

## Procedures for the Sale and Investment Solicitation Process

1. On December 22, 2017, Banro Corporation ("**Banro**") and its direct and indirect subsidiaries, Banro Group (Barbados) Limited ("**BGB**"), Banro Congo (Barbados) Limited, Namoya (Barbados) Limited, Lugushwa (Barbados) Limited, Twangiza (Barbados) Limited, and Kamituga (Barbados) Limited (collectively, with Banro and BGB, the "**Applicants**") obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* ("**CCAA**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**").
2. The Initial Order authorizes and approves the Applicants entering into an Interim Financing Term Sheet dated as of December 21, 2017 (the "**DIP Term Sheet**") for the provision of a senior secured super priority (debtor-in-possession), interim, non-revolving credit facility (the "**DIP Facility**") from Gramercy and Baiyin (together with and any permitted assignees, the "**DIP Lender**"). A copy of the DIP Term Sheet is attached at Exhibit "N" to the Affidavit of Rory James Taylor sworn on December 22, 2017 (the "**Taylor Affidavit**") a copy of which is available at [www.cfcanada/fticonsulting.com/banro](http://www.cfcanada/fticonsulting.com/banro) (the "**Case Website**").
3. The DIP Term Sheet contemplates Banro completing the Sale and Investment Solicitation Process ("**SISP**") set forth herein.
4. The purpose of the SISP is to solicit proposals for an Alternative Transaction that may constitute a Successful Bid and where no Successful Bid is obtained, to provide for the completion of the Recapitalization (each as defined below).
5. Set forth below are the procedures (the "**SISP Procedures**") to be followed with respect to the SISP and, if applicable, following determination of a Successful Bid, to complete the transaction contemplated thereby.

### Defined Terms

6. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Initial Order. In addition, capitalized terms used in these SISP Procedures shall have the meanings set out in Appendix "A".

### Solicitation Process and Timeline

7. The SISP Procedures set forth herein describe the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Banro Group, their businesses and operations (the "**Business**") and their assets, undertakings and properties (collectively, the "**Property**"), the manner in which a bid becomes a Qualified Alternative Transaction Bid, the receipt and negotiation of bids received, the ultimate selection of a Successful Bid, if any, and the approval thereof by the Court.
8. Banro shall implement these SISP Procedures with the assistance and supervision of the Monitor and, where specified, in consultation with the DIP Lender. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have jurisdiction to hear and resolve any such dispute.
9. The following table sets out the key milestones under this SISP, subject to extension by Banro pursuant to and in accordance with these SISP Procedures:

<b>Milestone</b>	<b>Deadline</b>
Commencement of SISP	January 22, 2018
LOI Bid Deadline	March 2, 2018
Bid Deadline	April 9, 2018

### **Solicitation of Interest**

10. As soon as reasonably practicable, and in no event later than January 22, 2018, Banro and the Monitor shall (a) prepare a list of potential bidders, including strategic and financial parties, that may be interested in submitting an Alternative Transaction (a "**Potential Bidder**"); (b) prepare a summary teaser describing the opportunity to participate in the SISP and an overview of the SISP Procedures (the "**Teaser Letter**"); (c) prepare a confidential information memorandum ("**CIM**") with respect to the opportunity, if appropriate; and (d) establish a data room (the "**Data Room**") of due diligence materials (the CIM and the materials in the Data Room collectively being the "**Diligence Materials**") that Banro and the Monitor believe may be useful for Potential Bidders. At the same time, Banro shall issue a press release setting out relevant information regarding the SISP with Canada Newswire and such other major news-outlets for dissemination in Canada, major financial centres in the United States and such other international locations as the Monitor and Banro may determine to be reasonably appropriate.

11. As soon as reasonably practicable, the Monitor shall contact the Potential Bidders to introduce the opportunity, provide copy of the Teaser Letter to any Potential Bidder that requests a copy thereof and shall post a copy of the SISP and the Teaser Letter on the Case Website.

### **Due Diligence Access**

12. In order to participate in the SISP and be granted access to the Diligence Materials by a Potential Bidder must deliver to Banro with a copy to the Monitor, at the addresses specified in **Appendix "B"** hereto (including by email): (i) an executed confidentiality agreement in form and substance satisfactory to Banro and the Monitor ("**Confidentiality Agreement**"), and (ii) an executed acknowledgement of these SISP Procedures, in form and substance satisfactory to Banro and the Monitor ("**SISP Acknowledgement**").

13. All Potential Bidders that have provided an executed a Confidentiality Agreement and an executed SISP Acknowledgment shall be deemed to be a qualified phase 1 bidder (a "**Qualified Phase 1 Bidder**") and will be promptly notified of such classification by the Monitor. Qualified Phase 1 Bidders shall be provided with a copy of the CIM, if applicable, and access to the Data Room. Banro and the Monitor make no representation or warranty as to the accuracy or completeness of the information contained in the Teaser Letter or the Diligence Materials, except to the extent expressly provided in any definitive sale or investment agreement executed and delivered by Banro (a "**Definitive Agreement**").

14. Banro, in consultation with the Monitor, reserves the right to withhold any Diligence Materials that Banro determines, in its sole discretion, is business sensitive or otherwise not appropriate for disclosure to a Potential Bidder who is a competitor or customer of any member of the Banro Group or is affiliates with any competitor or customer of any member of the Banro Group.

15. In respect of information requests or any other matters concerning a possible Alternative Transaction and this SISP, Potential Bidders and/or Qualified Bidders must only communicate with Banro and the Monitor or with such other individual or individuals as Banro, in consultation with the Monitor, may authorize in writing. Without the prior written consent of Banro, in

consultation with the Monitor, no Prospective Bidders and/or Qualified Bidders or representatives thereof may initiate or cause to be initiated or maintain any communication with a member of any government, government representative, director, agent, employee, affiliate, creditor, shareholder, customer or supplier of the Banro Group concerning Banro or its Business, assets, operations, prospects or finances, or any matters relating to a possible Alternative Transaction.

### **LOI Submissions**

16. Each Qualified Phase 1 Bidder wishing to be eligible to submit an Alternative Transaction Bid shall submit a non-binding letter of intent (each, a “LOI”) to Banro with a copy to the Monitor at the addresses specified in **Appendix “B”** hereto (including by email) so as to be received by them no later than 12:00 p.m. (Eastern Standard Time) on March 2, 2018, or such later date or time as may be agreed by Banro and the Monitor with the consent of the DIP Lender (the “LOI Deadline”).

17. Each LOI shall include the following information on the Qualified Bidder’s proposed Alternative Transaction: (a) the amount of, and details regarding the form of, consideration for the Alternative Transaction in U.S. Dollars; (b) a specific indication of the expected structure of the Alternative Transaction and the financing needed to consummate the Alternative Transaction; (c) the key terms and provisions to be included in any order of the Court approving the Alternative Transaction; (d) an outline of any additional Diligence Materials or due diligence required to be conducted in order to submit an Alternative Transaction Bid; (e) preliminary evidence satisfactory to Banro and the Monitor of such person’s financial wherewithal to consummate an Alternative Transaction; (f) any other terms or conditions that the Qualified Bidder considers material; (g) specific information as to how the Qualified Bidder intends to satisfy the requirements for a Qualified Alternative Transaction Bid set forth in paragraph 24 hereof, and (h) any other information that may be requested by the Company or the Monitor, after consultation with the DIP Lender, prior to the LOI Deadline.

18. Without limiting the foregoing, each LOI shall also include:

- (a) in the case of a Sale Transaction, identification of the shares owned by any one or more of the Applicants proposed to be acquired and any liabilities of the Applicants proposed to be assumed; or
- (b) in the case of a Plan Transaction, details regarding the proposed equity and debt structure of the Banro Group following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the pro forma capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Banro Group, the debt, equity or other securities, if any, proposed to be allocated to any secured or unsecured creditors of the Applicants, the terms of repayment of the DIP Obligations, the Priority Claims, the Affected Parity Lien Debt and whether and what portion, if any, of the secured and unsecured creditors of the Applicants will be paid in cash or other consideration.

19. A LOI also must also fully disclose the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring, participating in or financing the Alternative Transaction and the complete terms of any such sponsorship, participation or financing.

## Assessment of LOIs

20. Banro or the Monitor shall provide to the DIP Lender copies of all the LOIs received, provided that both Gramercy and Baiyin (in their capacity as DIP Lenders and sponsors of the Recapitalization) each confirm to Banro and the Monitor in writing that they shall not submit any other proposal other than the Recapitalization Transaction and shall not amend the terms of the Recapitalization Transaction to provide greater consideration or value than what is currently provided for therein (a “**Conforming DIP Lender**”).

21. Banro, in consultation with the Monitor and the Conforming DIP Lender, shall review each LOI received by the LOI Deadline. Banro shall determine in its business judgment, with the assistance of the Monitor, if each LOI could form the basis of a Qualified Alternative Transaction Bid. If Banro, with the assistance of the Monitor and after consultation with the Conforming DIP Lender, determines that an LOI could not form the basis of a Qualified Alternative Transaction Bid, Banro and the Monitor may refuse to provide any further Diligence Materials to the Qualified Phase 1 Bidder and such Qualified Phase 1 Bidder shall not be eligible to submit an Alternative Transaction Bid. If Banro, with the consent of the Monitor or further Order of the Court and after consultation with the Conforming DIP Lender, determines that none of the LOIs received could form the basis of a Qualified Alternative Transaction Bid, Banro shall give notice to Qualified Phase 1 Bidders that this SISP is terminated and that Banro will proceed to complete the Recapitalization.

22. If Banro, with the assistance of the Monitor and after consultation with the DIP Lender, determines that a LOI could form the basis of a Qualified Alternative Transaction Bid, the Monitor shall inform the Qualified Phase 1 Bidder that submitted such LOI of Banro’s determination and each such Qualified Phase 1 Bidder shall be entitled to submit an Alternative Transaction Bid in accordance with these SISP Procedures. If the Conforming DIP Lender, acting reasonably, advises Banro and the Monitor that it does not agree that any of the LOIs received could form the basis of a Qualified Alternative Transaction Bid, Banro may either (i) with the consent of the Monitor, elect to terminate this SISP (and provide notice thereof to Qualified Bidders) and proceed to complete the Recapitalization, or (ii) seek further direction from the Court.

## Alternative Transaction Bids

23. A Qualified Bidder that is determined in accordance with paragraph 22 hereof to be eligible to submit an Alternative Transaction Bid (a “**Qualified Bidder**”) may deliver written copies of a binding offer or proposal for an Alternative Transaction (an “**Alternative Transaction Bid**”) to Banro with a copy to the Monitor at the addresses specified in **Appendix “B”** hereto (including by email) so as to be received by them no later than 12:00 p.m. (Eastern Standard Time) on April 9, 2018, or such other later date or time as may be agreed by Banro and the Monitor with the consent of the DIP Lenders (the “**Bid Deadline**”).

24. An Alternative Transaction Bid will be deemed to be a “**Qualified Alternative Transaction Bid**” only if the Alternative Transaction Bid complies with all of the following:

- (a) it includes:
  - (i) in the case of a Sale Transaction, an executed Definitive Agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by Banro), together with a blackline against the draft form of Definitive Agreement which shall be prepared by Banro with the assistance of the Monitor and



posted in the Data Room, describing the terms and conditions of the proposed transaction, including identification of the shares owned by any one or more of the Applicants proposed to be acquired and any liabilities proposed to be assumed, the purchase price for such shares expressed in U.S. Dollars (the "**Purchase Price**"), and the structure and financing of the proposed transaction; or

- (ii) in the case of a Plan Transaction, an executed Definitive Agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by Banro), together with a blackline against the draft form of Definitive Agreement which shall be prepared by Banro with the assistance of the Monitor and posted in the Data Room, describing the terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Banro Group following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the pro forma capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Banro Group, the debt, equity or other securities, if any, proposed to be allocated to any secured or unsecured creditors of the company, the terms of repayment of the DIP Obligations, the Priority Claims, the Note Obligations and the Affected parity Lien Debt, and whether and what portion, if any, of the other secured and unsecured creditors of the Applicants will be paid in cash;
- (b) clearly demonstrates that the Qualified Consideration will be received by Banro at closing without any deduction, set-off or other adjustment.
- (c) it fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Alternative Transaction Bid and the complete terms of any such sponsorship or participation;
- (d) it fully discloses any regulatory and third-party approvals required to consummate the Alternative Transaction Bid and the time period within which the Qualified Bidder expects to receive such regulatory and third-party approvals, and those actions that the Qualified Bidder will take to ensure receipt of such approvals as promptly as possible;
- (e) it does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment;
- (f) it includes a letter stating that the offer is irrevocable until the earlier of (i) the approval of the Recapitalization or a Successful Bid by the Court and (ii) thirty (30) calendar days following the Bid Deadline (the "**Irrevocable Bid Date**"), provided that if such bidder's Alternative Transaction Bid is selected as a Successful Bid, its bid shall remain irrevocable until the closing of the transaction;
- (g) it includes written evidence, in form and substance reasonably satisfactory to Banro and the Monitor, of a firm commitment for all required financing, or other evidence of the financial ability to consummate the proposed transaction, that will allow Banro and the Monitor, in consultation with the Conforming DIP Lender, to

make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by the Alternative Transaction Bid;

- (h) it is not conditioned on (i) the outcome of unperformed due diligence and/or (ii) obtaining financing;
- (i) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Business, the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly provided in a Definitive Agreement;
- (j) it includes evidence, in form and substance reasonably satisfactory to Banro and the Monitor, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid, and identifies any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (k) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor payable to the order of the Monitor, in trust, in an amount equal to 5% of the cash consideration in the Alternative Transaction Bid which Deposit is to be held and dealt with in accordance with these SISP Procedures;
- (l) it includes a commitment to close the transactions contemplated by the Alternative Transaction Bid by no later than April 30, 2018 (the "**Outside Date**");
- (m) it contains such other information as may reasonably be requested by Banro or the Monitor, in consultation with the Conforming DIP Lender; and
- (n) it is received by the Bid Deadline.

#### **Review of Alternative Transaction Bid(s)**

25. Following the Bid Deadline, Banro or the Monitor shall distribute copies of the Alternative Transaction Bids received to the Conforming DIP Lender. Banro and the Monitor, in consultation with the Conforming DIP Lender, will assess the Alternative Transaction Bids received by the Bid Deadline and determine whether such bids constitute Qualified Alternative Transaction Bids. Banro, in consultation with the Monitor and the DIP Lender, may waive compliance with any one or more of the requirements specified herein other than the requirement set forth in sections 24(b) and 24(k), and deem such non-compliant bids to be Qualified Alternative Transaction Bids.

26. Banro, in consultation with the Monitor and the Conforming DIP Lender, also reserves the right to take one or more of the following steps: (i) identify the highest or otherwise most

favourable Qualified Alternative Transaction Bid(s) (the “**Successful Bid**”); (ii) request that certain Qualified Bidders who have submitted Qualified Alternative Transaction Bids revisit their proposals in the event that multiple Qualified Alternative Transaction Bids are competitive, or (iii) commence an auction process with respect to multiple Qualified Alternative Transaction Bids to identify a Successful Bid, pursuant to procedures approved by Banro and the Monitor, with the consent of the Conforming DIP Lender or further Order of the Court, that shall be distributed to Qualified Bidders selected by Banro, with the consent of the Monitor, to participate in such auction at least five (5) Business Days in advance of the proposed start time for the auction.

27. For greater certainty, Banro, in consultation with the Monitor and the Conforming DIP Lender, may select more than one Qualified Alternative Transaction Bid as a Successful Bid to the extent that, based on the nature of such Qualified Alternative Transaction Bids, multiple Qualified Alternative Transaction Bids when taken together will constitute the highest or otherwise most favourable Qualified Alternative Transaction Bid.

28. In the event that Banro, in consultation with the Monitor and the Conforming DIP Lender determines that no Qualified Alternative Transaction Bids are received or Banro determines in its business judgment not to select a Successful Bid, Banro shall give notice to Qualified Bidders that this SISP is terminated and Banro will proceed to complete the Recapitalization.

29. If Banro selects a Successful Bid, Banro, with the assistance of the Monitor, shall then proceed to negotiate and settle the terms and conditions of a Definitive Agreement in respect of a Successful Bid, all of which shall be conditional upon Court approval.

30. Once a Definitive Agreement has been negotiated and settled in respect of a Successful Bid, the person(s) who made the Successful Bid shall be the “**Successful Bidder**” hereunder.

### **Court Approval**

31. Banro shall apply to the Court (the “**Approval Motion**”) for an order approving a Successful Bid and authorizing Banro (and/or any applicable member of the Banro Group) to enter into a Definitive Agreement with the Successful Bidder and any and all necessary further instruments and agreements with respect to the Successful Bid, as well as an order, in the case of a Sale Transaction, vesting title to purchased property in the name of the Successful Bidder.

32. The Approval Motion shall take place on or before April 27, 2018, but may be adjourned or postponed by Banro, with the consent of the Successful Bidder, the Monitor and the DIP Lender, to a later date as agreed between those parties.

33. All Qualified Alternative Transaction Bids (other than a Successful Bid) shall be deemed rejected on and as of the Irrevocable Bid Date.

34. Banro shall implement the Successful Bid or the Recapitalization, as applicable, by no later than the Outside Date or such other date as Banro, the Monitor and the DIP Lender may agree.

### **Deposits**

35. All Deposits shall be retained by the Monitor and deposited in a trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied to the Purchase Price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits of Qualified Bidders not selected as a Successful Bidder shall be

returned to such bidders within five (5) Business Days of the date upon the earlier of the Irrevocable Bid Date or (ii) the date that this SISP is terminated.

### **Approvals**

36. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA, or any other statute or as otherwise required at law in order to implement or complete a Successful Bid.

### **No Amendment**

37. There shall be no amendments to this SISP, including for greater certainty the process and procedures set out herein, without the consent of Banro, the Monitor and the DIP Lender or further Order of the Court.

### **“As Is, Where Is”**

38. Any Alternative Transaction will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by any member of the Banro Group or the Monitor or any of their employees, agents or estates, except to the extent expressly provided under a Definitive Agreement with a Successful Bidder executed and delivered by Banro and/or any member of the Banro Group.

### **Free Of Any And All Claims And Interests**

39. In the event of a sale of the some or all of the shares owned by one or more of the Applicants, to the extent permitted by law, all of the rights, title and interests of the applicable Applicants in and to such shares to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests on or against such shares (collectively, the “**Claims and Interests**”) pursuant to a Court order made under section 36(6) of the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such shares (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in a Definitive Agreement with a Successful Bidder.

### **No Obligation to Conclude a Transaction**

40. Banro has no obligation to agree to conclude an Alternative Transaction arising out of the SISP, and it reserves the right and unfettered discretion to reject any offer or other proposal made in connection with the SISP. In addition, at any time during these SISP Procedures, Banro, with the consent of the Monitor and the DIP Lender, or further Order of the Court may determine to terminate these SISP Procedures, and shall provide notice of such a decision to any Qualified Bidders.

### **Further Orders**

41. At any time during the SISP, Banro and/or the Monitor may apply to the Court, following consultation with the DIP Lenders, for advice and directions with respect to the discharge of its powers and duties hereunder.

### **Banro Authority**



42. Where under these SISP Procedures, a decision, determination, approval, consent, waiver or agreement is required from Banro, or that a matter must be satisfactory or acceptable to Banro, such decision, determination, approval, consent, waiver, agreement, satisfaction, acceptance or other action shall be determined by the Special Committee and shall be effective or shall have been obtained or satisfied, as the case may be, for the purposes of this SISP where the Special Committee, shall have confirmed its decision, determination, approval, consent, waiver, agreement, satisfaction, acceptance or other action, as the case may be, through Cassels. Any person shall be entitled to rely on any such decision, determination, approval, consent, waiver, agreement, satisfaction, acceptance or other action communicated by Cassels without any obligation to inquire into Cassels' authority to do so on behalf of the Banro and such communication shall be effective for all purposes of this SISP and the SISP Procedures.