not been rectified within 5 days of written notification of such breach by any party;
- (c) Termination under this paragraph shall be without prejudice to any legal rights or obligations that may arise. The provisions of this paragraph 16 will continue to apply notwithstanding any termination of this Mandate Letter. No expiration or termination of this Mandate Letter will affect the matters set out in this section or under the captions "Use of Information", "Confidentiality", "Certain Acknowledgments", "Representations and Undertakings" and "Indemnity".

**17. Conflict of Interest**

- (a) The Client is aware that the Financial Adviser engages in investment related activities carried out directly by themselves or indirectly, by a subsidiary or affiliate. These activities include corporate finance (including new issues, mergers and acquisitions); investment banking and structured finance; sales and trading of securities and debt and related research and related activities.
- (b) The Financial Adviser and any member of its group may continue to pursue its business interests and activities without specific prior disclosure to the Client. Nothing in this Mandate Letter shall prevent the Financial Adviser or any member of

its group of companies from pursuing any existing or future interests either of its own or of its clients.

**18. Notices:**

A notice or communication will only be effective if it is in writing and if it is sent to the address on the cover page in the case of the Client and in the case of the Financial Adviser, to Artemis Africa Group, 55 Street MZ 200, Mermoz, Dakar.

or to such other address as any party notifies to the other parties in writing from time to time. A notice or other communication under this Mandate shall only be effective when received. Any notice or other communication under this Mandate received outside working hours (being 8:00am to 5:00pm on a Dakar Business Day which, for the purpose of this Mandate, shall mean any day on which banks in Dakar shall open for general business not being a Saturday, Sunday or a public holiday) will be deemed not to have been received until the start of the next period of working hours.

**19. Dispute Resolution**

- a) In the event that any disagreement arises between the parties with reference to this Mandate Letter or any matter arising hereunder and upon which the party cannot agree in their capacity as a party, then any party (the "Initiating Party") can invoke the dispute resolution procedure by sending a written notice to the other party (the "Responding Party") describing the nature of the dispute and designating an officer of the Initiating Party with appropriate authority to be its representative in negotiations relating to the dispute. The Responding Party shall, within 5 (five) business days of the receipt of such notice, send a written notice to the Initiating Party, designating an officer of the Responding Party with appropriate authority to be its representative in negotiations relating to the dispute.
- b) Within 10 (ten) days of receipt by the Initiating Party of the written notice of the Responding Party, the representatives of each party shall enter good faith negotiations with a view to resolving the dispute. If the dispute is not resolved within 30 (thirty) days of the commencement of such negotiations, or such longer period as may be agreed upon, either party may, by written notice to the other party, terminate the negotiations.
- c) Subject to subsections 19(a) and (b) above, all disputes arising in connection with this Mandate Letter shall be finally settled by a single arbitrator in accordance with the laws of Senegal.

**20. Entire Agreement:**

This Letter constitutes the entire agreement relating to our engagement and supersedes all prior agreements, understanding, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the Transaction except as specifically set forth herein.

**21. Counterparts**

This Letter may be executed in any number of counterparts (but shall not be effective until each party has executed at least one counterpart), each of which, when executed and delivered, shall be an original and which together shall have the same effect as if each party had executed and delivered the same document.

**22. Governing Law**

This Mandate Letter shall be governed by and construed in accordance with the laws of the Senegal and the parties hereby submit to the exclusive jurisdiction of the Senegalese courts.

We are delighted to accept this engagement and look forward to working with you on this Mandate. Please confirm that the foregoing is in accordance with your understanding of our engagement by signing and returning to us a copy of this Letter. If you have any questions please call Latyr Diop on +221 78 104 82 55.

Yours faithfully,  
**For and on behalf of Artemis Africa Group**

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Latyr Diop  
**Chief Executive Officer**

**For and on behalf of WARI SA** this 14<sup>th</sup> day of March 2018 (being the signature date referred to on page 1 of this Mandate Letter):

.....  
Name:  
Designation

.....  
Name:  
Designation: