

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO ITS CONTENTS OR THE ACTION TO BE TAKEN, PLEASE CONSULT YOUR BANKER, STOCKBROKER, ACCOUNTANT, SOLICITOR OR ANY OTHER PROFESSIONAL ADVISER FOR GUIDANCE IMMEDIATELY. THIS PROSPECTUS HAS BEEN REVIEWED AND APPROVED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF BUA CEMENT PLC AND THEY JOINTLY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE INQUIRIES WHICH ARE REASONABLE IN THE CIRCUMSTANCES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING

INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 36 HEREOF.



BUA CEMENT PLC

RC 1193879

₦200,000,000,000 BOND ISSUANCE PROGRAMME SHELF PROSPECTUS

Under this debt issuance programme (the "Programme"), BUA Cement PLC ("BUA" or the "Issuer") may from time to time issue bonds or any other type of debt securities, in separate series, in amounts, at prices, and on terms to be set out in any accompanying Pricing Supplement (as defined below).

The maximum aggregate nominal amount of all Bonds (as defined below) or any other type of securities issued from time to time and outstanding under this Programme shall not exceed ₦200,000,000,000 (Two Hundred Billion Naira) over the three year period (or such extended period that the Securities and Exchange Commission (the "Commission") may approve) that this shelf prospectus (the "Shelf Prospectus"), including any amendments thereto, remains valid. This Shelf Prospectus is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any series of the Programme, together with the relevant Pricing Supplement.

This Shelf Prospectus and the securities that it offers have been approved and registered by the Commission. It is a civil wrong and criminal offence under the Investments & Securities Act No. 29 of 2007 (the "ISA" or the "Act") to issue a prospectus which contains false or misleading information. The clearance and registration of this Shelf Prospectus and the securities which it offers does not relieve the parties from any liability arising under the Act for false and misleading statements contained herein or for any omission of a material fact. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in sections 85 and 86 of the ISA.

This Shelf Prospectus has been issued in compliance with Part IX of the Act, Part F Rule 279 of the 2013 Rules and Regulations of the Commission and the listing requirements of FMDQ Securities Exchange Limited ("FMDQ Exchange") and The Nigerian Stock Exchange ("NSE") and contains particulars which are compliant with the requirements of the Commission for the purpose of giving information with regard to the Programme.

The registration of the Shelf Prospectus and any Pricing Supplement thereafter does not in any way whatsoever suggest that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

INVESTORS MAY CONFIRM THE CLEARANCE OF THE SHELF PROSPECTUS AND REGISTRATION OF ANY SECURITIES ISSUED UNDER THE PROGRAMME BY CONTACTING THE COMMISSION BY EMAIL ON SEC@SEC.GOV.NG OR BY PHONE ON +234 (0)9 462 1100 OR +234 (0)9 462 1168.

Lead Issuing House / Bookrunner	
 Stanbic IBTC Capital STANBIC IBTC CAPITAL LIMITED RC: 1031358	
Joint Issuing Houses / Bookrunners	
 UCML CAPITAL LIMITED RC: 370890	 TIDDO SECURITIES LIMITED RC: 155716

This Shelf Prospectus is dated 30th December, 2020

This Shelf Prospectus will be available on the following websites through the 3 (three) year validity period

www.buacement.com; www.sec.gov.ng

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IMPORTANT NOTICES

This Shelf Prospectus has been prepared on behalf of BUA Cement PLC in connection with its ~~N~~200,000,000,000 Bond Issuance Programme for the purpose of giving information to prospective investors in respect of the Bonds described herein. The Commission has cleared and registered this Shelf Prospectus.

The Board of Directors of the Issuer accepts full responsibility for the information contained in this Shelf Prospectus. The Board of Directors confirms (having taken all reasonable care to ensure that is the case) that the information contained in this Shelf Prospectus is in accordance with the Rules and Regulations of the Commission.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Shelf Prospectus or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorised by the Issuer.

Neither this Shelf Prospectus nor any other information supplied in connection with the Bonds: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer, any of the Issuing Houses or the Trustees that any recipient of this Shelf Prospectus or any other information supplied in connection with the Issue should purchase the Bonds.

Each prospective investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this Shelf Prospectus nor any other information supplied in connection with the Issue or the Bonds constitutes an offer or invitation by or on behalf of the Issuer, any of the Issuing Houses or the Trustees to any person to subscribe for or to purchase the Bonds.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme continues to remain correct as of any time subsequent to the date indicated in the document containing the same.

The Issuing Houses expressly do not undertake to review the financial condition or affairs of the Issuer throughout the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention. The Issuing Houses have not separately verified the information contained in this Shelf Prospectus and accordingly no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted whether in contract or otherwise by the Issuing Houses as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information supplied in connection with the Bonds or their distribution. Each person receiving this Shelf Prospectus acknowledges that such person has not relied on the Issuing Houses or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information or its investment decision. The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from any of the Issuing Houses to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing for the Debt Securities offered herein and should take their own professional advice in connection with any prospective investment by them.

The distribution of this Shelf Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Prospectus or any Bonds come must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States of America, the United Kingdom, the European Economic Area, Canada, Japan, Australia, the Republic of South Africa and certain other jurisdictions. None of the Issuer, the Issuing Houses or the other professional advisers, represent that this Prospectus may be lawfully distributed, or that any 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 assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Issuing House or the other professional advisers, which would permit a public offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required.

IMPORTANT NOTICES

The Issuer and the Issuing Houses do not represent that this Shelf Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, nor does it assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Bonds 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 under circumstances that will result in compliance with any applicable law and regulations.

The Bonds have not been and will not be registered under the United States Securities Act of 1933 (the Securities Act). The Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with Regulations under the Securities Act.

KEY TERMS AND ABBREVIATIONS

In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

“Applicable Pricing Supplement”, “Pricing Supplement” or “Supplement”	The document(s) to be issued pursuant to the Shelf Prospectus which shall provide final terms and conditions of a specific Series issued under the Programme and read in conjunction with the Shelf Prospectus.
“Auditor”	The auditor to the Issuer, PricewaterhouseCoopers, or any successor auditor which may be appointed in future
“Agusto”	Agusto & Co. Limited
“Affiliates”	With respect to any person, any corporation, partnership, trust or other entity or organization that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with such person where “control” means the ability to direct or cause the direction of the business, affairs and management policies or practices of a person
“Board” or “Directors” or “Board of Directors”	The members of the board of directors of the Issuer who as at the date of this document are those persons whose names are set out on page 48 of this Shelf Prospectus
“Bonds” or “Debt Securities”	The registered bonds issued by the Issuer from time to time under the Programme with aggregate value not exceeding ₦200,000,000,000
“Bond Issuance Programme” or the “Programme”	The ₦200,000,000,000 bond issuance programme being established by the Issuer as described in this Shelf Prospectus, pursuant to which the Company may issue series and/or tranches of Bonds from time to time, provided however that the aggregate value does not exceed ₦200,000,000,000
“Bondholder” or “Holder”	Any registered owner or beneficial owner of Bond units to be issued under the Programme.
“Book Building”	A process of price and demand discovery through which a Bookrunner seeks to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investors and High Net Worth Individuals.
“Bookrunner(s)”	The Issuing House(s) duly appointed by the Issuer to manage the order book in respect of the Bonds being sold by way of Book Building
“Business Day”	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for general banking business in Lagos, Nigeria

KEY TERMS AND ABBREVIATIONS

“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act 2020
“CBN”	Central Bank of Nigeria
“CIT”	Companies Income Tax
“CITA”	Companies Income Tax Act Chapter, C21, LFN, 2004 (as amended by the Companies Income Tax (Amendment Act No. 11 of 2007) and the Finance Act, 2019)
“CGT”	Capital Gains Tax
“Conditions” or “Terms and Conditions”	Terms and conditions in accordance with which the Bonds will be issued, set out in the section headed “Terms and Conditions of the Bonds” in this Prospectus, the Programme Trust Deed and the relevant Series Trust Deed
“Coupon”	The interest payable to Bondholders as specified in the Applicable Pricing Supplement
“Coupon Commencement Date”	In relation to the Bonds of any Series, the date specified in the Applicable Pricing Supplement or a supplement to the Shelf Prospectus from (and including) the date on which such Bond starts to bear Coupon or, if no such date is specified therein, the Issue Date (other than in relation to Zero Coupon Bonds)
“Coupon Determination Date”	The date falling no later than two Business Days prior to the Coupon Payment Date on which the Trustees determines the interest rate applicable on a Bond (other than Fixed Rate Bonds and Zero-Coupon Bonds) for that Interest Period
“Coupon Payment Date”	The date on which coupon is to be paid to Bondholders as specified in the Applicable Pricing Supplement
“Coupon Period”	Coupon Period as defined in the Programme Trust Deed
“Depository”	Central Securities Clearing Systems PLC, FMDQ Depository Limited or any successor depository licensed by the SEC which may be appointed in the future
“Daily Official List”	The publication of The Nigerian Stock Exchange, published daily, detailing price movements and information on all securities quoted on the Exchange
“Daily Quotations List”	The publication of the FMDQ Securities Exchange Limited, published daily, providing information on all securities quoted on its Exchange
“DataPro”	DataPro Limited
“Debt Service Reserve Account”	An account which the Issuer may establish for a Series pursuant to the relevant Series Trust Deed and which shall be managed by the Trustees or such other Trustees specified in the Pricing Supplement
“DMO”	Debt Management Office
“Encumbrance”	Any interest or equity of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security

KEY TERMS AND ABBREVIATIONS

	agreement or arrangement or any agreement to create any of the above
“Event of Default”	All such events of default as are defined under the Programme Trust Deed
“Exchange”	The FMDQ Securities Exchange or The NSE or any other securities exchange recognised by the Commission
“Extraordinary Resolution”	A resolution that is passed by a majority consisting of not less than three-fourth (3/4) of the persons present and voting at the meeting upon a show of hands, or if a poll is demanded, by Bondholders holding not less than three-fourth (3/4) in value of the Bonds held by the Bondholders present or represented by proxies at the meeting
“Face Value” or “Par Value”	The value the Bondholder will get per Bond on the Maturity Date
“Federal Government” or “FGN” or “Government”	Federal Government of Nigeria
“FIRS”	Federal Inland Revenue Service
“Fixed Rate”	The rate of interest payable in respect of Fixed Rate Bonds
“Fixed Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis and will not change during the life of the Bonds
“Floating Rate”	The rate of interest payable in respect of Floating Rate Bonds
“Floating Rate Bonds”	Bonds in respect of which interest is to be calculated and paid in a floating rate basis in accordance with a variable benchmark rate as prescribed in the Applicable Pricing Supplement
“FMDQ” or “FMDQ Exchange”	FMDQ Securities Exchange Limited
“FRCoN”	Financial Reporting Council of Nigeria
“GDP”	Gross Domestic Product
“High Net Worth Individual” or “HNI”	as defined in the SEC Rules
“IFRS”	International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time).
“Instruments”	Any registered Bond issued by the Issuer under the Bond Issuance Programme
“ISA”	Investments and Securities Act (No 29 of 2007) (as amended)
“Issue Date”	The date on which a Bond is issued and when accrual of the Coupon on the Bond commences
“Issue Price”	The price at which a Bond is issued as specified in the Applicable Pricing Supplement

KEY TERMS AND ABBREVIATIONS

“Issuer” or the “Company”	BUA Cement PLC
“Issuing Houses”	Stanbic IBTC Capital Limited, Tidlo Securities Limited, UCML Capital Limited and any other person that may be appointed as an Issuing House
“Joint Issuing Houses / Bookrunners”	Tidlo Securities Limited, UCML Capital Limited and any other person that may be appointed as a Joint Issuing House / Bookrunner
“Lead Issuing House / Bookrunner” or “Stanbic IBTC”	Stanbic IBTC Capital Limited
“LFN”	Laws of the Federation of Nigeria
“Majority Bondholders”	In respect of each Series, Bondholders holding at least 75% of the aggregate Face Value of the Bonds outstanding for the time being under that Series
“Material Adverse Change”	Any event or circumstances which gives rise to a Material Adverse Effect
“Material Adverse Effect”	<p>any event or circumstance which in the reasonable opinion of the Bond Trustees (when taken alone or together with any previous event or circumstance), has or could reasonably be expected to have a material adverse effect, for as long as the Bonds are outstanding, on:</p> <ul style="list-style-type: none">(a) the assets, business or financial condition of the Issuer; or(b) the ability of the Issuer to perform its payment obligations under the Offer Documents; or(c) the validity or enforceability of any of the Offer Documents or the rights or remedies of the Bondholders thereunder.
“Maturity Date”	The final redemption date as specified in each Pricing Supplement on which the Redemption Amount and Coupon is due to be paid
“Naira”, “NGN” or “N” or “N”	The Nigerian Naira
“NBS”	National Bureau of Statistics
“Nigeria”	The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly
“NSE”	The Nigerian Stock Exchange
“Offer Documents”	Documents prepared in relation to the Programme and each Series including this Shelf Prospectus, each Applicable Pricing Supplement, the Programme Trust Deed, Series Trust Deeds, and any other documents as may be required by the Commission
“Payment Account”	In relation to a Series, an account opened by the Issuer, in the name of, managed and controlled by the Trustees and into which the Issuer shall make payments in accordance with the terms of that Series
“PIT”	Personal Income Tax

KEY TERMS AND ABBREVIATIONS

“PITA”	Personal Income Tax Act Chapter, P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011) and the Finance Act, 2019)
“Principal Amount”	The nominal amount of each Bond, as specified in the Applicable Pricing Supplement
“Professional Parties”	Professionals engaged by the Issuer to advise on the establishment of the Bond Issuance Programme and the issuance of Bonds thereunder
“Programme Trust Deed”	The programme trust deed between the Issuer and the Trustees by which the Bond Issuance Programme is constituted
“Qualified Institutional Investor”	As defined in the SEC Rules
“Rating Agencies”	Agusto, DataPro or any other rating agency that may be appointed by the Issuer
“Record Date”	The date on which the list of holders of the Bonds is extracted from the Register for the purposes of making Coupon payments
“Receiving Bank(s)”	Access Bank PLC, United Bank for Africa PLC, and any other person that may be appointed to the role of receiving bank.
“Recognised Securities Exchange”	The NSE or FMDQ or any other securities exchange so licensed by the SEC on which the Bonds will be listed
“Redemption Amount”	The aggregate Principal Amount and any applicable Coupon outstanding in respect of a series of Bonds on the Maturity Date as specified in the Applicable Pricing Supplement
“Register”	The Bond register kept at the specified office of the Registrar into which shall be entered the names and addresses of each Bondholder and the particulars, transfers and redemption of the Bonds held by each Bondholder for the relevant Series
“Registrar”	Africa Prudential PLC or any other person so appointed by the Issuer
“Related Party”	Any corporate entity, which is the Issuer’s subsidiary or holding company or a subsidiary of the holding company
“Reporting Accountants”	KPMG Professional Services or any other person that may be appointed as Reporting Accountants by the Issuer
“Reverse Floating Rate”	Bonds in respect of which interest is calculated to have an inverse relationship to the referenced benchmark rate
“SEC Rules” or “Rules and Regulations”	The rules and regulations of the Securities and Exchange Commission issued pursuant to the ISA from time to time
“SEC” or “The Commission”	Securities and Exchange Commission
“Series”	Tranche of Bonds together with any further Tranche or Tranches of Bonds which are: <ul style="list-style-type: none">- expressed to be consolidated and form a single series; and

KEY TERMS AND ABBREVIATIONS

	<ul style="list-style-type: none">- are identical in all respects (including as to listing) except for their respective Issue Dates, Coupon Payment Dates and/or Issue Prices
“Series Trust Deed”	A deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer, and the Trustees with regards to a specific Series and empowering the Trustees to hold, administer and manage the applicable assets
“Shelf Prospectus” or “Prospectus”	This prospectus that BUA Cement PLC has filed in accordance with the Rules and Regulations, which contains details of the Bond Issuance Programme
“The Constitution”	The constitution of the Federal Republic of Nigeria 1999 (as amended)
“Tranche”	Bonds which are identical in all respects
“Trust Deeds”	The Programme Trust Deed and the Series Trust Deed(s)
“Trustees” or “Joint Trustees” or “Bond Trustees”	Stanbic IBTC Trustees Limited, Custodian Trustees Limited and ARM Trustees Limited which are granted fiduciary power by the Issuer to enforce the terms and conditions of the Bond Issuance Programme and such other Trustees that may be appointed from time to time by the Issuer
“Validity Period”	A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus, during which, bonds may be issued under the Programme
“VAT”	Value Added Tax
“VAT Act”	The Value Added Tax Act (Chapter V1) LFN 2004 (as amended by the Value Added Tax (Amendment) Act No 12 of 2007 and the Finance Act 2019)
“WHT”	Withholding tax as provided for in section 78(2) of CITA
“Zero Coupon Bond”	A Bond issued at a discount to its Face Value

FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements can be identified by the use of forward looking terminology such as “estimates”, “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would”, “seeks”, “approximately”, or “anticipates”, or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Shelf Prospectus and include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, amongst other things, the Issuer’s results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer’s actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized. In the event that the Issuer’s actual results of operations, financial condition, liquidity and the development of the industry in which the Issuer operates are consistent with the forward looking statements contained in this Shelf Prospectus, it is not guaranteed that those results or developments would be indicative of results or developments in subsequent periods.

Factors that could cause actual results to differ materially from the Issuer’s expectations are contained in cautionary statements in this Shelf Prospectus and include, among other things, the following:

- Overall political, economic and business conditions in Nigeria;
- Changes in government regulations, especially those pertaining to the cement industry;
- Changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- Economic and political conditions in international markets, including governmental changes;
- The demand for the Issuer’s products and services;
- Competitive factors in the industries in which the Issuer and its customers operate;
- Interest rate fluctuations and other capital market conditions;
- Exchange rate fluctuations; and
- The timing, impact and other uncertainties of future actions.

The sections of this Shelf Prospectus entitled “**Risk Factors**”, “**Overview of the Cement Industry**”, “**Overview of BUA Cement PLC**”, “**Reporting Accountants’ Report**” and “**Statutory and General Information**” contain more detailed discussions of the factors that could affect the Issuer’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

Nevertheless, when evaluating forward-looking statements, prospective investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Shelf Prospectus.

The Issuer does not undertake any obligation to update or revise any forward-looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributed to the Issuer, or to persons acting on the Issuer’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. A prospective investor of the securities should not place undue reliance on these forward-looking statements.

OTHER INFORMATION

This Shelf Prospectus should be read and construed in conjunction with the Issuer's Audited Annual Reports for the financial years ended 2017, 2018 and 2019, comprising the audited annual financial statements of the Issuer and prepared in compliance with the IFRS (which include standards and interpretations approved by the FRCoN), together with its pronouncements thereon from time to time, and applied on a consistent basis.

THIRD PARTY INFORMATION

The Issuer has obtained certain statistical and market information that is presented in this Shelf Prospectus on such topics as the Nigerian economic landscape and related subjects from certain government and other third-party sources described herein. The Issuer has accurately reproduced such information and, so far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative.

Prospective investors should also note that some of the Issuer's estimates are based on such third-party information. Neither the Issuer, nor the Issuing Houses have independently verified the figures, market data or other information on which these third parties have based their studies. Certain statistical information reported herein has been derived from official publications of, and information supplied by, a number of Government agencies and ministries, including the CBN, the Nigerian Debt Management Office and the Nigerian National Bureau of Statistics.

ROUNDING

Certain figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures, which precede them.

ISSUE OF PRICING SUPPLEMENTS / SUPPLEMENTARY SHELF PROSPECTUSES

Following the registration of this Shelf Prospectus, a supplementary Shelf Prospectus or Pricing Supplement may be prepared by the Issuer for the approval of the SEC, as the case may be, in accordance with Rule 279(3)(6)(b) of the SEC Rules.

Statements contained in any such supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Shelf Prospectus.

The Issuer declares that, to the best of its knowledge and honest belief, no material facts have been omitted from, and there are no material misstatements in, this Shelf Prospectus, which would make any statement contained herein misleading or untrue. The Issuer will, in the event of any significant new factor or material mistake or inaccuracy relating to information included in this Shelf Prospectus that is capable of affecting the assessment of the Programme or the Bonds, prepare a supplement to this Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issue of Bonds.



BUA Cement Plc RC 119 3879
(A BUA Company)

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November 20, 2020

The Director General
Securities & Exchange Commission
SEC Tower
Plot 272 Samuel Adesujo Ademulegun Street
Central Business District
Abuja

Dear Sir

Registration of BUA Cement Plc's ₦200 billion bond issuance programme (the "Programme") and the subsequent issuance of bonds under the Programme

This Shelf Prospectus has been prepared by the Issuing Houses on behalf of BUA Cement Plc (the "Issuer") with a view to providing a description of the relevant aspects of the Issuer's business in connection with the establishment of the Programme.

We hereby make the following declarations in respect of the Programme:

1. we confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;
2. there has been no significant change in the financial condition, or material adverse change in the prospects of the Issuer since the date of the document;
3. the Issuer is not in breach of any terms and conditions in respect of borrowed monies, which would result in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of the Shelf Prospectus; and
4. no prosecution has been commenced against the Issuer during the preceding 12 (twelve) calendar months in respect of any breach or contravention of any securities law or the Companies and Allied Matters Act or the listing requirements of a recognized securities exchange.

SIGNED for and on behalf of BUA Cement Plc

By its duly Authorised Representatives:

JACQUES PIEKARSKI
CFO


YUSUF BINJI
Director

ALIYU AHMED
Company Secretary

Signature: _____

Signature: _____

Signature: _____


OLAJINKA, A. DOHERTY ESQR.
OLAYINKA, A. DOHERTY & CO.
BARRISTERS, SOLICITORS AND
NOTARIES PUBLIC
6, Tokunboh Str. Lagos Island
Lagos State

BOARD OF DIRECTORS | Chairman Abdul Samad Rabiu, MD/Chief Executive Yusuf Binji, Directors Chimadon Madukwe, Kabiru Razaq, Independent Directors Khairat Abdulrazzaq Gwadabe, Shehu Abubakar, Company Secretary Ahmed Aliyu, Esq.

www.buacement.com

PARTIES TO THE PROGRAMME

ISSUER	
BUA Cement PLC 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos +234 810 2164 701 Jacques.piekarski@buacement.com	
Directors and Company Secretary of the Issuer	
Abdulsamad Rabiou CON 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos	Engr. Yusuf Haliru Binji 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos
Chimaobi Madukwe 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos	Kabiru Rabiou 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos
Khairat Abdulrazaq Gwadabe 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos	Finn Arnoldsen 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos
Shehu Abubakar 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos	Jacques Piekarski 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos
Ahmed Aliyu (Company Secretary) 5th Floor, BUA Towers PC 32 Churchgate Street Victoria Island, Lagos	
PROFESSIONAL PARTIES	
Lead Issuing House Stanbic IBTC Capital Limited I.B.T.C. Place Walter Carrington Crescent Victoria Island, Lagos	
Joint Issuing Houses UCML Capital Limited 7, Fatai Durosinmi Etti Crescent, Off Ligali Ayorinde Street, Victoria Island, Lagos	
Tiddo Securities Limited 1st Floor, Labour House Behind Federal Ministry of Finance, Central Business District, Abuja	
Joint Trustees Stanbic IBTC Trustees Limited Plot 1678 Olakunle Bakare Close (The Wealth House) Off Sanusi Fafunwa Street, Victoria Island, Lagos	

PARTIES TO THE PROGRAMME

Custodian Trustees Limited
16A Commercial Avenue
Yaba
Lagos

[Signature]
AUSTIN AKPE

ARM Trustees Limited
1 Mekunwen Road
Off Oyinkan Abayomi Drive
Ikoyi, Lagos

[Signature]
JUNIOR OGWANACE

Advised by:
Olaniwun Ajayi LP
Legal Practitioners
Plot L2 401 Close
Banana Island
Ikoyi, Lagos

Solicitors to the Transaction

Udo Udoma & Belo-Osagie
St. Nicholas House (10th, 12th & 13th Floors)
Catholic Mission Street
Lagos Island, Lagos

Yinka Edu
[Signature]

Yinka Edu

Solicitors to the Issuer

G.Elias & Co
6 Broad Street
Lagos Island, Lagos

[Signature]
Fielding A. Adeniji

Reporting Accountant

KPMG Professional Services
KPMG Tower
Bishop Abovade Cole Street
Victoria Island, Lagos

Jeema Emezie-Egbo
[Signature]

Auditor

PricewaterhouseCoopers
Landmark Towers
5B, Water Corporation Road
Victoria Island, Lagos

Ibidunni Awolola
[Signature]

Rating Agencies

Agusto & Co. Limited
UBA House (5th Floor)
57 Marina, Lagos-Island
Lagos

Edulokoya
Adesiyi Olukoya

DataPro Limited

Ground Floor, Foresight House (opposite E) 163/165 Broad Street, Lagos-Island
Lagos

MATTHEW JESSE OLADELE
[Signature]

Stockbrokers

APT Securities and Funds Limited
29 Marina (Church House, 3rd Floor)
Lagos

[Signature] 14.6.11/16

Stanbic IBTC Stockbrokers Limited
IBTC Place, Walter Carrington Crescent
Victoria Island,
Lagos

[Signature]
Bunmi OJARINJOYE

Registrar

Africa Prudential PLC
220B Ikorodu Road,
Palmgrove Bus Stop,
Lagos

[Signature]
Catherine Nwogu

PARTIES TO THE PROGRAMME

+234 803 536 0637
projects@africaprudential.com

Receiving Bank(s)

Access Bank PLC
Plot 999C Danmole Street
Off Idejo Street
Victoria Island
Lagos

**Bephusam*
IYABO SOJI-OKUSANYA

United Bank of Africa PLC
57, Marina
Lagos Island,
Lagos

Morenike Akinwale
Akinwale

DOCUMENTS TO BE INCORPORATED BY REFERENCE

The Issuer will, in the event of any material change in its financial position, which is not reflected in this Shelf Prospectus, prepare an amendment or supplement to this Shelf Prospectus; also, the Issuer's information given in this Shelf Prospectus and the terms and conditions of additional Bonds to be issued under the Programme may be updated in a supplement pursuant to the Rules and Regulations. Any such amendment or supplement will be incorporated by reference into this Shelf Prospectus and forms an integral part hereof. Any statement contained in a document that is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Shelf Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Shelf Prospectus.

This Shelf Prospectus and any supplement (as applicable) are accessible, and copies of them are available free of charge at the offices of the Issuing Houses from 8:00 am till 5:00 pm on Business Days, and on the website of the Issuer (<https://www.buacement.com/>), during the validity of the Programme. Requests for such documents and telephone enquiries shall be directed to the Issuer at its registered office as set out in this Shelf Prospectus or the Issuing Houses at the address stated below:

**Stanbic IBTC Capital
Limited**

I.B.T.C. Place Walter
Carrington Crescent
Victoria Island, Lagos

+234 1 422 8000

UCML Capital Limited

7, Fatai Durosinmi Etti
Crescent,
Off Ligali Ayorinde Street,
Victoria Island, Lagos

+234 1 2806860-1

Tiddo Securities Limited

1st Floor, Labour House
Behind Federal Ministry of
Finance,
Central Business District,
Abuja

+234 9 461 3770

THE PROGRAMME

This Shelf Prospectus is issued pursuant to the ISA, SEC Rules, listing and quotation requirements of the Exchanges and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regard to the ₦200,000,000,000 Bond Issuance Programme established by the Issuer. The specific terms of each Series or Tranche in respect of which this Shelf Prospectus is being delivered will be set forth in the Applicable Pricing Supplement and shall include the specific designation, aggregate principal amount, the currency or currency unit for which the Instruments may be purchased, maturity, interest provisions, authorised denominations, issue price, any terms of redemption and any other specific terms. If a specific issue under the Programme requires a listing, an application will be made to The NSE and/or the FMDQ for the admission of such Instruments to the relevant Exchange.

Each Directors of the Issuer represents that he/she has taken reasonable care to ensure that the information concerning the Issuer contained in this Prospectus is true and accurate in all material respects as at the date of this Shelf Prospectus and confirm, having made all reasonable enquiries, that to the best of his/her knowledge and belief, there are no material facts, the omission of which, would make any material statement herein misleading or untrue.

Lead Issuing House / Bookrunner	
 STANBIC IBTC CAPITAL LIMITED RC: 1031358	
Joint Issuing Houses / Bookrunners	
 UCML CAPITAL LIMITED RC: 370890	 TIDDO SECURITIES LIMITED RC: 155716

ON BEHALF OF



BUA CEMENT PLC
RC 119 3879

Are authorized to issue this Shelf Prospectus in respect of

THE ₦200,000,000,000 BOND ISSUANCE PROGRAMME

This Shelf Prospectus contains:

1. on page 15, a declaration to the effect that the Issuer and its subsidiaries did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an Event of Default and an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;
2. on pages 56 to 72, the Reporting Accountants' Report on the Issuer's historical financial information, prepared by KPMG Professional Services for incorporation in this Shelf Prospectus;
3. on pages 52 to 54, an extract of the Rating Report prepared by Augusto & Co. Limited and DataPro Limited; and
4. on pages 74 and 98, the details and summary of the claims and litigation against the Issuer prepared by Udo Udoma & Belo-Osagie.

DESCRIPTION OF THE PROGRAMME

The information contained in this section is a summary of certain aspects of the Programme and the principal features of the Bonds to be issued thereunder. This summary does not contain all the information that is to be considered before investing in the Bonds nor does it purport to be a complete or professional review of the investment situation regarding the possible acquisition of the Bonds which may currently be under consideration. Therefore, it should be read in conjunction with, and is qualified in its entirety by reference to the detailed information presented in the remainder of this Shelf Prospectus and to the detailed provisions of each of the Offer Documents and the Applicable Pricing Supplement. Investors should read the entire Shelf Prospectus carefully, especially the risks involved in investing in the Bonds which are discussed under “Risk Factors”.

Description of the Issuance Structure

The establishment of this Programme has been undertaken by BUA Cement PLC to refinance existing short-term debt obligations, extend its debt maturity profile and also to take advantage of opportunistic investments.

Description of the documentation framework

The applicable Supplement for each Tranche or Series under the Programme will specify details of the use of proceeds of the particular Tranche or Series.

A summary of the documentation governing the Bonds to be issued under the Programme is outlined below:

- i. this Shelf Prospectus disclosing material information in relation to the Issuer;
- ii. the relevant Supplement containing specific terms relating to that particular issue of Bonds;
- iii. a Programme Trust Deed between the Issuer and the Trustees setting out inter alia, the powers, rights, obligations/duties of the Trustees in relation to the Bonds issued under the Programme;
- iv. Series Trust Deeds will be entered into constituting each series of Bonds issued by the Issuer, and will contain specific terms relating to that particular issue of Bonds; and
- v. Vending Agreement between the Issuer and the Issuing Houses in connection with the roles of management and marketing of the offer amongst others. These will be prepared on a series by series basis.

The documentation of each series will specify which Bonds are being issued. Documentation relating specifically to the issuance of Bonds will be filed and reviewed by the regulators – FMDQ and/or SEC in relation to Short Term Bonds and the SEC in relation to other Bonds.

Validity period of the prospectus and delivery of documents

This Shelf Prospectus is valid from its date until 30th December 2023 (“**Validity Period**”). No Bonds shall be issued or allotted on the basis of this Shelf Prospectus read together with the applicable Supplement(s) later than the Validity Period or any other validity period as enforced by the SEC from time to time unless the Validity Period is renewed by the Commission.

This Shelf Prospectus can be obtained free of charge from the offices of the Issuer and any of the Issuing Houses and can also be downloaded from the respective websites of the Commission and the Issuer, throughout its Validity Period.

SUMMARY OF THE PROGRAMME

This summary should be read as an introduction to this Shelf Prospectus. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Shelf Prospectus as a whole and, any Supplement and other documents, if any, incorporated by reference into this Shelf Prospectus.

TERMS	DESCRIPTION
Issuer:	BUA Cement PLC
Guarantor	Where a particular Series of Bonds may be guaranteed, refers to the guarantor specified in the Applicable Pricing Supplement
Programme Description	<p>A Bond Issuance Programme undertaken by the Issuer of convertible and non-convertible, senior or subordinated debt instruments to be issued in Series, and or Tranches. The Programme covers Fixed Rate Bonds, Floating Rate Bonds, Reverse Floating Bonds, Zero Coupon Bonds, any combinations thereof and in any other format recognised by the SEC, all of which shall be denominated in Naira or in such other currency as may be agreed between the Issuing Houses and the Issuer and specified in the applicable Supplement</p> <p>No Bonds shall be offered on the basis of this Prospectus or any Supplement after the expiration of the Validity Period or any other validity period as enforced by the SEC from time to time unless the Validity Period is renewed by the SEC</p> <p>The Bonds shall be constituted by the Programme Trust Deed and a Series Trust Deed. A Series Trust Deed will be issued in respect of each Series, provided that any terms and conditions relevant to additional Bonds, if any, under the Programme shall be governed by the relevant Series Trust Deed</p>
Programme Limit	₦200,000,000,000 (Two Hundred Billion Naira) aggregate principal amount of Bonds outstanding at any one time
Lead Issuing House	Stanbic IBTC Capital Limited or such other issuing house as may be specified in the Applicable Pricing Supplement
Issuing House(s)	Stanbic IBTC Capital Limited, UCML Capital Limited, Tidido Securities Limited and any other issuing house(s) appointed from time to time either in relation to the Programme or for a specific Series issued under the Programme
Trustees	Stanbic IBTC Trustees Limited, Custodian Trustees Limited and ARM Trustees Limited which are granted fiduciary power by the Issuer to enforce the terms and conditions of the Bond Issuance Programme and such other Trustees that may be appointed from time to time by the Issuer
Registrar / Paying Agent	Africa Prudential PLC and/or such other registrar/paying agent as may be specified in the Applicable Pricing Supplement
Method of Issue	The Bonds under this Programme may be issued via an offer for subscription, auction or private placement, through a Book Building process and/or any other methods as specified in the Applicable Pricing Supplement approved by the SEC
Issuance in Series	The Bonds will be issued in Series, and each Series may comprise one or more Tranches issued on different dates. The Bonds in each Series will have identical terms (except that the Issue Dates, Maturity Dates, Issue Price, Coupon Commencement Dates and related matters may be different). Details applicable to each Series and Tranche will be specified in the applicable Supplement
Currency	The Bonds shall be denominated in Naira (₦) or in such other currency as may be agreed between the Issuer and the Issuing Houses and specified in the relevant Supplement, subject to compliance with all applicable legal and regulatory requirements. Where any currency other than the Naira is specified in the relevant Supplement, the selling restrictions and additional

SUMMARY OF THE PROGRAMME

	disclosure requirements applicable to such other currency will be specified in the relevant Supplement
Use of Proceeds	The net proceeds from each Series or Tranche under the Programme will be used solely for the purposes for which the Bonds were issued and shall be disbursed in the manner disclosed in the applicable Supplement
Maturities	The Bonds shall have such maturities, as may be agreed by the Issuer and the Issuing Houses and specified in the applicable Supplement, subject to such maturities as may be allowed or required from time to time by the relevant laws or regulations applicable in Nigeria
Maturity Date	As specified in the applicable Supplement
Tenor	The tenor of a particular Series or Tranche shall be determined by the Issuer in consultation with the Issuing Houses and specified accordingly in the applicable Supplement for the Bonds being issued
Tax Status of the Instruments	<p>The Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011 ("Order") and the PITA exempt income and interest earned by holders of bonds issued by corporate bodies from the imposition of income tax under the CITA and PITA respectively. The exemption granted under this Order is for a period of 10 years commencing from January 2, 2012 while there is no similar limitation in respect of the exemption under PITA. Furthermore, the proceeds from the disposal of the Bonds are exempt from tax imposed under the VAT Act by virtue of the Value Added Tax (Exemption of the Proceeds of the Disposal of Government and Corporate Securities) Order 2011, commencing from January 2, 2012. This exemption is also for a period of ten (10) years from the commencement date of this Order. Thus, the Issuer will not be required by law to withhold tax on Coupon payments to the Bondholders during this period. In relation to Bonds with a maturity date later than January 2, 2022, the Issuer may be required by law to withhold tax on Coupon payments to the Bondholders</p> <p>However, the Finance Act 2019 specifically exempts "securities" from the definition of goods under the Value Added Tax Act. On this basis, it is likely that upon the expiration of the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011, disposals of corporate bonds will still be exempt from VAT. Commissions payable to the SEC, the Exchanges and the Depositary in connection with the Bonds shall be subject to VAT.</p> <p>Please refer to the section on Tax Considerations on page 55 for a detailed description of the tax considerations.</p>
Issue Price	Bonds may be issued at Par Value or at a discount to Par Value. The Issue Price of a specific Series or Tranche shall be specified in the applicable Supplement
Closing Date	The Closing Date of a specific Series or Tranche shall be stated in the applicable Supplement
Coupon	Bonds may be interest-bearing or non-interest bearing. The Coupon, if any, payable on the Bonds shall be determined by the Issuer and Issuing Houses and stated accordingly in the applicable Supplement
Frequency	The frequency of payment of interest and any other monies due on the Bonds shall be specified in the applicable Supplement
Repayment	Repayment terms in respect of the Bonds issued under the Programme shall be specified in the applicable Supplement
Day Count Convention	Different day count conventions may be stipulated in the applicable Supplement

SUMMARY OF THE PROGRAMME

Principal Redemption	Bonds will be redeemed on the dates specified in the relevant Supplement
Early Redemption	Early redemption will be permitted only to the extent specified in the applicable Supplement and Series Trust Deed, and subject to any applicable legal and regulatory limitations
Redemption Amount	The relevant Supplement will specify the redemption amount or, if applicable, the basis for calculating the redemption amounts payable
Form of Bonds/ Transferability	The Bonds will be issued in un-certificated or book entry form registered with a separate identification code with the Depository as specified in the applicable Supplement. Where Bonds are represented by a certificate(s), such certificate will be numbered serially with an identifying number recorded in the relevant certificate and in the Register. The Bonds will be freely transferable in accordance with the provisions of the Trust Deed
Interest Rate	If the applicable Supplement so specifies, the Bonds of any Series will bear interest from the Coupon Commencement Date at the Coupon rate specified in, or determined in accordance with the applicable Supplement and such interest will be payable in respect of each Coupon Period on the Interest Payment Date(s) specified in the applicable Supplement. The interest payable on the Instruments of any Series for a period other than a full Interest Period shall be determined in accordance with the applicable Supplement
Interest Period(s) or Interest Payment Dates for Floating Rate Instruments	Such period(s) or date(s) as shall be specified in the applicable Supplement
Status	Unless stated otherwise in an applicable Supplement, the Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which shall at all times rank pari passu without preference or priority among themselves and, save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing, save for such obligations as may be preferred by provisions of law that are both mandatory from time to time outstanding and of general application
Subscription of Instruments	The Bonds may be subscribed to in accordance with the form of application set out in the applicable Pricing Supplement relating to the Instruments being issued
Listing	Each Series or Tranche may be listed on The NSE and/or FMDQ platform, and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as specified in the relevant Supplement
Underwriting	Where applicable, the Bonds may be partially or fully underwritten at the instance of the Issuer, on a standby or firm basis as stated in the relevant Supplement
Issuer's Rating	The Issuer was assigned a rating of A by Augusto & Co. Limited in December 2020 and a rating of AA- by DataPro Limited in November 2020
Issue Ratings	Bonds issued under the Programme will be assigned a rating and such rating shall be indicated in the applicable Supplement. The rating is valid for a period of one year from the date of the rating exercise, following which the rating will be reviewed in accordance with the Rules and Regulations
Negative Pledge	Other than any Permitted Indebtedness or as long as any of the Bonds are outstanding, the Issuer shall not without the prior written consent of the Trustees directly or indirectly secure any other financial indebtedness

SUMMARY OF THE PROGRAMME

represented by bonds (excluding bonds issued under the Programme or any renewal thereof) or any other debt securities which are, or are capable of being, traded, or listed on any or over-the-counter or similar securities market

PROVIDED THAT the Issuer, may in relation to any Series,

- (a) enter into a liquidity facility agreement with a high investment grade rated commercial bank, providing liquidity to the Issuer to enable it meet its payment obligations on the relevant Payment Date in respect of any Bonds issued under such Series.
- (b) obtain a third-party guarantee of a value equivalent to the Par Value of the Bonds under any series or tranche, from a commercial bank or insurance company (with a high investment grade rating, maintained for the tenor of the Bonds issued under such Series or Tranche) to secure its payment obligations to the Bondholders on or before the Maturity Date.

Governing Law

The Bond Issuance Programme, the Trust Deeds and related documents will be governed by, and construed in accordance with the laws of Nigeria

INFORMATION RELATING TO THE SHELF PROSPECTUS

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from the Issuing House to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing to the securities offered herein and should seek their own professional advice in connection with any prospective investment by them.

The members of the Board of Directors individually and collectively accept full responsibility for the accuracy of the information contained herein and have taken reasonable care to ensure that the material facts contained herein are true and accurate in all material respects and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts, the omission of which would make any material statement herein misleading or untrue. Additional information may be obtained through the office of the Issuing Houses as listed on page 19 of this Shelf Prospectus on any Business Day during the period of the respective opening and closing dates of the issuance of Bonds under the Programme, provided that the Issuing Houses possess such information or can acquire it without unreasonable effort or expense.

Nothing in this Shelf Prospectus should be construed to mean that the Issuing Houses are bound to provide any information coming to their attention to any Holder or potential investor in the Bonds. Also, the Issuing Houses are not bound to advise any investor or potential investors on the financial condition or affairs of the Issuer during the life of the arrangement contemplated therein.

The Bonds are complex financial instruments suitable only for sophisticated investors. As such, each potential investor in any Bonds must determine the suitability of that investment in light of its own circumstances.

A potential investor should not invest in the Bonds, which are complex financial instruments unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Shelf Prospectus or any applicable Supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such an investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including thoroughly understanding the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions which (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed and/or Pricing Supplement (the “**Final Terms**”), and, save for the italicised text) will be incorporated by reference into the Bonds issued under this Deed.*

Further information with respect to Bonds of each Series will be given in the relevant Final Terms which will provide for those aspects of these terms and conditions which are applicable to such Series of Bonds. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.

*The provisions of the terms and conditions set out below (the “**Conditions**”) which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.*

The Bonds are constituted by a Programme Trust Deed (the “**Programme Trust Deed**”) dated 30th December 2020 between BUA Cement PLC (as **Issuer**) and Stanbic IBTC Trustees Limited and Custodian Trustees Limited and ARM Trustees Limited (as the **Bond Trustees**) which expression shall include all persons for the time being acting as Bond Trustee under the Programme Trust Deed), as supplemented by a separate trust deed applicable to each Series of Bonds.

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to them. Copies of the Programme Trust Deed are available for inspection between the hours of 10:00am and 3:00pm on any Business Day at the principal offices of the Bond Trustees at The Wealth House, Plot 1678, Olakunle Bakare Close, Off Sanusi Fafunwa Street, Victoria Island, Lagos or 16A, Commercial Avenue, Sabo, Yaba, Lagos or 1 Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos.

Words and expressions defined in the Programme Trust Deed (as same has been and may be amended, varied or supplemented from time to time with the consent of the parties thereto) are expressly and specifically incorporated to and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed unless the context otherwise requires, or unless otherwise stated.

TERMS AND CONDITIONS OF THE NOTES

1. FORM, DENOMINATION AND TITLE

- 1.1. Unless otherwise specified in any Final Terms, the Bonds shall be issued in dematerialised form in denominations specified in the Final Terms relating to the relevant Series and registered with a separate securities identification code with the CSD.
- 1.2. The Bonds may be issued at once or may be issued in separate Tranches which together with other Tranches, may form a Series; Provided that they are identical in all respects (including as to noting) except for their respective issue dates, Coupon Commencement Dates, and/or issue prices.
- 1.3. The Coupon Rate applicable to any Series of Bonds may be specified as being fixed rate or floating rate and the amount of Coupon payable in respect of such Bond shall be determined in accordance with, the applicable Final Terms.
- 1.4. A Series of Bonds may be listed on a Recognised Securities Exchange, subject to any Applicable Laws.
- 1.5. The title to the Bonds shall be effected in accordance with the rules governing transfer of title in securities held by the CSD. In these Conditions, Bondholders and (in relation to a Bond) holder means the person in whose name a Bond is registered. Title to the Bonds will pass in accordance with the rules of the Recognised Securities Exchange.
- 1.6. Except as may subsequently be agreed between the parties in a Series Trust Deed, the Bondholder (or his legal representative) shall be deemed and regarded as the legal and beneficial owner of the Bonds registered in his name for all purposes including but not limited to the payment of the Principal Amount and Coupon.
- 1.7. The records of the Register as to the aggregate number of such Bonds standing to the credit of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Bond Trustees as the legal and beneficial owner of such aggregate number of Bonds for all purposes.

2. Repayment

The principal on the Bonds will be repaid in accordance with the terms of the relevant Series agreed in the relevant Series Trust Deed on such Bonds.

3. Redemption

- 3.1 *Redemption at Maturity:* Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Bonds on such dates as specified in the relevant Series Trust Deed.
- 3.2 *Redemption by Instalments:* The Bonds may be partially redeemed by instalments on such dates and at such amounts specified in the applicable Final Terms and the payments made in instalments shall reduce the Principal Amount Outstanding on such Bonds until fully redeemed at the Maturity Date.
- 3.3 *Redemption Prior to Maturity/Early Redemption*
 - 3.3.1 Subject to the terms of the relevant Series Trust Deed, the Issuer shall be entitled at any time to redeem the whole or any part of the Bonds upon giving the holders of the Bonds to be redeemed, a minimum of thirty (30) days and maximum of sixty (60) days' notice of its intention to do so ("Early Redemption").
 - 3.3.2 The Issuer shall only redeem the Bonds on a Coupon Payment Date and not otherwise.
 - 3.3.3 At the expiration of the notice in Clause 3.3.1 above, the Issuer shall be entitled and bound to redeem the Bonds in respect of which such notice has been given. Such notice shall state the amount of the Bond due for redemption and the condition under which such redemption is to be effected.

3.3.4 Upon Early Redemption, the Issuer shall, (upon the expiration of the redemption notice), be obliged to pay the Bondholders the outstanding principal and accrued interest.

3.3.5 The Issuer shall not incur any penalty on account of Early Redemption.

The Issuer shall be entitled to a 5 (five) day period from the service of the redemption notice within which it can cancel the redemption process without the application of any further Coupon.

3.4 The sum payable on the Maturity Date is the Redemption Amount which unless otherwise provided in the Final terms of a Series, is the outstanding sum in respect of each Bond, together with applicable Coupon at the time of redemption, and any amount(s) rolled over from previous years.

3.5 Upon redemption, the obligations of the Issuer in respect of any such Bonds shall be discharged.

4. Purchase, Redemption and Cancellation of Bonds

4.1. *Purchase of Bonds*

The Issuer may at any time and from time to time purchase any part of the Bonds through the Recognised Securities Exchange on which the Bonds are listed, but not otherwise. All purchases and sales of Bonds may be made by way of offer for subscription, private treaties and/or over the counter.

4.2. *Cancellation*

4.2.1 All Bonds which are redeemed in accordance with the provisions of the Trust Deed shall be cancelled and such Bonds may not be reissued or resold to other Bondholders.

4.2.2 Prior to the Maturity Date, all Bonds so cancelled shall not be subject to any additional Coupon or other payment in respect of such cancellation.

4.2.3 All Bonds so cancelled shall thereafter be forwarded to the Issuer and the obligations of the Issuer in respect of any such Bonds shall be discharged. For so long as the rules of the Relevant Securities Exchange require, the Issuer shall promptly inform the Relevant Securities Exchange of the cancellation of any Bonds under this Condition 4.

4.3. *Re-issue*

Where the Issuer has redeemed, cancelled or repurchased any Bond(s) in accordance with this Condition 4 (*Purchase, Redemption and Cancellation of Bonds*), the Issuer shall not re-issue such Bond(s).

5. Status of the Bonds

5.1. *Status of Bonds*

The Bonds shall constitute direct, general, and irrevocable obligations of the Issuer. The payment obligations of the Issuer under the Bonds and in respect of principal and any interest on the Bonds shall at all times rank at least equally with all unsecured obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally.

6. Negative Pledge

For as long as any of the Bonds are outstanding, the Issuer shall not, without the prior written consent of the Bond Trustees directly or indirectly secure any other financial indebtedness represented by bonds (excluding Bonds issued under the Programme) or any other debt securities which are, or are capable of being, traded, noted or listed on any stock exchange or

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over-the-counter or similar securities market unless otherwise stated in the applicable Final Terms to a Series PROVIDED THAT the Issuer, may in relation to any Series:

- (a) enter into a liquidity facility agreement with a high investment grade rated commercial bank, providing liquidity to the Issuer to enable it meet its payment obligations on the relevant Payment Date in respect of any Bonds issued under such Series; or
- (b) obtain a third-party guarantee of a value equivalent to the par value of the Bonds of any Series or Tranche, from a commercial bank or insurance company (with a high investment grade rating, maintained for the tenor of the Bonds issued under such Series or Tranche) to secure its payment obligations to the Bondholders on or before the Maturity Date.

7. Coupon

The fixed rate Bonds and floating rate Bonds of any Series will bear Coupon from (and including) the Coupon Payment Date (or the Coupon Commencement Date in respect of the first Coupon Period only) at the Coupon Rate and such Coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the applicable Final Terms to a Series. The coupon payable on the Bonds of any Series for a period other than a full Interest Period shall be determined in the manner specified in the Final Terms.

7.1. *Coupon on Fixed Rate Bonds*

Coupon on fixed rate Bonds (being Bonds that specify a predetermined Coupon Rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on such other dates as may be indicated in the applicable Final Terms) shall be paid on the Coupon Payment Dates specified in the applicable Final Terms.

7.2. *Coupon on Floating Rate Bonds*

7.2.1. The floating rate Bonds (being those Bonds that specify that coupon is payable at a floating rate) shall bear Coupon on its principal amount on such basis as may be described in the Pricing Supplement or Series Trust Deed by reference to a specified floating rate benchmark plus a margin.

7.2.2. Coupon on the floating rate Bonds shall accrue from (and including) the Coupon Commencement Date and the Coupon payable from time to time in respect of each of the floating rate Bonds will be determined in the manner specified in the Final Terms.

7.3. *Zero Coupon Bonds*

Zero Coupon Bonds (being those Bonds that specify that no Coupons are payable) shall not bear Coupons on its Principal Amount, and no Coupons shall be payable by the Issuer in respect of such Zero-Coupon Bonds.

8. Transmission

- 8.1. In the case of the death of a Bondholder, the survivor(s) (where the deceased was a joint holder) and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person(s) recognised by the Issuer as having any title to such Bond.
- 8.2. Any person becoming entitled to the Bonds in consequence of the death, bankruptcy, winding-up or dissolution of the Bondholder thereof may, upon producing such evidence that he has or is entitled to the capacity in respect of which he proposes to act under this Condition or of his title as the Bondholder shall think sufficient, be regarded as the Bondholder of such Bonds, or subject to the preceding Conditions as to transfer, may transfer the same.

9. Method of Payment of Principal and Coupon

- 9.1. Payment of the Principal and Coupon due on all or any part of the Bond will be credited to the bank account nominated for this purpose by the Bondholder (or in the case of joint registered Bondholders) by the joint Bondholders.

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- 9.2. Whenever any part of the Bond is redeemed, a proportionate part of each holding of the Bond shall be repaid to the Bondholders.
- 9.3. The Bond Trustees shall give to the Bondholders not less than one (1) Months notice in writing of the time and mode for repayment of the Bonds to be redeemed and each such notice shall state the amount of the Bond for redemption.
- 9.4. At the time and place so fixed for redemption, each Bondholder shall, where applicable, deliver to the Bond Trustees evidence of title to the Bonds issued by the CSD in order that the same may be cancelled together with a receipt for the redemption moneys payable in respect of the Bonds, and upon such delivery, the Bond Trustees shall pay the Bondholder the amount payable to him in respect of such redemption, together with all accrued coupon.
- 9.5. If, on a Payment Date, any Bondholder whose Bonds are liable to be redeemed fails or refuses to accept payment of the redemption moneys payable in respect of the Bond, the moneys payable to such Bondholder shall be held in trust for such Bondholder by the Bond Trustees and coupon on such Bonds shall cease to accrue as from the date fixed for redemption of the Bond and the Issuer shall subsequently be discharged from all obligations in connection with such Bonds. If the Bond Trustees place the money so paid to it on deposit at a commercial bank or invests the same in the purchase of securities for the time being authorised by law for the investment of trust funds, the Bond Trustees shall not be responsible for the safe custody of such moneys or for interest on it, except such interest (if any) as the said money may earn whilst on deposit or invested, less any expenses incurred by the Bond Trustees.

10. Trusts

- 10.1. Except as required by law or as ordered by a court of competent jurisdiction the Issuer will recognise the Bondholder of any Bond as the absolute owner of such Bond and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bond may be subject.
- 10.2. The receipt by a Bondholder for the time being of any Bond (or in the case of joint registered holders, the payment to the joint Bondholder whose name stands first in the Register) or the principal of such Bond or of any other money payable in respect of the Bond shall be good discharge of the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to such principal, interest or other money. No notice of any trust whether express, implied or constructive shall (except as provided by statute or as required by a court of competent jurisdiction) be entered on the Register in respect of any Bond.

11. Freedom from Equities

Every Bondholder will be recognised by the Issuer as entitled to his Bond, free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Bond.

12. Transfer of Bonds

- 12.1. The Bonds shall be transferable in amounts or integral multiples of an amount specified in the Series Trust Deed.
- 12.2. Transfers of the Bonds shall be by an instrument in writing in the form approved by Issuer and the Bond Trustees.
- 12.3. The Bonds shall be transferred on the Recognised Securities Exchange in accordance with its rules.
- 12.4. Every instrument of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according to its constitutional

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documents, and the transferor shall be deemed to remain the owner of the Bonds until the name of the transferee is entered in the Register.

- 12.5. Every instrument of transfer must be left for registration at the place where the Register is kept accompanied by such evidence as the Issuer may require to prove the title of the transferor or his right to transfer the Bond and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.
- 12.6. The Issuer and the Registrar shall retain all instruments of transfer after registration.
- 12.7. Registration of any Bond transfer shall not be carried out within fifteen (15) days ending on the due date for any payment of principal or Coupon on that Bond.

13. Notices

13.1. *Notices to the Bondholders*

13.1.1 All notices to the Bondholders will be valid if sent via email to the Bondholders at their respective email addresses provided to the Bond Trustees. Any notice sent pursuant to this Sub-Clause shall be deemed to have been given on the second day after being so mailed.

13.1.2 Any notice, or other communication to the Bondholders will be validly delivered to the Bondholders if given to the Bond Trustees hereunder by sending the same through the post in a prepaid letter addressed to the Bond Trustees at its registered offices in Nigeria or email.

13.1.3 Any notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.

13.1.4 Any notice shall be deemed to have been served on the 5th day following the day which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

13.2 *Notices from the Bondholders*

Notices to be given by any Bondholder shall be in writing and given by lodging the same, with the Bond Trustees.

14. Waiver of Right of Set-Off

Subject to Applicable Law, no Bondholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it, by the Issuer arising under or in connection with the Bonds and each Bondholder shall, by virtue of being the holder of any Bond, be deemed to have waived all such rights of such set-off, counterclaim or retention. Notwithstanding, the preceding sentence, if any of the rights and claims of any Bondholder are discharged by set-off, such a Bondholder will immediately pay an amount equal to the amount of such discharge to the Issuer, or if applicable, the liquidator or Bond Trustees or receiver in insolvency of the Issuer as the case may be, and until such time as payment is made, will hold a sum equal to such amount in trust for the Issuer or, if applicable, the liquidator or Bond Trustees or receiver.

15. Events of Default

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- 15.1. If any of the Events of Default occur and is continuing, the Bond Trustees at their discretion shall, and if so requested in writing by Majority Bondholders or if so directed by an Extraordinary Resolution, give written notice to the Issuer at its specified office that an Event of Default has occurred:
- 15.1.1. *Non-Payment:* default by the Issuer in the payment when due of the Redemption Amount, and the continuance of any such default for a period of 10 (ten) Business Days, in the case of the Principal Amount or fourteen (14) Business Days in the case of Coupon after the relevant Coupon Payment Date. The Issuer shall not be in default, however, if during the said ten (10) or fourteen (14) Business Days' period (as the case may be), the Issuer satisfies the Bond Trustees that:
- 15.1.1.1. such sums (**Withheld Amounts**) were not paid (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the Bond Trustees or the relevant Bondholder; or (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of fourteen (14) or ten (10) Business Days (as the case may be) by independent legal advisers acceptable to the Bond Trustees; or
- 15.1.1.2. Such Withheld Amounts were not paid pursuant to an agreement made in connection with Condition 15.1.1.1 above.
- 15.1.2. *Cross-Default:* If any Financial Indebtedness of the Issuer of a value exceeding ₦1,000,000,000.00 (One Billion Naira) (or its equivalent in any other currency) in aggregate (for the avoidance of doubt, any amounts being contested in good faith shall not be counted towards such value) is not paid when due or within ten (10) Business Days of: (i) its due date; or (ii) the end of any applicable period of grace, whichever is the later
- 15.1.3. *Breach of Other Obligations:* the Issuer does not perform or comply with any one or more of its other obligations under the Trust Deed, which default will affect the capacity of the Issuer to meet its payment obligations and which default has not been remedied for a period of 30 (thirty) days (or such longer period as the Bond Trustees may reasonably determine is not materially prejudicial to the interests of the Bondholders) after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer by the Bond Trustees (except where such default is not, in the reasonable opinion of the Bond Trustees after consultation with the Issuer, capable of being remedied, in which case no such notice as is mentioned above will be required); or
- 15.1.4. *Enforcement Proceedings:* a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer, where the value of such property, assets or revenues is in excess of ₦500,000,000.00 (Five Hundred Million Naira) and such distress, attachment, execution or other legal process is not discharged or stayed within 90 (ninety) days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an encumbrance or a Receiver is appointed over any material assets of the Issuer and such event is certified in writing by the Bond Trustees to be in their opinion materially prejudicial to the interests of the Bondholders. PROVIDED THAT the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within (10) Business Days of becoming aware of the order or action;
- 15.1.5. *Seizure/Compulsory Acquisition of Assets:* if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer;

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- 15.1.6. *Insolvency*: the Issuer is, or is deemed by law, or a court of competent jurisdiction to be unable to pay its debts as they fall due; or stops or suspends payment of a substantial part of its debts;
- 15.1.7. *Inability to Pay Debts*: the Issuer stops or suspends payment of a substantial part of its debts due to financial difficulties;
- 15.1.8. *Cessation of Business*: if the Issuer ceases to conduct all or substantially all of its business as it now conducts or changes all or substantially all of the nature of its business or merges or consolidates with any other entity without the prior written consent of the Bond Trustees;
- 15.1.9. *Material Adverse Change*: If a Material Adverse Change has occurred; and
- 15.1.10. *Obligations Unenforceable*: any of the Bonds or the Trust Deed is or becomes wholly or partly void, voidable or unenforceable.

16. Enforcement

At any time after the occurrence of an Event of Default which is continuing, the Bond Trustees may, in their discretion, institute proceedings and or take other actions against or in relation to the Issuer or any other person as it may think fit to enforce the obligations of the Issuer under the Bonds.

17. Proceeding Against the Issuer

Only the Bond Trustees may enforce the performance of the Issuer's obligations under this Deed. Subject to the provisions of CAMA, no Bondholder or a person claiming through a Bondholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the obligations under this Deed or any Series Trust Deed.

18. Taxation

All payments of principal, coupon and any other sum due in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any Authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to the Bondholders as a result thereof.

19. Prescription

Claims against the Issuer for payment in respect of the Bonds shall be time-barred and become void unless made within 6 (six) years from the appropriate Relevant Date in respect of the Principal Amount and the Coupon due on such Bonds.

20. Meetings of Bondholders

The rights and duties of the Bondholders in respect of attendance at meetings of Bond holders are set out in the Second Schedule (Provisions for Meetings of Bondholders). Decisions taken at Bondholders' meetings may only be exercised by the Bond Trustees in accordance with this Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Bond can only be amended with the consent of the Parties as that term is defined in this Trust Deed.

21. Governing Law and Dispute Resolution

- 21.1 This Deed and all rights and obligation arising therefrom shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.
- 21.2 In the event of any dispute arising out of or under this Programme Trust Deed, the Parties shall within five (5) Business Days from the date the dispute arose, notify the SEC of the existence of the dispute.

- 21.3 Any dispute which cannot be mutually resolved by the shall be referred to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, Cap A18, LFN, 2004. The arbitral tribunal shall consist of three arbitrators. The Issuer and the Bond Trustees shall each appoint one arbitrator within five (5) business days of the referral of the dispute to arbitration. The two arbitrators so appointed shall appoint the third arbitrator within five (5) business days of the request to appoint the third arbitrator. PROVIDED THAT if the first two arbitrators are unable to agree on a third arbitrator within two (2) weeks of the appointment of the second arbitrator, then such Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch) on the application of any Party and when appointed, the third Arbitrator shall convene an arbitrators' meeting and act as Chairman of the same. The arbitrators shall also have a maximum period of twenty-five (25) Business Days to resolve the dispute after the submission of final addresses by the Parties.
- 21.4 The seat of arbitration shall be Lagos, and the language of arbitration shall be English.

RISK FACTORS

*This section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Bonds. The risks in this section are provided as general information only. Prospective investors should refer to, and carefully consider the risks described below and the information contained elsewhere in this Prospectus, which may describe additional risks associated with the Bonds. **Investors should also seek professional advice before making investment decisions in respect of the Bonds.***

The Issuer disclaims any responsibility for advising prospective investors of such risks as they exist at the date of this Prospectus or as such risks may change from time to time. Prospective investors should consult their own financial and legal advisers about the risks associated with an investment in the Bonds.

An investment in the Bonds involves certain risks, most of which may or may not occur and neither the Issuer nor any of the Issuing Houses are in a position to express a view on the likelihood of any such contingency occurring. Accordingly, prospective investors should carefully consider, amongst other things, the following risk factors together with all the other information included in this Prospectus and any applicable Supplement before purchasing the Bonds.

1. IN RELATION TO NIGERIA

I. Economic Risks

Lack of economic diversification exposes the country to downside risks in oil price and production

The Nigerian economy remains largely undiversified, import dependent and consumption driven. The country is dependent on oil for economic activities, fiscal revenues and foreign exchange. Oil accounts for more than 90% of exports and foreign exchange earnings while the manufacturing sector accounts for less than one percent of total exports. Dominance of oil as the major source of export receipts, coupled with import dependence heightens Nigeria's vulnerability to external shocks. The impact of the steady decline in oil prices from mid-2015 was evident in the depreciation of the currency, foreign exchange illiquidity, decline in foreign reserves, and a slowdown in the economy. While the FGN advances in its efforts to diversify the economy from its dependence on oil revenue, global crude oil prices have declined to c.US\$41 per barrel as at September 2020 (from around US\$60 at the beginning of 2020) with a resultant depression on government reserves. A further decline in global oil prices will continue to put a strain on the Nigerian economy.

Large infrastructure deficit poses a hindrance to the development of the economy

The value of Nigeria's total infrastructure stock (road, rail, power, airports, water, telecoms and seaports) represents only 35% GDP. This is far below the level of peer emerging market countries, where the average is 70%.¹ Nigeria lacks stable power supply and adequate infrastructure such as roads, rail, ports, broadband networks etc., which has led to challenges in the development of many sectors of the economy. The power sector still faces challenges which relate to governance, funding, legal, regulatory and pricing issues across the value chain. Given the huge capital investment required to address this deficit, there have been calls for the private sector to play a key role in providing critical infrastructure, either directly or in collaboration with the FGN. However, challenges with pricing and funding continue to call to question the viability of private sector investment.

Issues with governance and processes continue to weigh on doing business in Nigeria

Bureaucracy, bribery and corruption, are of serious concern and constitute major barriers to doing business in Nigeria and hinder economic growth and social development. Nigeria recently moved 14 places to rank 131 out of 190 countries in the World Bank's 2019 Doing Business index. While this is an improvement, the country still performs poorly in the areas of paying taxes, enforcing contracts and trading across borders. This continues to impact negatively on tax revenue, investor confidence and mobility of goods.

¹ The Nigerian Economic Recovery & Growth Plan 2017-2020

II. Political, Social and Economic Risks

Political, economic and social stability in Nigeria have historically been affected by political and religious conflicts, terrorism, and social and religious tensions. However, over the past year, there has been moderation in the number and frequency of attacks and cases of kidnapping across various parts of Nigeria. The sectarian conflicts in the Middle Belt; insurgence of Boko Haram activity in Northern Nigeria; and the Fulani herdsmen crisis contribute to the regions' security challenges. In October 2020, protests commenced in Lagos tagged "#ENDSARS", which was later widespread across Nigeria on incidences of police brutality against the youth in Nigeria. The protests sadly ended with massive lootings, reprisal attacks, gang violence and destruction of property across Nigeria. Lagos State, alone, estimated that the cost of rebuilding and repairing the properties destroyed as a result of the destruction of properties by hoodlums is the sum of ₦1 trillion.

If the Federal Government is unable to address conditions such as poverty, low levels of education, religious intolerance, weak enforcement of law and order, these risks may persist.

2. IN RELATION TO THE ISSUER

BUA Cement PLC is exposed to operational and market risks in its ordinary course of business. Whilst the Issuer believes that it has implemented appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to control these risks adequately could have an adverse effect on the financial condition and/or reputation of the Issuer. The following is a description of the risk factors which are material in respect of the financial situation of BUA Cement PLC as the Issuer under the Programme.

I. Business Risks – These are the risks that BUA Cement PLC faces in its operations and include the following:

a) *Raw material prices could increase*

The profitability of the Company's operations largely depends on its ability to procure raw materials at low prices. The costs of this input fluctuate over time. The prices of the inputs could increase, and the Company might be unable to transmit such additional costs to its customers or entirely offset same, and this may affect the profitability of the business.

b) *Competition risk – the Group's market share could be lost to other players in the cement industry in Nigeria*

The cement sub-sector of the industrial sector is dominated by three main players who compete for consumers through aggressive marketing campaigns and the use of cost leadership strategies. Although BUA Cement PLC is a major player within the space, with a significant share of the market, it could lose market share to other competitors.

c) *Power and transport inefficiencies continue to add to the cost of doing business*

Manufacturers in Nigeria are impacted by the intermittent supply of electricity and the underdeveloped transport infrastructure in the country. Despite ongoing efforts by the Nigerian Government to privatise the power sector, problems with power generation, transmission and distribution persist. These problems severely constrain the development of the Nigerian consumer goods sector. Many manufacturers rely on alternative electricity and water supplies, increasing overall costs of their business operations. The unstable pricing and, oftentimes, scarcity of fuel for power generation also increases operational challenges, contributing to the potential fluctuation of overheads.

In addition, poor rail and road networks limit land-based transport, further increasing the overall business costs for manufacturers. Also, the Federal Government of Nigeria in 2019, decided to close its land borders with its neighbouring countries. This had a minor negative effect on the revenue of BUA Cement PLC, as it relies on those borders to transport its products to the countries sharing a land border with Nigeria.

d) *Health / Medical risk*

The Issuer may be susceptible to operational challenges as a result of outbreaks of infectious diseases or pandemics in its chosen markets of operation. In Western Africa, incidences of such diseases have included Ebola hemorrhagic fever, Lassa fever and other health epidemics, most recently, the novel coronavirus (COVID-19) pandemic.

The COVID-19 pandemic is having significant adverse effects on the global scene, and negatively impacting national and regional economies, including that of Nigeria. As a result of the pandemic, the Economist Intelligence Unit ("EIU") has predicted that the global economy will contract by 2.5% in 2020 as a result of the coronavirus pandemic. More specifically, in Nigeria, with the rising number of COVID-19 cases, the Federal Government issued a directive restricting movement in Lagos State, Ogun State and the Federal Capital Territory from 30 March 2020 for an initial period of two weeks to identify, trace and isolate all suspected cases in an attempt at curtailing the spread of the virus to other states. The restriction on movement was extended for a further two weeks. Fueled by concerns over the sustainability of a prolonged lockdown on the economy and the livelihoods of citizens, on 30 April 2020, the federal government unveiled a six-week re-opening plan which commenced on 4 May 2020. However, each State was granted the right to delay or fast-track the re-opening plan, subject to the approval of the State government. The lockdown affected the ability of manufacturers to deliver cement to certain parts of Nigeria such as Lagos, Ogun and Abuja, which were under lockdown, and resulted in reduced production capacity as a result of the health and safety measures imposed to curb the spread of the pandemic. According to the Nigeria Centre for Disease Control, Nigeria had recorded 62,371 confirmed cases as at 29 October 2020.

e) *Legal Risk*

There is a risk that the Issuer's counterparties in agreements it has entered into may fail to fulfil their obligations. The Issuer is involved in litigation or claims from time to time, arising from the conduct of its business. Where proceedings lead to a substantial legal liability, this could have a detrimental effect on the Issuer's business, results, operations, reputation and financial position

f) *Operational Hazards Risk*

The Issuer in the course of its normal business operations operates large machinery to manufacture its cement. There are risks involved in operating these machines like health and safety risks, information technology risks, quality control risk, technical failures, theft and fraud; industrial accidents risks etc.

g) *Business Disruption Risk*

There is a risk that the business operations of the Issuer may be interrupted as a result of lockdowns and curfews imposed by the government and social unrest. The COVID-19 pandemic for instance, resulted in the imposition of lockdowns in major cities in Nigeria, which disrupted the Issuer's business operations.

II. *Currency Risks*

These are risks that arise from the change in price of one currency against another. BUA Cement's operations are consequently affected by the relative movements of Naira inflation and exchange rates. Further depreciation or devaluation of the Naira will increase the Group's input costs and negatively impact profits.

III. Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to BUA Cement PLC. The Issuer enters into various contracts with its customers and distributors. A default by a counterparty poses the risk of the Issuer incurring higher costs in debt recovery. Where the debts are recovered or obligations enforced late, there are financial losses as a result of the time value of money for the period the debt was unrecovered or delays in production due to delays in performance. In the event that the debt cannot be recovered, financial loss is incurred.

IV. Environmental Risks

These are losses that may arise due to significant natural occurrences in the environment. The nature of environmental risks is that they are often sudden, unpredictable and unforeseen. The Issuer's factories may be affected in the event of fires, natural disasters or community crisis. Any natural disaster, power outages or other events affecting the areas in which the plants or the depots are located may cause disruptions or damage to BUA Cement PLC's facilities, adversely affecting the operations of the Issuer. Although it feels that it has sufficient processes and safety measures in place to prevent and effectively respond to accidents that may occur as a result of changes in the environment, there is no guarantee that such processes will prevent all accidents, which may impose a variety of liabilities and adversely affect BUA Cement PLC's business.

3. IN RELATION TO THE BOND ISSUANCE PROGRAMME

I. Limited active trading market for the Bonds

Any Series or Tranche issued under the Programme will be new securities for which there may be no active two-way quote trading market, thus, the liquidity of the Bonds may be limited. Although an application will be made for Bonds issued under the Programme to be admitted to The NSE, FMDQ or any other SEC registered stock exchange (subject to the provisions of the Applicable Pricing Supplement), there is no assurance that an active trading market will develop or any listing or admission to trading of the Bonds will be maintained. Accordingly, there is no assurance of the development or liquidity of any trading market for any particular Tranche or Series.

II. Credit ratings may not reflect the full impact of the Bonds' risks

The Bonds will be assigned a rating by Agosto & Co. Limited, DataPro Limited or any other SEC registered rating agency appointed by the Issuer as specified in the relevant Supplement. The ratings may not reflect all the risks related to structure, market, additional factors discussed above and any other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time

III. Modifications, waivers and substitution

The conditions of the Bonds contain provisions for calling general meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Bondholders who did not attend or vote at the relevant general meeting and Bondholders who voted in a manner contrary to the majority

IV. Early Redemption

The Bonds may be subject to early redemption. Therefore, Bondholders may face the risk that the Bonds will be redeemed before maturity in a falling interest rate environment, forcing the Bondholders to reinvest the proceeds at a lower rate of return.

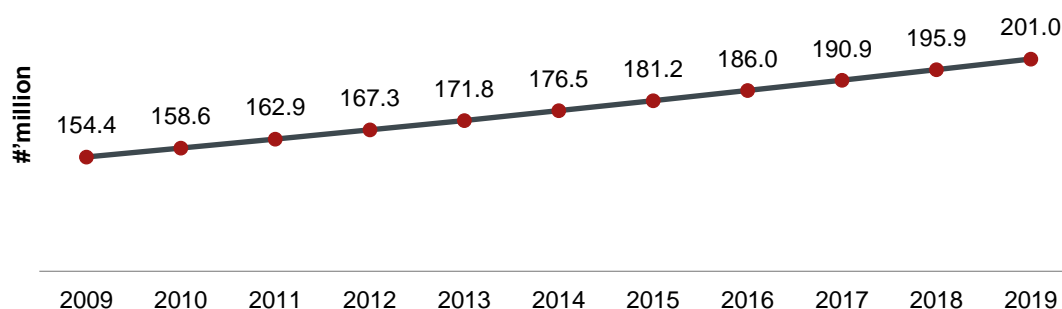
(i) GENERAL OVERVIEW

The Federal Republic of Nigeria is located in West Africa and has a total area of 923,768 km² and is bordered by the Republic of Benin to the west, Niger and Chad to the north, Cameroon to the east and the Gulf of Guinea to the south.

Nigeria consists of 36 states and the Federal Capital Territory, Abuja, which is located in central Nigeria. The states and the Federal Capital Territory are grouped into six geopolitical zones: North West, North Central, North East, South East, South South and South West. There are currently 774 constitutionally recognized local government areas and area councils in Nigeria. Nigeria has experienced considerable economic growth since its return to democratic rule in 1999 and subsequent adoption of market friendly economic policies.

Nigeria is currently the most populous country in Africa, with a population of approximately 201 million in 2019 according to the World Bank (growing from 154 million in 2009 and expected to grow by c.110% to 411 million by 2050). There were c.5.2 million births in 2018 with annual number of births expected to remain stable in the long term, albeit a slight increase to 6.0 million per annum by 2030. An expanding middle class is expected to contribute to an increase in private consumption per capita from US\$1,576 in 2017 to US\$3,210 by 2027

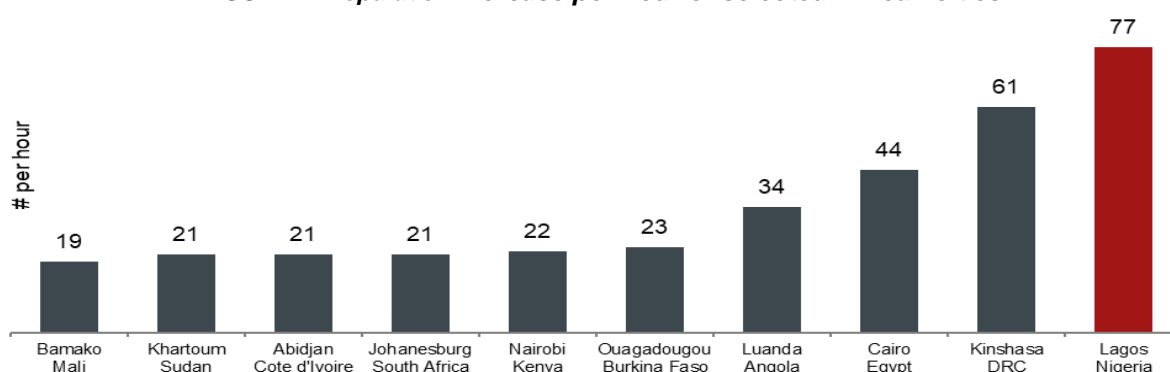
FIGURE 1: Nigeria's Population (2009-2019)



Source: IMF

Nigeria has a relatively young population, with 43% of the population below the age of 15 and a median age of 18 years. Nigeria's population is unevenly distributed across the country with an increased urbanisation rate of 51% in 2019. Nigeria's urban population has increased rapidly over the last 50 years. According to the UN World Urbanisation Prospects Report, Nigeria is expected - together with India and China - to collectively account for 35% of the growth in the world's urban population between 2018 and 2050; with Nigeria projected to add 189 million urban dwellers over the period. The reported pace of urbanization in Nigeria is unprecedented, with cities such as Lagos reporting average annual urban growth rates of c.4%. According to the United Nations Development Programme, Lagos is the fastest growing city in the world, with an increase of 77 people per hour - over 55,000 people monthly - roughly the equivalent of the entire population of Greenland.

FIGURE 2: Population increase per hour of selected African cities



OVERVIEW OF NIGERIA

Economic indicators	2013	2014	2015	2016	2017	2018	2019
Population (mn)	171.8	176.5	181.2	186.0	190.0	195.9	201.0
Nominal GDP (US\$bn)	515.0	568.5	494.6	404.6	375.7	397.3	404.6
Real GDP growth (%)	5.4%	6.3%	2.7%	-1.6%	0.8%	1.9%	2.3%
GDP per capita (US\$)	2,997	3,222	2,726	2,180	1,959	2,033	2,208
Inflation (%)	8.5%	8.1%	9.0%	16%	15.4%	12.1%	12.0
Exchange rate (NGN/US\$)	157.3	158.6	192.7	253.0	305.5	306.0	306.0
FX reserves (US\$bn)	40.3	32.0	26.7	25.8	38.8	42.8	38.7

Source: Economist Intelligence Unit, National Bureau of Statistics, Central Bank of Nigeria

(ii) ECONOMIC OVERVIEW

The Nigerian economy relies heavily on oil as its main source of foreign exchange earnings and government revenues. Following the 2008/2009 global financial crises, the banking sector was effectively recapitalized and regulation enhanced. Since then, Nigeria's economic growth has been driven by growth in industrials and services.

The Nigerian economy is fairly diversified with services contributing 52.60% to the economy in 2019 (52.63% in 2018). The agricultural sector accounted for 25.16% of GDP in 2019 (25.13% in 2018), while industry contributed 22.25% in 2019 (22.24% in 2018). On a whole, the non-oil sector accounted for 91.2% of GDP in 2019 (91.4% in 2018), while the oil sector contributed 8.78% and 8.59% in 2019 and 2018 respectively. Government revenue is however highly dependent on the oil and gas sector as it contributes over 70% to government revenue, making government spending vulnerable to oil price volatility. Given that the government is the largest spender in the economy, the effect of the oil and gas sector on the economy is usually more pronounced than the sector's contribution to GDP. The economy grew by 2.27% in 2019 (1.91% in 2018), reflecting the strong contribution of non-oil sectors particularly services, industries and agriculture. The International Monetary Fund ("IMF") had projected a continuation of the sluggish growth trend in 2020 with an estimated growth rate of 2.5%, however, this outlook was revised in April to take into account the expected effects of the recently declared COVID-19 pandemic with a projection that Nigeria's economy will now contract by 3.4% in 2020. In June 2020, the IMF announced that the Nigerian economy would witness a deeper contraction of 5.4%, although a rebound of 2.6 per cent is expected in 2021. The foreign exchange market will also be key in shaping the economy's outlook, given recent pressure on the naira amid volatility in oil prices and slides in external reserves.

Nigeria has made significant progress in socio-economic reforms over the last decade, but still faces key developmental challenges, particularly in infrastructure. Nigeria needs to focus on meeting its infrastructural needs including power generation, transportation and social infrastructure, to ensure stable, substantial, sustainable and inclusive economic growth.

Restoring strength to Nigeria's agriculture sector is a core component of the government's strategy for the economy. There is critical focus on restoring competitiveness in palm oil, cocoa, rice, cassava, sesame and kola nuts amongst others, which would drive rural incomes, GDP growth and employment. The expectation is an improvement in the balance of payments and reduced reliance on imported food products.

Nigeria lacks stable power supply and adequate infrastructure leading to challenges in the development of many sectors of the economy. It is estimated that the sector requires US\$10 billion to restore the generation and distribution infrastructure in the next few years.

Nigeria's National Integrated Infrastructure Master Plan (2014 – 2043) sets out a 30-year, US\$3.1 trillion action plan to address the nation's infrastructure challenges including power and transport, amongst others. The aim of the plan is to raise the country's stock on infrastructure from its current level of 20-25% of GDP to 70% by 2043.

In addition, the Economic Recovery and Growth Plan ("ERGP") published in March 2017 is a more comprehensive economic plan, which addresses the implementation of medium-term growth

plans, as well as short-term initiatives aimed at strengthening the economy, and is intended to promote national prosperity and an efficient, dynamic and self-reliant economy to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity.

The strategic objectives of the ERGP include, to (i) restore economic growth through macroeconomic stability and economic diversification (ii) invest in the Nigerian people by increasing social inclusion, creating jobs and improving the human capital base of the economy (iii) build a globally competitive economy by investing in infrastructure and improving the business environment. The recently released report by the World Bank on the ease of doing business indicated that Nigeria had moved up 15 points from 146 in 2019 to 131 in 2020 and is one of the top ten improved countries worldwide, after carrying out a number of reforms to improve its business environment.

The ERGP defines six priority sectors: agriculture, manufacturing, solid minerals, services, construction and real estate, and oil and gas. Three of these sectors - services, agriculture, and manufacturing - are projected by the ERGP to account for three-quarters of growth from 2017 through 2020. Key policies intended to promote growth of the non-oil sector under the ERGP include industrial and trade policy, a digital-led strategy for growth, which aims to expand the information and communication technology ecosystem in Nigeria, and cross-sector strategies, which aim to support micro, small and medium enterprises. Additional policy objectives under the ERGP include reducing the cost of governance, developing the skills of public servants, and improving public service productivity. With the goal of reducing the cost of governance, the ERGP contemplates streamlining the number of MDAs with an aim to eliminate overlapping mandates and to reduce public expenditures.

With the goal of developing the skills of public services, the ERGP contemplates developing institutional capacity in budgeting, planning, policy analysis, financial management, procurement, human resources management, and leadership. With the goal of improving public service productivity, the ERGP contemplates implementing e-government across Government bodies, starting with a pilot scheme in selected MDAs.

In October 2019, President Muhammadu Buhari presented the Finance Bill alongside the 2020 Appropriation Bill to the National Assembly for consideration and passage into law. The National Assembly subsequently passed the Finance Bill and transmitted same to the President for his assent, in line with the provisions of Section 58 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended). On 13 January 2020, President Muhammadu Buhari signed the Finance Bill, 2019 (now Finance Act) into law. This development was made public by the President via his official twitter handle where he stated that the Finance Act 2019 ("The Act") was specially designed to support the implementation of the 2020 National Budget and to create an enabling environment for businesses. The passage of the Finance Act into law, introduces one of the most significant changes in Nigerian tax law over the last two decades, which is the increase in the value added tax rate (VAT) from 5% to 7.5%, in addition to other changes which the Act introduces to other tax laws.

The Act amends some key provisions of the Companies Income Tax Act (CITA), Value Added Tax Act (VATA), Personal Income Tax Act (PITA), Petroleum Profit Tax Act (PPT), Stamp Duties Act and the Customs, Excise Tariff. etc (Consolidation) Act. Some of the prominent amendments effected by the Act include:

- the increase of the VAT rate from 5% to 7.5%;
- the introduction of a ₦25 million VAT compliance threshold;
- the exemption of companies with less than ₦25 million annual turnover from payment of CIT;
- expansion of the scope of companies taxable in Nigeria to include companies that operate within the Nigeria digital space, among others;
- requirement of a tax identification number for opening of bank accounts or continued operation of existing bank account;
- provision of exceptions for the application of excess dividend tax under Section 19 of the CIT Act; and
- imposition of excise on certain imported products.

OVERVIEW OF NIGERIA

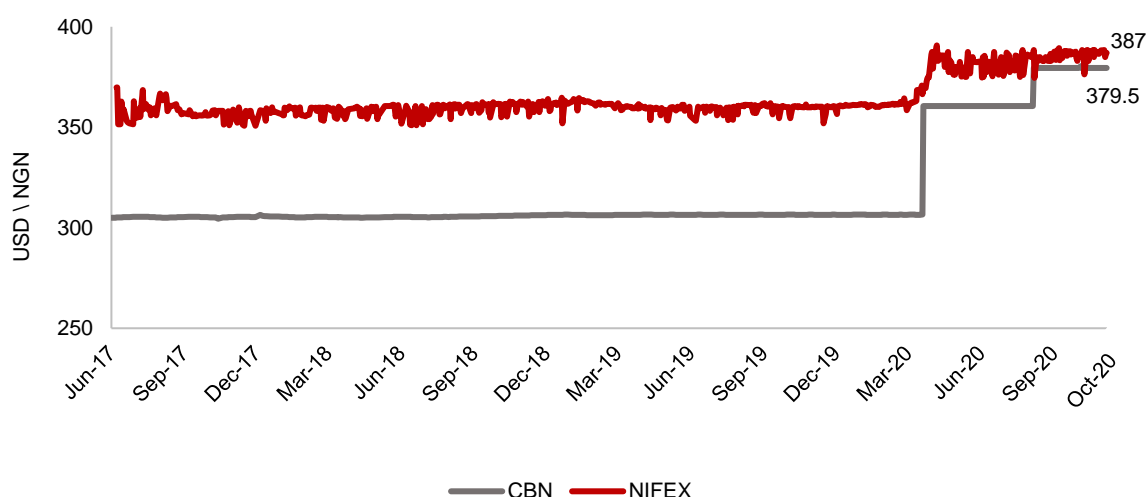
The Act sets five strategic objectives, which include: raising government revenue through various fiscal measures, reforming domestic tax laws to align with global best practice, promoting fiscal equity by mitigating instances of regressive taxation, supporting small business entities in line with Ease of Business Reforms and introducing tax incentives for investments in infrastructure and capital market.

Interest rates, inflation and exchange rates

The Naira to US Dollar exchange rate has historically been sensitive to fluctuations in the price of crude oil. The NGN/USD rate remained relatively stable around ₦155/\$1 - ₦160/\$1 through 2009 and 2013. The exchange rate has however come under pressure since June 2014 following the decline in the price of oil, Nigeria's key export commodity, leading the CBN to alter its management of the FX market in February 2015 by closing the Retail Dutch Auction System (RDAS) and taking other administrative measures aimed at stabilising the foreign exchange market. As a result, the NGN/US\$ remained fairly stable at just below ₦200/US\$1 for the most part of 2015. As a result of further pressure on the Naira, the CBN deployed a range of policy interventions with a view to reducing foreign currency demand and avoiding Naira devaluation. Some of these policies include the harmonization of the Cash Reserve Ratio ("CRR") on public and private deposits and restriction on accessing foreign currency from the official market for 41 specific items.

In 2016, the CBN tightened monetary policy as the economy faced the double challenge of contraction and sharply rising prices. The CBN also ended its U.S. dollar link on the Naira, allowing it to float freely on the inter-bank market and thus essentially allowing market forces to determine the exchange rate of the Naira to other currencies. The introduction of the Investors' & Exporters (IE) FX window in April 2017 created easier access to foreign exchange for companies and helped stabilized the Naira against the US\$ across all FX windows.

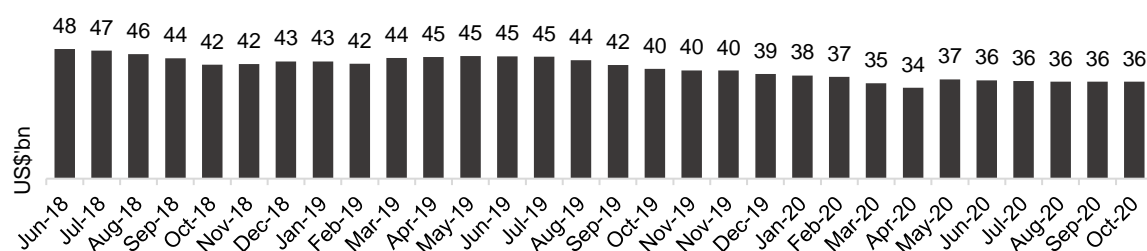
FIGURE 3: USD / NGN Exchange rate



Sources: CBN, FMDQ

The market seems to be slowly losing confidence in the CBN's ability to maintain the FX rate stability following a decline in global oil prices, oil production cuts by OPEC and decline in demand due to the COVID-19 pandemic. This is further exacerbated by foreign reserves falling by c.US\$9bn from US\$45.0bn in May 2019 to US\$35.7bn in September 2020.

FIGURE 4: Foreign Reserves



Sources: Nigeria Bureau of Statistics

Inflationary pressure increased from late 2015 resulting to double digits inflation rate by February 2016 with year-on-year inflation levels for headline inflation, core inflation and food inflation reaching 11.38%, 11.0%, and 11.35% respectively. As at 31 December 2016, year-on-year change for annual consumer price inflation had accelerated to 18.6% as compared to 9.6% and 8.0% as at 31 December 2015 and 31 December 2014, respectively. As at 31 October 2017, year-on change for annual consumer price inflation was 15.9%. The acceleration was attributed to the significant increase in consumer prices on the back of higher fuel prices due to removal of fuel subsidies and exchange rate pass-through of the Naira devaluation. These factors continued to impact the Consumer Price Index as year-on-year headline inflation peaked at 18.7% in January 2017. However, inflation rose to 12.56% in June 2020, an 11-month consecutive rise since August 2019, amidst the continued impact of border closure and also the recent hike in VAT rate from 5% to 7.5%.

A key priority of the CBN is to maintain price and financial stability and support economic development. The CBN maintained its benchmark monetary policy rate at 12% from October 2011 till November 2014 when it was increased to 13%. This prolonged tightening phase came to an end in November 2015, when the Monetary Policy Committee ("MPC") adopted an aggressive easing stance and cut the benchmark interest rate by 200 bps to 11%, with an asymmetric corridor of -700bps/+200bps. This was in a bid to align monetary policy with the policies of the fiscal authority, which were geared towards stimulating output growth whilst ensuring price stability. In July 2016, in a bid to curb increasing inflation due to high electricity tariffs and price hikes, the CBN increased the MPR rate by 200bps from 12% to 14%. After maintaining a tight effective monetary policy stance for much of 2017, the CBN has eased policy slightly by moderating the rate at which it has been sterilizing NGN liquidity via OMO sales. On 26 March 2019, the MPC resolved to reduce the MPR by 50bps to 13.5%.

Lending rates also fell by 400 bps between June and October 2019 following the establishment of a floor on banks loan-to-deposit (LDR) ratio in an effort to promote lending to the productive sectors of the economy (source: CBN). LDR ratio floor increased from 60%-65% by CBN in September 2019 with compliance check moved from last of the quarter to a daily basis.

In view of the outbreak of COVID-19 pandemic on the economy, rising inflation and reduction of foreign currency reserves, at the MPC meeting held on the 28th of May 2020, the MPR Rate was reduced from 13.5% to 12.5%, while the Asymmetric Corridor for Standing Lending and Deposit Facilities was retained at +200 and -500bps. The Cash Reserve Ratio was kept at 27.5% and the liquidity ratio at 30%. At the MPC meeting held in September 2020, the MPR was further reduced by 100bps, from 12.5% to 11.5% while the Asymmetric Corridor for Standing Lending and Deposit Facilities was adjusted to -700bps to +100bps. The Cash Reserve Ratio was retained at 27.5% and the liquidity ratio at 30%. As of the date of this Shelf Prospectus, the MPR is 11.5%.

Monetary Policy Rate vs. Inflation

FIGURE 5: Inflation rate

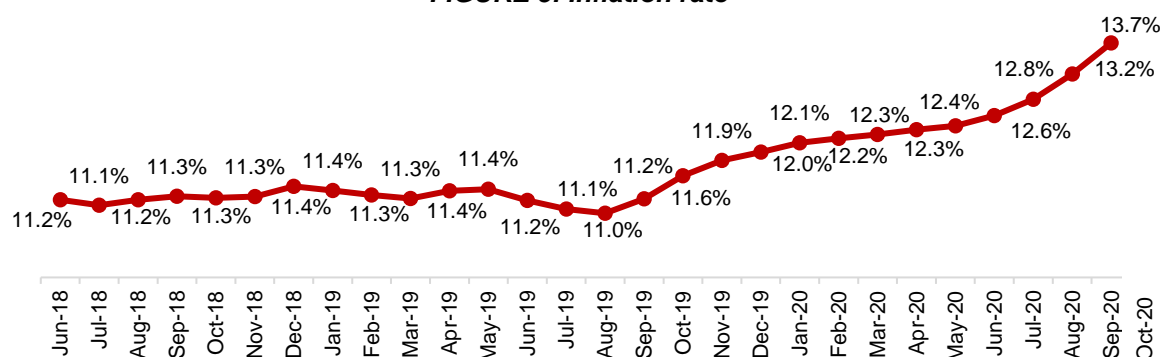
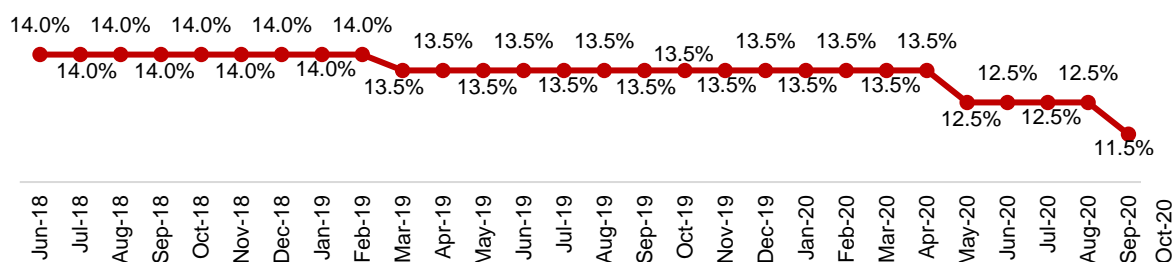


FIGURE 6: Monetary Policy Rate



Sources: Nigerian Bureau of Statistics, CBN

(iii) POLITICAL OVERVIEW

Nigeria returned to democratic governance in 1999 with the election of Chief Olusegun Obasanjo, a member of the People's Democratic Party ("PDP"), as President and Commander in Chief of the Armed Forces, following many years of military rule. The Obasanjo administration commenced the implementation of policies aimed at diversifying the economy to reduce reliance on the oil and gas sector, improving macroeconomic stability and developing the nation's infrastructure.

In 2007, Nigeria witnessed its first ever transition from one democratically elected government to another with the election of Alhaji Umaru Musa Yar'Adua, also a member of the PDP. Following the death of Alhaji Umaru Yar'Adua almost three years into his first term in 2010, vice president, Dr. Goodluck Jonathan, took office for the remainder of the late president's term before being elected to a full presidential term in 2011.

In 2015, President Muhammadu Buhari, who was the candidate of the All Progressives Congress ("APC"), became the first Nigerian presidential candidate to defeat an incumbent president after defeating Dr. Goodluck Jonathan in what many considered a peaceful election. Policy priorities for the Buhari administration included boosting infrastructure investment and diversifying the economy by targeting investment at specific sectors (notably agriculture and solid minerals). Nigeria held its last elections in February 2019, where President Muhammadu Buhari was re-elected as the President. Given the continuity in governance, there are expectations of minimal disruptions.

There are diverse ethnicities and cultures in Nigeria. Nigeria is a country consisting of 36 states and the Federal Capital Territory, Abuja. The nation is grouped into six diverse geopolitical zones: North West, North Central, North East, South East, South-South and South West.

Nigeria intermittently experiences ethnic and religious unrest mostly in the Northern region of the country. Additionally, there is resentment in the oil-rich Niger Delta and in other parts of the country regarding the allocation of oil revenues which had resulted in local unrest in the past (which has subsided at the moment) and has provoked ongoing political debate for fiscal and political restructuring of the country. Violence and reckless assault caused by Fulani herdsmen in various parts of Nigeria in recent times and the insurgence of Boko Haram activity in Northern Nigeria have also posed a great threat to security in the country.

The threats make for a tense political environment which negatively affects the productivity of individuals and companies. The government has taken steps to mediate these conflicts and to reach an amicable resolve that will drive the growth of the nation. Recently in October 2020, protests on police brutality commenced in different parts of the nation which culminated in lootings and destruction of property across the nation. The government is currently effecting policy changes to address the issues raised during the "ENDSARS" protest and providing funds for businesses that were affected by the unrest during the protests.

OVERVIEW OF THE NIGERIAN CEMENT INDUSTRY

History of the Nigerian Cement industry

Nigeria's cement industry dates back to the late 1950's and early 1960's with the commissioning of cement plants by the then Regional Governments and the subsequent establishment of cement companies like the West African Portland Cement Company, The Cement Company of the Northern Nigeria (the "CCNN") (Sokoto Cement), Ashaka Cement Company and the Benue Cement Company. During these early years, Nigeria's cement demand outweighed available installed capacity, and the market relied majorly on importation. However, with the advent of favourable government policy in recent times, local cement companies have overturned the deficit. Hence, the Nigerian cement market has evolved from mostly import-dependent to an emerging hub for cement exports in Africa.

The Nigerian cement industry has witnessed a number of mergers and consolidation in recent years. This has resulted in an Oligopolistic industry with 3 major players controlling c.99% of market share. These players include but are not limited to: BUA cement PLC, Dangote Cement PLC and Lafarge Africa PLC. These players are dominant in different geographic regions of the country. Nigeria is Africa's biggest cement market, with the sector witnessing increased profitability in recent years.

Key Players in the Nigerian Cement Industry

- **BUA Cement PLC:** BUA Cement PLC ("BUA") is a publicly listed company with its headquarters in Nigeria. BUA has factories in Sokoto State and Okpella Edo State with a capacity of 2 million tonnes per annum and 6 million tonnes per annum respectively, leaving the total volume production at 8 million tonnes per annum. BUA also has a plant with a capacity of 3 million tonnes per annum being constructed in Sokoto State. The plant is worth \$450 million and is scheduled to become operational in the second half of 2021. BUA has also announced that it is planning to establish a 3million mtpa cement facility and 50MW power plant in the Guyuk and Lamurde areas of Adamawa state. BUA is the largest cement producer in North West, South-South and South East, Nigeria.
- **Lafarge Africa PLC:** Lafarge Africa PLC is one of the oldest cement manufacturing companies in Nigeria and is a member of the LafargeHolcim Group, the largest building and concrete solutions company in the world. Lafarge Africa PLC has a total installed capacity of 14.1 million tonnes per annum, with 10.5 million tonnes in Nigeria and a capacity of 3.6 million tonnes per annum in South Africa.
- **Dangote Cement PLC:** Dangote cement PLC went from a cement trading firm to a cement manufacturing firm in 2007 and with operations in over 10 African countries, revenues in excess of US\$2.2 billion, 24,000 employees and a production capacity of up to 45.8 million tonnes per annum, Dangote cement is Africa's largest and the world's tenth largest cement manufacturer in the world.

State of the Sector

Nigeria is the largest market for cement in Sub-Saharan Africa and has a very attractive production centre with significant deposits of raw materials close to demand centres, and good economic prospects which will enable its population of about 200 million to increase their consumption of cement in the coming years.

Due to the COVID-19 pandemic, the government enforced full lockdown in Lagos state, Abuja and Ogun state from 31st March to 4th May 2020. As a result, two major players in the cement industry, Dangote Cement and Lafarge were heavily impacted, and volume of sales became significantly lower than the volumes realised during the same period last year. The two companies recorded a decline in their sales volume- with Dangote reporting a decline of 15% and Lafarge recording a decline of 10%. However, by June 2020 most of Nigeria's total sales volumes for the first half of 2020 was 7.41Mt, which includes cement and clinker. Revenues for the Nigerian operations increased by 1.2 percent to NGN332.40bn, while Nigeria's cement market expanded two per cent compared to first half of 2019. Also, the CBN in its overall manufacturing Purchasing Managers Index showed that demand for new orders in the cement subsector is slowly moving up, as it grew to 72.2 points at the end of August 2020.

Challenges of the Cement Sector

With an estimated cement consumption of around 150kg per capita relative to global average of 561kg per capita, it is evident that the Nigerian cement industry still has room for further growth in consumption.

The major challenges in the industry growth include: declining oil prices, low gas supplies low government financial strength, intermittent electricity supply, insurgency in northern Nigeria and a possible cement glut owing to relatively slower growth in cement demand against supply. Also, higher cost environment is expected to drag profitability in the short term,

Over the next couple of years, we expect that there would be increased activity in the construction space as both public and private sector players alike get back to work. Accordingly, cement demand growth will hover between mid-to-high single-digit levels over the next couple of years. Yet, pressure on the Federal Government's revenue is a cog in the wheel. By estimates, there are about 11 port projects in the pipeline comprising seven new Deepsea ports and four port expansions. Three of these are currently under construction.

Potentials Going Forward

The Nigerian cement sector has evolved from being import-dependent, into a growing hub for cement exportation to African countries. Local cement production has grown from 1.7 million metric tonnes ("MMT") in 2002 to c.22 MMT in 2019.

Government policies such as tax relief programs and a ban on cement importation among others, encouraged capacity expansion among the players. Available installed capacity now outstrips estimated local demand; local cement production capacity is expected to be 53.8million tonnes in 2021. About 85% of the inputs for cement production are sourced locally. Cement remains at the core of infrastructural development across the world, and the Nigerian cement market continues to offer room for growth into the nearest future.

Real Estate

The Federal Government and some state governments introduced policies that seek to provide millions of housing units on a yearly basis to Nigerians, this laudable initiative promises to support an increase in per capita consumption of cement, Also, there is an anticipated growth in the private non-residential sector as the government encourages foreign investments and Public-Private Partnership (PPP) projects. For instance, in June 2013, the Nigerian Mortgage Refinancing Company (NMRC) was incorporated as a PPP arrangement between the Federal Government and the private sector, for the purpose of bridging the funding cost of mortgages on residential premises and to promote the availability of good housing to Nigerians. The NMRC secured a US\$300 million World Bank 40-year loan at 0.75%, out of which US\$250 million was set aside as Tier II Capital. We anticipate that these efforts by the government and private investors will increase the appetite of Nigerians to build more houses.

Road Construction

Given the swelling capacity for cement production, the Federal Government is considering the use of cement for road construction as an alternative to asphalt. According to the Cement Manufacturers Association of Nigeria (CMAN), 99.9% of Nigeria built using asphalt. Although cement concrete roads are c.15% more expensive to construct, they are cheaper to maintain and have a significantly longer lifespan of 40 years (compared to 10 years) than asphalt road. Furthermore, the CIA World Factbook shows that Nigeria's road networks span around 195,000km, of which about 69.0% are unpaved. We expect that there will be continued interest in the use of concretes in road construction owing to its durability and ease of maintenance. Recent interest in the use of concrete in road construction (Obajana road, for instance) attests to this. Meanwhile the federal government established the Presidential Infrastructure Development Fund (PFID) in 2018, a fund managed by the Nigeria Sovereign Investment Authority (NSIA) with the target of investing in critical road and power projects across the country. The Fund aims to eliminate risks of cost variation and completion of Nigeria's critical infrastructure assets. We also anticipate that this initiative will encourage investors' appetite on road infrastructure.

OVERVIEW OF BUA CEMENT PLC

1. HISTORICAL OVERVIEW

BUA Cement PLC is in the business of manufacturing and marketing cement. The Company (formerly Obu Cement Company Limited) was incorporated in 2014 following the result of a merger between CCNN and Obu Cement. CCNN was incorporated in 1962 and commenced cement production in 1967 with an initial capacity of 100,000 MT. BUA International Limited acquired the shares from Damnaz Cement Company to become majority shareholder and technical partner in CCNN.

In the second quarter of 2015, BUA signed a contract with FL Smidth for a 3 million mtpa new production line in Obu Cement to be sited at Obu, Edo State and commissioned the Obu Cement (Line I) 3million mtpa facility in 2017. Obu Cement completed the 3million mtpa plant resulting in a combined capacity at Okpella of 6million mtpa in 2018. BUA has a plant with a capacity of 3 million tonnes per annum being constructed in Sokoto State, which is worth \$450 million and is scheduled to become operational in the second half of 2021.

BUA Cement PLC consolidated its cement operations following a merger between CCNN and Obu Cement to create value for stakeholders by strengthening the positioning of both companies in the Nigerian cement industry. The rationale for pursuing the merger was to create a single entity that would benefit from consolidated capacity and expanded growth prospects which will ultimately maximize value for all key stakeholders, particularly shareholders.

BUA Cement PLC was listed on the NSE on 9th January 2020 with a total combined installed capacity of 8million mtpa and a market capitalization of ₦1.18trillion (US\$3.3bn), making it the second largest cement producer in the Nigerian market and the largest cement producer in the North Western region of the country.

2. BUSINESS OVERVIEW

The principal activities of the Company are manufacturing and sale of cement to the general public.

3. BOARD OF DIRECTORS AND COMPANY SECRETARY

ABDUL SAMAD RABIU CON

Chairman

Abdul Samad Rabiu, CON., is the Chairman of BUA Cement PLC. He is also the founder and Chairman of BUA International Limited - a foods, mining and infrastructure conglomerate which he established in 1988 with business interests in Cement Manufacturing, Sugar Refining and Plantations, Rice, Flour Milling & Pasta Production, Oil & Gas, Construction, Real Estate and Logistics. Abdul Samad Rabiu studied Economics at Capital University, Columbus, Ohio, USA and he holds the Nigerian National Honour of 'Commander of the Order of the Niger' (CON). His shareholding is 19,044,995,225 units.

ENGR. YUSUF HALIRU BINJI, FNSE

Managing Director /Chief Executive Officer

Yusuf Haliru Binji is the Managing Director/CEO of BUA Cement PLC. He holds a B.Eng. Degree in Chemical Engineering from Ahmadu Bello University, Zaria and an M.Sc. in Chemical Process Engineering from the University College, University of London. He has over 28 years' working experience in various organizations including: Cement Company of Northern Nigeria, BUA International Limited, Obu Cement Company Limited, among others. He is the Managing Director/CEO of BUA Cement PLC. His Shareholding is 7093 units.

CHIMA OBI MADUKWE

Non-Executive Director

Chimaobi Madukwe is a Non-Executive Director at BUA Cement PLC. He holds a Bachelor's degree in Management Studies (Accountancy) from the University of Jos and a Master's degree in

Business Administration from ESUTH Business School. Prior to joining BUA in 2004, Chimaobi Madukwe was Head of Corporate Finance at Citizens International Bank PLC where he worked from 1999 to 2004. He also sits on the board of BUA International Limited, BUA Sugar Company Limited, Edo Cement Company Limited among others.

KABIRU RABIU

Non-Executive Director

Kabiru Rabiu is a Non-Executive Director at BUA Cement PLC. He holds a Bachelor's degree in Management from Webster University, London and an MBA in International Business from American Intercontinental University UK. He is the Group Executive Director for BUA group and a Non-Executive Director at BUA Cement PLC. Prior to his appointment, he held various management positions at Nigeria Oil Mills as General Manager and later as Managing Director of BUA Oil Mills Limited.

SENATOR KHAIRAT ABDULRAZAQ GWADABE

Independent Director

Senator Khairat Abdulrazaq-Gwadabe is an Independent Director at BUA Cement PLC. A Lawyer and Managing partner of A. Abdulrazaq & Co, a firm of Legal Practitioners. Senator Gwadabe holds a B.A in European Studies and Spanish from the University of Wolverhampton, England and an LL.B from the University of Buckingham in England. She was called to the Nigerian Bar in 1986.

FINN ARNOLDSEN

Non-Executive Director

Finn Arnoldsen, Norwegian, is a Non-Executive Director at BUA Cement PLC. He holds a Master of Science in Mechanical Engineering from NTH Norway. Mr. Arnoldsen has 33 years of extensive work experience - most of which were spent in the cement industry across several countries in Europe and Africa. He has also attended several management courses including a senior management development course at INSEAD, France.

SHEHU ABUBAKAR

Independent Director

Shehu Abubakar is an Independent Director at BUA Cement PLC. He holds a B.Sc. (Business Management) from Usman Danfodio University, Sokoto and an MBA from Ahmadu Bello University, Zaria. Alhaji Abubakar had an extensive working career in the banking industry from 1987 to 2017, where he retired as an Executive Director of Keystone Bank Limited.

JACQUES PIEKARSKI

Chief Financial Officer

Jacques Piekarski is a graduate of the Business School in Lausanne, Switzerland and holds an MBA from Robert Kennedy College, Zurich, Switzerland. He is a seasoned finance professional with over 26 years of experience holding several C-Suite finance roles across Europe and Africa in FMCG, cement, trading and mining. Prior to joining Bua Cement PLC as Chief Financial Officer in October 2020, Jacques last worked with TGI Group Nigeria as the Group CFO.

AHMED ALIYU

Company Secretary/Legal Adviser

Ahmed Aliyu, Nigerian, is a Barrister-at-Law and Solicitor of the Supreme Court of Nigeria, with 18 years' experience. He is an alumnus of Ahmadu Bello University, Nigerian Law School, Harvard Law School (Executive Education), and the University of Salford, Manchester. Mr. Aliyu worked at Opawale Japhet & Co., (a Legal Firm), and the Corporate Affairs Commission after which he joined the defunct Cement Company of Northern Nigeria PLC, Sokoto where he rose to the position of Company Secretary/Legal Adviser. He is currently the Company Secretary/Legal Adviser of BUA Cement PLC. Mr. Aliyu is also a member of the IBA, London, NBA, the Chartered Institute of Taxation and the Society for Corporate Governance Nigeria.

5. DIRECTORS' INTERESTS

The names of the Directors with interests in the share capital of the Issuer as at 31st December, 2019 are as set out below:

<i>Director</i>	<i>Direct Shareholding</i>	<i>Indirect Shareholding</i>
Abdul Samad Rabiun CON	19,044,995,225	i. Damnaz Cement Company Limited – 637,403,152 ii. BUA International Limited – 97,658,444 iii. BUA Cement Manufacturing Company Limited – 11,490,595,760
Yusuf H. Binji, FNSE	7,093	Nil

4. EMPLOYEES

The Issuer has 1073 employees as at June 2020.

5. INDEBTEDNESS

As at 31st December 2019, total indebtedness of BUA Cement PLC stood at ₦21.42 billion

6. MATERIAL CONTRACTS

Apart from the Transaction Documents to which it is a party, the Issuer has not entered into any material contracts other than in the ordinary course of its business.

No MATERIAL ADVERSE CHANGE

7. There has been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

8. FINANCIAL INFORMATION

Please see the Reporting Accountant's report at page 56 of this Shelf Prospectus.

9. LITIGATION

The Issuer is currently involved in 1 (one) case in the ordinary course of its business. The aggregate amount claimed against the Company in this case is ₦32,500,000.00 (thirty-two million five hundred thousand Naira).

USE OF PROCEEDS

The net proceeds from each issue of the Bonds will be stated in the applicable Pricing Supplement, and may include, amongst other uses, refinancing of existing debt obligations of the Issuer, completion of designated capital projects, working capital and general corporate purposes.

The applicable Pricing Supplement for each Tranche or Series will specify details of the exact use of proceeds of the particular Tranche or Series.

DataPro

BUA Cement

2020 Corporate Rating

BUA CEMENT PLC

This report is provided by DataPro subject to the terms & condition stipulated in our Terms of Engagement

CORPORATE RATING REPORT

References

Abiodun Adesoyaju, FCA
Abimbola Adesoyaju
Oladele Adeoye

EVALUATION

VALID TILL: October, 2021

Long-term Rating:	AA-
Short term Rating	A1
Previous Rating:	N/A
Rating Outlook:	Stable
Trend:	Up
Currency:	Naira

EXECUTIVE SUMMARY

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Turnover	175,518,326	119,012,572	87,193,161	48,638,749	5,653,367
Pre-Tax Profit	66,235,964	39,166,582	39,470,897	11,586,015	(4,775,324)
Equity	363,697,242	308,612,184	29,339,662	5,616,126	(3,572,058)
Non Current Assets	408,405,566	399,431,134	157,662,079	129,219,675	119,027,943
Total Asset	470,566,595	487,974,291	204,031,100	153,139,432	122,767,378
Long-term Debt	10,407,490	3,613,823	15,128,635	383,270	500,000

RATING EXPLANATION

The Short term rating of **A1** indicates **Good Credit Quality** and satisfactory capacity for timely payment of financial commitments.

The Long term rating of **AA-** indicates **Lower Risk**. It shows excellent financial strength, operating performance and business profile when compared to the standard established by DataPro. This company, in our opinion, has the ability to meet its ongoing obligations.

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.

2020
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SUMMARY

• Rating

AA-

• Report Type: Corporate Rating

• Client: BUA Cement Plc

• Date Compiled 3-Nov-20

BUA Cement Plc Rating Report

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RATING SYNOPSIS

The rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used was based on industry and market intelligence including public information.

The quantitative information was obtained from the company's audited and management accounts.

The risk factors were assessed using the company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Risk and Sustainability of subject's current healthy profile in the medium to long term period.

Overall, the following were observed:

Strengths:

- Very Good Revenue Profile
- Very Good Funding Profile
- Low exposure to Credit Risk

SUMMARY

• Rating

AA-

• Report Type: Corporate Rating

• Client: BUA Cement Plc

• Date Compiled 3-Nov-20

DataPro

BUA Cement Plc

Rating Assigned:

A

This is a company with good financial condition and strong capacity to repay obligations on a timely basis.

Outlook: Stable

Issue Date: 01 December 2020

Expiry Date: 30 June 2021

Previous Rating: N/A

Industry: Cement Manufacturing

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Overview of Cement Industry	4
Company Profile	7
Financial Condition	10
Ownership, Mgt. & Staff	16
Outlook	18
Financial Summary	19
Rating Definition	22

Analysts:

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Lagos

Nigeria

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RATING RATIONALE

Agusto & Co. hereby assigns an 'A' rating to BUA Cement Plc ("BCP", or "the Company"). The rating reflects BCP's good financial condition evidenced by very good cash flow, low leverage, acceptable profitability and experienced management team. The assigned rating also takes into cognisance the Company's good market position, elicited by the sustained growth in BCP's installed capacity and efficient route to market strategy as well as favourable government policies. However, the Company's rating is tempered by inadequate working capital, ownership concentration risk, weak macroeconomic environment, coupled with the adverse impact of the COVID-19 pandemic, which halted a number of construction and real estate activities especially in the second quarter of 2020.

BUA Cement Plc is one of the leading players in the Nigerian cement industry with an installed capacity of 8 million metric tonnes (MMT) per annum ranking the third largest cement producer in Nigeria as at 30 September 2020 (Q3'2020). BCP's growth is largely driven by business combination, coupled with the implementation of the Company's growth strategy, which resulted in the expansion of both the Obu plant in Edo State and the Kalambaina plant in Sokoto State.

In 2019, BUA Cement Plc's revenue grew by 47.5% year-on-year to ₦175.5 billion, due to higher sales volume of 4.5 million metric tonnes (MMT) compared to 2.9 MMT sold in prior year. This was supported by the expansion in BCP's total installed capacity to 8MMT per annum from 3.5 MMT per annum in the prior year. Driven by inflationary pressures and higher production volumes, the Company's cost of sales inched up by 57.6%, and translated to a cost of sale to revenue ratio of 52.4% (FY 2018: 49.6%), marginally higher than the Industry average of 51%. In the same vein, BCP's operating expenses, predominantly administrative, distribution and selling expenses trended up by 20.2% year-on-year in absolute terms in 2019. Nonetheless, the Company reported an improved operating expenses to sales ratio of 12.7% (FY 2018: 15.6%), resulting in an operating profit margin of 34.2% (FY 2018: 34.7%), slightly better than the estimated industry average of 33.4%, which we consider to be good.

TAX CONSIDERATIONS

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Instruments issued under this Programme. In particular, it does not constitute a representation by the Issuer or its advisers the tax consequences attaching to a subscription or purchase of Instruments issued under the Programme or applicable to all categories of investors.

In 2010, Nigeria's taxation landscape underwent a major change as the Federal Government of Nigeria ("FGN") announced that it would exempt certain taxes on all categories of bonds (including corporate bonds) and short-term government securities such as treasury bills.

In accordance with the provisions of the Personal Income Tax Amendment Act 2011, income and interest earned by an individual from corporate bonds are exempted from personal income tax, and the exemption granted under this Act is indefinite. By virtue of the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011 and Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011, corporate bonds and interest earned thereon are exempt from CIT and proceeds from the disposal of corporate bonds are exempt from VAT. These orders both became effective on 2nd January 2012 and are valid for a period of ten (10) years.

Further the Finance Act 2019 specifically exempts "securities" from the definition of goods under the Value Added Tax Act. On this basis, it is likely that upon the expiration of the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011, disposals of corporate bonds will still be exempt from VAT.

In view of the above tax regulations, the Bonds issued under the Programme will be exempt from PIT in perpetuity. However, they will only be exempt from CIT, and VAT until 1st January 2022. From this period, corporate bondholders holding the Bonds will be subject to CIT on all principal and coupon received under the Bonds. Commissions payable to the SEC, NSE and the Depositary in connection with the Bonds shall be subject to VAT.

The foregoing summary is not a comprehensive summary, and does not constitute advice, on tax to any actual or potential purchaser of Bonds issued under the Programme. In addition, it does not constitute a representation by the Issuer or its advisers on the tax consequences of a subscription or purchase of Bonds issued under the Programme. Any tax consideration that may be relevant to a decision of a person to acquire, hold or dispose of Bonds issued under the Programme and to each actual or potential purchaser of the Bonds may vary. Therefore, any actual or potential purchaser of the Bonds who intends to ascertain its/his/her tax position should seek professional advice from its/his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Bonds. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Bonds in any manner for placing reliance upon the contents of the above summary.



The Directors
BUA Cement Plc
32 Churchgate street
Victoria Island
Lagos

Dear Sirs,

ACCOUNTANT'S REPORT ON THE AUDITED FINANCIAL STATEMENTS OF BUA CEMENT PLC FOR THE YEARS ENDED 31 DECEMBER 2017, 2018 AND 2019

We have reviewed the accompanying financial statements of BUA Cement Plc ("the Company" or "BUA Cement") for the years ended 31 December 2017, 31 December 2018 and 31 December 2019. The financial statements for the years ended 2017 – 2019 comprise the statement of financial performance, statement of financial position, statement of cash flows and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. This standard requires us to conclude on whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not presented fairly in all material respects in accordance with the applicable financial reporting framework. The standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position as at 31 December, 2017, 2018 and 2019 of BUA Cement, and its financial performance and cash flows for the years then ended, in accordance with the International Financial Reporting Standards.

Restriction on Distribution and Use

Without modifying our conclusion, our report was prepared for inclusion in the prospectus for the Company's proposed N200 billion Bond Issuance Programme and subsequent issuance of Series I Bond under the programme. As a result, the financial statements presented in this report may not be suitable for another purpose. Our report is intended solely for BUA Cement and other relevant parties to the offer and should not be distributed to or used by other parties other than BUA Cement and other relevant parties to the offer.

Yours faithfully

Ayo Othihiwa
FRC/2012/ICAN/00000000425
For: KPMG Professional Services
Chartered Accountants
5 November 2020
Lagos, Nigeria

STATEMENT OF FINANCIAL PERFORMANCE



BUA Cement Plc
Reporting Accountants' Report
November 2020

Statement of financial performance

Statement of financial performance			
N'm	FY17*	FY18*	FY19**
Revenue from contracts with customers	87,193	87,291	175,518
Cost of sales	(36,279)	(40,291)	(93,075)
Gross profit	50,914	47,000	82,443
Administrative expenses	(5,642)	(8,853)	(10,516)
Distribution and selling expenses	(576)	(4,510)	(11,845)
Impairment write back/(charge) on financial assets	-	(2,380)	3,758
Other income	11	3,893	7,588
Operating profit	44,707	35,150	71,428
Finance income	313	-	157
Finance cost	(5,549)	(3,330)	(5,349)
Net finance cost	(5,236)	(3,330)	(5,192)
Profit before tax	39,471	31,820	66,236
Income tax (charge)/credit	(15,747)	26,766	(5,626)
Profit after tax	23,724	58,586	60,610
Other comprehensive (loss)/income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement of defined benefit obligations (net of tax)	-	-	(268)
Other comprehensive (loss)/income for the year, net of tax	-	-	(268)
Total comprehensive income for the year	23,724	58,586	60,342

* figures relate to OBU Cement Company

** figures relate to the enlarged entity, BUA Cement (a merger of OBU and CCNN)

KPMG has not carried out any procedure to validate the basis of the consolidation of the 2019 financial statements. Our review in respect of the 2019 financial statements covered the audit work papers which documents the audit procedure undertaken by PwC in the audit of the individual entities.



Statement of financial position

Statement of financial position			
N'm	FY17*	FY18*	FY19**
Assets			
Non-current assets			
Property, plant and equipment	156,696	167,862	393,406
Right-of-use assets	-	-	77
Intangible assets	966	1,023	2,782
Deferred tax asset	-	10,972	12,141
Total non-current assets	157,662	179,857	408,406
Current assets			
Inventories	5,985	8,291	27,202
Due from related parties	36,780	60,217	16,754
Trade and other receivables	687	534	2,619
Cash and cash equivalents	2,918	1,273	15,587
Total current assets	46,370	70,315	62,162
Total assets	204,032	250,172	470,568
Equity attributable to shareholders			
Ordinary share capital	20	20	16,932
Retained earnings	29,320	85,995	146,834
Other reserves	-	-	199,931
Total equity	29,340	86,015	363,697
Liabilities			
Current liabilities			
Bank overdraft	-	-	562
Trade and other payables	32,022	27,422	36,342
Contract liabilities	-	5,941	32,869
Due to related parties	122,754	124,075	919
Current income tax liabilities	1,484	-	814
Short-term borrowings	-	3,410	20,861
Lease liabilities	-	-	42
Deferred income	-	-	6
Total current liabilities	156,260	160,848	92,415
Non-current liabilities			
Lease liabilities	-	-	7
Employee benefit obligations	-	-	2,909
Deferred tax liabilities	15,129	-	7,492
Provision for decommissioning liabilities***	3,303	3,309	4,048
Total non-current liabilities	18,432	3,309	14,456
Total liabilities	174,692	164,157	106,871
Total equity and liabilities	204,032	250,172	470,568

* figures relate to OBU Cement Company

** figures relate to the enlarged entity, BUA Cement (a merger of OBU and CCNN)

*** refers to reclassification of provision for decommissioning liability from current liability to non-current liability

KPMG has not carried out any procedure to validate the basis of the consolidation of the 2019 financial statements. Our review in respect of the 2019 financial statements covered the audit work papers which documents the audit procedure undertaken by PwC in the audit of the individual entities.

STATEMENT OF CASH FLOWS



BUA Cement Plc
Reporting Accountants' Report
November 2020

Statement of cash flows

Statement of cash flows			
N'm	FY17*	FY18*	FY19**
Cash flows from operating activities			
Profit before income tax	39,471	31,820	66,236
Adjustment for non-cash items:			
Depreciation of PPE	4,378	4,222	13,946
Amortisation of intangible assets	44	57	148
Write-off of intangible assets	-	-	12
Unrealised foreign exchange losses	820	3,786	183
Net impairment gain/(loss) on financial assets	-	2,380	(3,758)
Net finance cost	5,236	3,330	5,192
Profit on disposal of property, plant and equipment	-	-	(0)
Depreciation of right-of-use asset	-	-	38
Provision for end of service benefit obligations	-	-	391
Operating cash flows before movements in working capital	49,949	45,595	82,388
Increase in trade and other receivables	(213)	54	(185)
Increase in inventories	(1,781)	(2,306)	(6,268)
Decrease/(increase) in amounts due from related parties	(21,202)	(28,447)	51,624
Increase in right-of-use assets	-	-	(77)
Increase/(decrease) in trade and other payables	(566)	(4,601)	2,055
Decrease in amounts due to related parties	7,451	(5,368)	(125,666)
Increase in contract liabilities	-	5,941	24,932
Decrease in deferred income	-	-	(26)
Cash generated from operations	33,638	10,868	28,777
Defined benefit paid during the year	-	-	(67)
Interest received	-	-	100
Interest paid	-	-	(432)
Tax paid	-	-	(1,919)
Net cash flow from operating activities	33,638	10,868	26,459
Investing activities			
Purchase of property, plant and equipment	(33,951)	(15,405)	(22,794)
Purchase of intangible assets	(434)	(114)	(460)
Proceeds from disposal of property, plant and equipment	-	-	-
Net cash flows used in investing activities	(34,385)	(15,519)	(23,254)
Financing activities			
Dividend paid to equity holders	-	-	(5,257)
Lease liability payment	-	-	(5)
Proceeds from borrowings	-	5,482	56,737
Principal repayment of borrowings	-	(2,086)	(39,905)
Interest repayment on borrowings	-	(389)	(2,478)
Net cash flows generated from financing activities	-	3,007	9,092
Net increase/(decrease) in cash and cash equivalents	(747)	(1,644)	12,297
Cash and cash equivalents at 1 January	3,665	2,918	2,713
Effects of exchange rate differences	-	-	16
Cash and cash equivalents at 31 December	2,918	1,274	15,026

* figures relate to OBU Cement Company

** figures relate to the enlarged entity, BUA Cement (a merger of OBU and CCNN)

KPMG has not carried out any procedure to validate the basis of the consolidation of the 2019 financial statements. Our review in respect of the 2019 financial statements covered the audit work papers which documents the audit procedure undertaken by PwC in the audit of the individual entities.

NOTES TO THE FINANCIAL STATEMENTS



BUA Cement Plc
Reporting Accountants' Report
November 2020

Notes to the financial statements

1. Revenue from contracts with customers			
N'm	FY17*	FY18*	FY19**
Sale of bagged cement	85,778	85,779	174,869
Sale of bulk cement	1,415	1,511	649
Total	87,193	87,290	175,518

2. Impairment (write back)/charge on financial assets			
N'm	FY17*	FY18*	FY19**
Impairment charge on trade and other receivables	-	2,380	-
Impairment (write back)/charge on due from related parties	-	-	(3,758)
Total	-	2,380	(3,758)

3. Expenses by nature			
N'm	FY17*	FY18*	FY19**
Raw materials	5,579	4,719	11,741
Energy consumption	10,360	11,310	36,293
Staff cost	1,258	1,703	7,868
Amortisation of intangible assets	44	57	148
Depreciation of property, plant and equipment	4,378	4,222	13,946
Depreciation of right-of-use assets	-	-	38
Audit fee	20	24	114
Consultancy fees	24	119	195
Other repairs and maintenance expenses	1,162	1,486	3,607
Operation and maintenance service charges	13,640	17,618	25,412
Reimbursable haulage charges	-	3,887	-
Cement haulage charges	111	145	7,686
Management and technical support fees	2,463	2,477	1,902
Office running expenses	142	178	687
Advertising and sales promotion costs	84	309	432
Water supply	113	89	109
Communication expenses	39	55	106
Printing and stationery	-	-	-
Security expenses	290	294	454
Technical fees	-	-	-
Subscription dues	14	17	33
Transportation and travelling expenses	42	126	364
Bank charges	264	59	635
Refractories cost	306	143	320
Insurance	94	87	443
Rental expense	13	13	7
Foreign exchange loss	820	3,786	183
Merger and listing fees	-	-	1,323
Directors expenses	-	-	126
Donation	-	-	90
Other expenses	1,233	733	1,175
Total	42,493	53,656	115,437

4. Expense summary			
N'm	FY17*	FY18*	FY19**
Cost of sales	36,279	40,291	93,075
Administrative expenses	5,642	8,853	10,516
Distribution and selling expenses	576	4,510	11,845
Total	42,497	53,654	115,436

5. Staff costs			
N'm	FY17*	FY18*	FY19**
Staff salaries and allowances	1,058	1,503	7,263
Directors' emoluments	124	67	126
Staff welfare and training	15	55	147
Medical expenses	21	29	68
Pension (employer contribution)	42	49	179
Defined benefit plan:			
- Current service cost	-	-	152
- Plant amendment	-	-	(67)
Total	1,260	1,703	7,868

6. Other income			
N'm	FY17*	FY18*	FY19**
Haulage income on goods delivery	-	3,887	7,537
Sundry income	-	-	8
Insurance claim	-	-	16
Sales of scrap	-	-	-
Rental income	11	6	-
Amortisation of deferred income	-	-	26
Profit on disposal of property, plant and equipment	-	-	-
Total	11	3,893	7,587

7. Finance income and costs			
N'm	FY17*	FY18*	FY19**
Finance income			
Interest income	-	-	157
Unwinding of provision for decommissioning liabilities	313	-	-
Total finance income	313	-	157
Finance costs			
Interest expense on defined benefit obligation	-	-	305
Interest expense on bank loans	-	404	3,132
Interest on funding from related party	5,549	2,903	2,326
Unwinding of provision for decommissioning liabilities	-	427	281
Sub-total	5,549	3,734	6,044
Amount capitalized	-	(404)	(696)
Total finance costs	5,549	3,330	5,348
Net finance cost	5,236	3,330	5,191

8. Taxation			
N'm	FY17*	FY18*	FY19**
Income tax charge/(credit)			
Tertiary education tax	1,002	-	461
Minimum tax	-	-	11
*Pioneer status adjustment	-	(1,484)	-
Total current income tax charge	1,002	(1,484)	472
Police trust fund levy	-	-	3
Deferred tax charge/(credit)	14,745	(25,282)	5,150
Income tax charge/(credit)	15,747	(26,766)	5,625
Current income tax liabilities			
Opening balance	482	1,484	2,258
Provision for the year	1,002	-	472
Police trust fund levy	-	-	3
Pioneer status adjustment	-	(1,484)	-
Payment during the year	-	-	(1,919)
Closing balance	1,484	-	814
Deferred tax assets			
Opening balance	-	(15,129)	10,972
Deferred tax impact on IFRS 9 adoption	-	819	-
At 1 January (restated)	-	(14,310)	10,972
Deferred tax credit for the year	-	25,282	1,169
Closing balance	-	10,972	12,141
Deferred tax liabilities			
Opening balance	383	-	1,288
Reclassification to deferred tax assets	-	-	-
Deferred tax charge/(credit) for the year - Profit or loss	14,745	-	6,319
Deferred tax credit for the year - OCI	-	-	(115)
Closing balance	15,128	-	7,492

9. Employee benefit obligations			
N'm	FY17*	FY18*	FY19**
Amounts recognised in SOPL			
Current service cost	-	-	152
Interest on obligation	-	-	305
Income on plan assets	-	-	-
Defined benefit plan amendment	-	-	(67)
Total	-	-	390
Amounts recognised in OCI			
Actuarial loss/(gain) on defined benefit plan:			
- Change in assumption	-	-	334
- Change in experience adjustment	-	-	48
	-	-	382
Deferred tax credit	-	-	(115)
Total	-	-	267
Net liability recognised in SOFP			
Opening balance	-	-	2,202
Net periodic benefit cost recognised in profit or loss	-	-	391
Benefit paid during the year	-	-	(67)
Employer contribution	-	-	-
Amount recognised in other comprehensive income	-	-	383
Closing balance	-	-	2,909

10. Property, plant and equipment			
N'm	FY17*	FY18*	FY19**
Cost			
Opening balance			
Land	-	-	214
Buildings	29,653	30,367	31,751
Plant and machinery	88,948	89,373	311,196
Furniture and fittings	63	123	367
Motor vehicles	531	629	925
Quarry equipment	6,305	4,800	4,757
Tools, computers, laboratory and office equipment	129	170	985
Trucks	-	-	2,443
Capital work-in-progress	9,373	41,971	57,240
Total	135,002	167,433	409,878
Additions			
Land	-	-	36
Buildings	714	267	1,217
Plant and machinery	424	154	1,408
Furniture and fittings	60	44	77
Motor vehicles	98	40	292
Quarry equipment	15	-	1,176
Tools, computers, laboratory and office equipment	41	33	187
Trucks	-	-	6,250
Capital work-in-progress	32,598	15,269	12,846
Total	33,950	15,807	23,489
Transfers			
Land	-	-	13
Buildings	-	-	26,056
Plant and machinery	-	-	43,872
Furniture and fittings	-	-	-
Motor vehicles	-	-	-
Quarry equipment	-	-	-
Tools, computers, laboratory and office equipment	-	-	1
Trucks	-	-	-
Capital work-in-progress	-	-	(69,942)
Total	-	-	-
Reclassifications			
Land	-	-	-
Buildings	-	-	-
Plant and machinery	-	-	(2,809)
Furniture and fittings	-	-	-
Motor vehicles	-	-	-
Quarry equipment	-	-	(1,529)
Tools, computers, laboratory and office equipment	-	-	-
Trucks	-	-	-
Capital work-in-progress	-	-	-
Total	-	-	(4,338)



Disposals

Land	-	-	-
Buildings	-	-	-
Plant and machinery	-	-	-
Furniture and fittings	-	-	-
Motor vehicles	-	-	(4)
Quarry equipment	-	-	-
Tools, computers, laboratory and office equipment	-	-	-
Trucks	-	-	-
Capital work-in-progress	-	-	-
Total	-	-	(4)

Changes in estimates

Land	-	-	-
Buildings	-	-	-
Plant and machinery	-	-	-
Furniture and fittings	-	-	-
Motor vehicles	-	-	-
Quarry equipment	(1,521)	(421)	421
Tools, computers, laboratory and office equipment	-	-	-
Trucks	-	-	-
Capital work-in-progress	-	-	-
Total	(1,521)	(421)	421

Closing balance

Land	-	-	263
Buildings	30,367	30,634	59,024
Plant and machinery	89,373	89,527	353,667
Furniture and fittings	123	168	444
Motor vehicles	629	670	1,213
Quarry equipment	4,800	4,379	4,825
Tools, computers, laboratory and office equipment	170	203	1,173
Trucks	-	-	8,693
Capital work-in-progress	41,971	57,240	144
Total	167,431	182,819	429,446

Accumulated depreciation

Opening balance

Land	-	-	-
Buildings	769	1,338	2,159
Plant and machinery	4,706	8,081	17,655
Furniture and fittings	11	25	235
Motor vehicles	189	274	520
Quarry equipment	650	958	1,105
Tools, computers, laboratory and office equipment	32	61	459
Trucks	-	-	311
Capital work-in-progress	-	-	-
Total	6,357	10,737	22,444

Charge for the year

Land	-	-	-
Buildings	569	593	1,053
Plant and machinery	3,375	3,384	10,361
Furniture and fittings	14	20	31
Motor vehicles	84	92	140
Quarry equipment	307	98	529
Tools, computers, laboratory and office equipment	29	35	75
Trucks	-	-	1,757
Capital work-in-progress	-	-	-
Total	4,378	4,222	13,946

Reclassifications

Land	-	-	-
Buildings	-	-	-
Plant and machinery	-	-	(274)
Furniture and fittings	-	-	-
Motor vehicles	-	-	-
Quarry equipment	-	-	(71)
Tools, computers, laboratory and office equipment	-	-	-
Trucks	-	-	-
Capital work-in-progress	-	-	-
Total	-	-	(345)

Disposals

Land	-	-	-
Buildings	-	-	-
Plant and machinery	-	-	-
Furniture and fittings	-	-	-
Motor vehicles	-	-	(4)
Quarry equipment	-	-	-
Tools, computers, laboratory and office equipment	-	-	-
Trucks	-	-	-
Capital work-in-progress	-	-	-
Total	-	-	(4)

Closing balance

Land	-	-	-
Buildings	1,338	1,931	3,213
Plant and machinery	8,081	11,465	27,742
Furniture and fittings	25	45	266
Motor vehicles	273	366	656
Quarry equipment	957	1,056	1,563
Tools, computers, laboratory and office equipment	61	96	534
Trucks	-	-	2,068
Capital work-in-progress	-	-	-
Total	10,735	14,959	36,041

Net book value			
Land	-	-	263
Buildings	29,029	28,703	55,812
Plant and machinery	81,291	78,062	325,925
Furniture and fittings	98	123	178
Motor vehicles	356	303	557
Quarry equipment	3,842	3,323	3,262
Tools, computers, laboratory and office equipment	109	107	639
Trucks	-	-	6,625
Capital work-in-progress	41,971	57,240	144
Total	156,696	167,862	393,406

11. Leases			
N'm	FY17*	FY18*	FY19**
Right of use assets			
Opening balance	-	-	8
Additions	-	-	106
Depreciation	-	-	(38)
Closing balance	-	-	76
Lease liabilities			
Opening balance	-	-	6
Additions	-	-	42
Interest expense	-	-	6
Payments	-	-	(5)
Closing balance	-	-	49
Current	-	-	42
Non-current	-	-	7
Total	-	-	49
Depreciation charge of right-of-use assets			
Opening balance	-	-	-
Charge for the year	-	-	38
	-	-	38

12. Intangible assets			
N'm	FY17*	FY18*	FY19**
Cost			
Opening balance			
Licenses	3	3	3
Exploration assets	599	1,026	1,135
Software	8	15	29
Total	610	1,044	1,167
Additions			
Licenses	-	-	-
Exploration assets	427	109	396
Software	7	5	64
Total	434	114	460

Reclassifications from PPE

Licenses	-	-	-
Exploration assets	-	-	1,529
Software	-	-	-
Total	-	-	1,529

Write-offs

Licenses	-	-	-
Exploration assets	-	-	-
Software	-	-	(25)
Total	-	-	(25)

Closing balance

Licenses	3	3	3
Exploration assets	1,026	1,135	3,060
Software	15	20	68
Total	1,044	1,158	3,131

Accumulated depreciation

Opening balance

Licenses	3	3	3
Exploration assets	26	65	119
Software	5	10	21
Total	34	78	143

Charge for the year

Licenses	-	-	-
Exploration assets	39	54	148
Software	5	3	-
Total	44	57	148

Reclassifications from PPE

Licenses	-	-	-
Exploration assets	-	-	71
Software	-	-	-
Total	-	-	71

Write-offs

Licenses	-	-	-
Exploration assets	-	-	-
Software	-	-	(13)
Total	-	-	(13)

Closing balance

Licenses	3	3	3
Exploration assets	65	119	338
Software	10	13	8
Total	78	135	349

Net book value

Licenses	-	-	-
Exploration assets	961	1,016	2,722
Software	5	7	60
Total	966	1,023	2,782

13. Inventory			
N'm	FY17*	FY18*	FY19**
Fuel	429	754	2,215
Engineering spares	2,043	2,956	7,689
Packing materials	241	361	407
Raw materials	1,612	2,209	9,996
Goods in transit	108	229	1,324
Work-in-progress	1,551	1,782	5,004
Finished goods	-	-	567
Total	5,984	8,291	27,202

14. Cash and cash equivalents			
N'm	FY17*	FY18*	FY19**
Cash in hand	28	38	65
Cash in bank	2,889	1,235	13,913
Fixed deposits	-	-	1,609
Total	2,917	1,273	15,587

15. Trade and other receivables			
N'm	FY17*	FY18*	FY19**
Financial assets			
Trade receivables	197	84	253
Sub-total	197	84	253
Non-financial assets			
Prepayments	365	270	1,227
Other receivables	125	180	242
Deposit for assets	-	-	-
Advance to suppliers	-	-	886
Advance to staff	-	-	11
Sub-total	490	450	2,366
Total	687	534	2,619

16. Trade and other payables			
N'm	FY17*	FY18*	FY19**
Financial liabilities			
Trade payables	19,183	17,089	18,860
Other payables and accrued expenses	1,610	44	565
Unclaimed dividend	-	-	419
Sub-total	20,793	17,133	19,844
Non-financial liabilities			
Deferred income	5,213	-	-
Other payables and accrued expenses	558	1,377	2,109
Statutory obligations	5,458	8,912	14,389
Sub-total	11,229	10,289	16,498
Total	32,022	27,422	36,342

17. Provision for decommissioning liabilities			
N'm	FY17*	FY18*	FY19**
Opening balance	5,137	3,303	3,346
Increase/(decrease) as a result of changes in estimates	(1,521)	(421)	421
Additional discount due to passage of time	(313)	427	281
Closing balance	3,303	3,309	4,048

18. Borrowings			
N'm	FY17*	FY18*	FY19**
Current			
Bank loans	-	3,410	20,861
Bank overdraft	-	-	562
Total	-	3,410	21,423

19. Deferred income			
N'm	FY17*	FY18*	FY19**
Deferred income arising from Government grant			
Current	-	-	6
Non-current	-	-	-
Total	-	-	6
Movement in deferred income is analysed below:			
Opening balance	-	-	32
Amount unwound to profit or loss	-	-	(26)
Closing balance	-	-	6

20. Contract liabilities			
N'm	FY17	FY18	FY19
Opening balance	-	-	7,937
Payments received in advance of performance obligation	-	5,722	196,045
Customer awards	-	219	-
Revenue recognised for goods previously paid for	-	-	(171,113)
Closing balance	-	5,941	32,869

21. Share capital			
N'm	FY17*	FY18*	FY19**
Authorised			
Ordinary shares	20	20	20,000
Total	20	20	20,000
Issued and fully paid			
Opening balance	20	20	16,932
Ordinary shares @ N1 per share	-	-	-
Additions on restructuring from N1 to 50k per share	-	-	-
Additional shares issued on merger with CCNN @ 50k per share	-	-	-
Restated balance as at 1 January	20	20	16,932
Additions in the year	-	-	-
Closing balance	20	20	16,932

22. Related party transactions			
N'm	FY17*	FY18*	FY19**
Due to related parties			
BUA Pasta Limited	509	-	-
BUA International Limited	44,432	56,898	-
Edo Cement Company Limited	56,008	55,177	-
Nigeria Oil Mills Limited	36	36	-
BUA Oil Mills Limited	124	84	-
SOPON Limited	211	211	-
BUA Ports and Terminals Limited	3,315	3,089	-
BUA Transport Limited	688	978	-
Damnaz Shipping Limited	100	100	98
BUA Sugar Refinery Limited	6,178	-	-
Nigeria Oil Mills (UK) Limited	11,154	7,502	820
Total	122,755	124,075	918
Due from related parties			
Cement Company of Northern Nigeria Plc	3,254	2,954	-
BUA International Limited	-	-	18,006
BUA Cement Company Limited	16,386	27,137	-
BUA Sugar Refinery Limited	-	10,266	-
BUA Pasta Limited	-	1,931	-
BUA Flour Mills Limited	10,923	8,929	-
BUA Estate Limited	653	749	-
BUA Rice Limited	276	1,035	-
Directors' current account	5,287	10,725	-
Kalambaina Cement Company Limited	-	1,010	-
Lafiaji Sugar	-	492	-
Edo Cement Company Limited	-	-	11
NOM (UK) Limited	-	-	-
BUA International Limited	-	-	-
Sub-total	36,779	65,228	18,017
Loss allowance	-	(5,010)	(1,262)
Closing balance	36,779	60,218	16,755
23. Retained earnings			
N'm	FY17*	FY18*	FY19**
Opening balance	5,596	29,320	91,481
Changes in accounting policies	-	(1,911)	-
Restated balance	5,596	27,409	91,481
Profit for the year	23,724	58,586	60,610
Dividend declared to the shareholders of CCNN	-	-	(5,257)
Closing balance	29,320	85,995	146,834

24. Re-organisation reserve			
N'm	FY17*	FY18*	FY19**
Opening balance	-	-	200,004
Changes in share capital	-	-	-
Net assets transferred	-	-	-
Restated balance	-	-	200,004
Issue of shares arising on merger of CCNN and Kalambaina	-	-	-
Re-organisation adjustment	-	-	-
Dividend declared to the shareholders of CCNN	-	-	-
Closing balance	-	-	200,004

25. Reserve on actuarial valuation of defined benefit plan			
N'm	FY17*	FY18*	FY19**
Opening balance	-	-	195
Other comprehensive income/(loss) for the year	-	-	(268)
Closing balance	-	-	(73)

STATUTORY AND GENERAL INFORMATION

1. AUTHORISATION OF THE PROGRAMME

At the annual general meeting of the Shareholders of BUA Cement PLC held on the 22nd of October 2020, the Shareholders of BUA Cement PLC approved the establishment of a ₦200,000,000,000 (Two Hundred Billion Naira) Debt Issuance Programme by the Issuer. At the meeting of the Board of Directors of BUA Cement PLC held on the 27th of August 2020, the Board of BUA Cement PLC approved the establishment of a ₦200,000,000,000 (Two Hundred Billion Naira) Debt Issuance Programme by the Issuer, and the issuance of Bonds thereunder.

2. INCORPORATION AND SHARE CAPITAL HISTORY OF THE ISSUER

BUA Cement PLC was incorporated as a limited liability company on 30th May, 2014 and commenced business in August 2015. The Company was converted from a private limited liability to a public limited company on 16th May, 2019 as a prelude to a scheme of merger. The Company merged with the now dissolved CCNN in a scheme of merger on 23rd December, 2019 and was listed on the Nigerian Stock Exchange on 9th January, 2020. The registered address of the Company is at 32 Churchgate Street, Victoria Island, Lagos. The Company currently has an authorised share capital of ₦20,000,000,000.00 comprising 40,000,000,000 ordinary shares of ₦0.50 each, while its issued and paid-up share capital is ₦16,932,177,030.00 comprising 33,864,354,060 ordinary shares of ₦0.50 each.

3. SHARE CAPITAL AND SHAREHOLDING STRUCTURE OF THE ISSUER

The issued share capital of the Issuer (evidenced by a Statement of Share Capital Form CAC2A certified by the CAC as a true copy on 12th February 2020 filed at the CAC) is 33,864,354,060 ordinary shares of ₦0.50 each.

The issued shareholding structure (evidenced by a Statement of Share Capital Form CAC2A referenced above) is:

Shareholder	Ordinary Shares held	%
Abdul Samad Rabiu	19,044,995,225	56.2
BUA Cement Manufacturing Company Limited	11,490,595,760	33.9
Isiaku Rabiu	2,072,085,309	6.1
Damnaz Cement Company Limited	637,403,152	1.9
Starium Nigeria Limited	131,133,329	0.4
BUA International	97,658,444	0.3
Others (as contained in the Register of Members of BUA)	390,482,841	1.2
	33,864,354,060	100

4. DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors in the issued share capital of the Issuer as recorded in the register of directors' interests or as notified by them for the purpose of section 301(1) of CAMA as at 31 December 2019 are as follows:

Director	Direct Shareholding	Indirect Shareholding
Abdul Samad Rabiu CON	19,044,995,225	i. Damnaz Cement Company Limited – 637,403,152
		ii. BUA International Limited – 97,658,444
		iii. BUA Cement Manufacturing Company Limited – 11,490,595,760

5. INDEBTEDNESS OF THE ISSUER

- As at 31st December 2019, total indebtedness of BUA Cement PLC stood at ₦21.42 billion, secured in an All Assets Debenture Trust Deed securing the sum of ₦500,000,000.00 (five hundred million Naira) in favour of the Trustees, Leadway Capital & Trust Limited, Leadway House 121/123, Western Avenue, Iponri, Lagos, registered with the CAC on 27th June 2019.

Save as disclosed, the Issuer has no outstanding loans, charges or other similar indebtedness. Details of any indebtedness at the time of issuance of any Bonds under the Programme will be disclosed in the applicable Pricing Supplement to that particular series of Bonds.

6. SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTMENTS

As at the date of this Shelf Prospectus, the associated companies of the Issuer are:

S/N	Names	Classification
1.	BUA International Limited	Sister Company
2.	Damnaz Cement Company Limited	Sister Company
3.	Nigerian Oil Mills (UK) Limited	Sister Company
4.	PW Nigeria Mining Limited	

7. CLAIMS AND LITIGATION

Based on the information provided by the Company and its external solicitors, the Company in its ordinary course of business is presently involved in 1 (one) case. The aggregate amount claimed against the Company in this case is ₦32,500,000.00 (thirty-two million five hundred thousand Naira).

Based on the assessment of the information provided by the Company for the Solicitors to the Transaction's review, the Solicitors to the Transaction believe that the pending claim against the Company is unlikely to have a material adverse effect on the Company or the Transaction.

8. OFF BALANCE SHEET ITEMS

As at 31st December 2019, the Issuer had no off-balance sheet items other than in the ordinary course of business.

9. COSTS AND EXPENSES

Costs and expenses in respect of any issuance of Bonds under this Programme shall be payable by the Issuer and shall be disclosed in the Applicable Pricing Supplement relating to the Bonds being issued.

10. MATERIAL CONTRACTS

The following agreements have been entered into and are considered material to this Programme:

- A Programme Trust Deed, dated on or about the date of this Shelf Prospectus, between the Issuer, the Sponsor and the Trustees in connection with the Programme;

Other than as stated above, the Issuer, as at the date of this Shelf Prospectus, did not have any subsisting material contract (in the context of this Bond Issuance Programme) other than those entered into in the ordinary course of business.

11. EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The following are the relevant extracts from the Issuer's Memorandum and Articles of Association:

MEMORANDUM OF ASSOCIATION

- To borrow or rent money in such manner as the company shall think fit and in particular by the issue of debenture stocks (perpetual or otherwise) and to secure the repayment of any money

borrowed raised or owing by mortgage, charge or lien upon the whole or part of the company's property or assets (whether present or future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance of the company of any obligations or liability it may undertake.

ARTICLES OF ASSOCIATION

77. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures, debenture stock, and other securities, whether outright or as security for any debt, liability or obligation of the Company or any third party.

Provided that the amount for the time being remains undischarged for the monies borrowed or secured by the Directors as aforesaid (apart from temporary loans obtained from the Company's banker in the ordinary course of business), shall not at any time, without the previous sanction of the Company in General Meeting exceed the nominal share capital of the Company for the time issued, so however that no lender or other person dealing with the Company shall be concerned to see or to inquire whether this limit is observed, but no debt is incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or to the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

12. EXTRACTS FROM THE PROGRAMME TRUST DEED

The following are extracts from the Programme Trust Deed:

2. APPOINTMENT OF BOND TRUSTEES

- 2.1 The Issuer hereby creates and establishes a trust for the benefit of the Bondholders.
- 2.2 The Issuer hereby appoints the Bond Trustees to act on behalf of the Bondholders, to hold the benefit of the payment obligations and other covenants herein on behalf of the Bondholders (according to their respective interests) and themselves in accordance with the terms of this Deed.

3. DECLARATION OF TRUST

- 3.1 The Bond Trustees

The Bond Trustees hereby declare themselves trustees for the Bondholders with effect from the date of this Deed to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained, in trust for the Bondholders and themselves (according to their respective interests) subject to the terms of this Deed.

3.2 Duration of Trusts

3.2.1 For the avoidance of doubt, the Parties to this Deed agree that the common law rules against perpetuities will apply to this Deed and the Deed shall not enure beyond twenty-one (21) years from the date of its creation.

3.2.2 Subject to clause 3.2.1, the trusts created by this Deed remain in full force and effect until:

3.2.2.1 the Bondholders have been paid all outstanding obligations; or

3.2.2.2 the date on which the Issuer receives an unconditional release in writing by the Bond Trustees (for the Issuer) from all of its respective obligations under this Deed or other documents pursuant to this Deed, if any.

4. PROGRAMME TRUST DEED BINDING ON ALL PARTIES

The provisions of this Deed shall be binding on the Issuer, the Bond Trustees, the Bondholders and all persons claiming through the Bondholders respectively as if such Bondholders, and persons are parties to this Deed.

6. PURPOSE

6.1 The net proceeds of the Bonds (after deduction of the costs and expenses incurred in connection with the issuance of such Series of Bonds) shall be utilised in accordance with the purpose specified in the relevant Final Terms.

6.2 Without prejudice to the generality of the foregoing and the subsequent provisions of this Deed, the Bond Trustees shall be entitled to but shall not be bound to enquire as to the application of the proceeds of the Bonds.

7. ISSUANCE OF THE BONDS

7.1 Mode of Issuance and Offering

The Bonds constituted under this Trust Deed may be issued in Series by way of an offer for subscription or private placement through a book building process, auction or any other method, in an aggregate nominal amount from time to time, not exceeding the Programme Limit and for the purpose of determining such aggregate nominal amount and the mode of issuance, the provisions of the applicable Pricing Supplement shall apply.

7.2 Status of the Bonds

The Bonds constitute:

7.2.1 direct, general, and irrevocable obligations of the Issuer and shall qualify as securities in which pension fund administrators may invest under the Pension Reform Act, 2014 and will also qualify as securities in which the Bond Trustees may invest under the Trustees' Investment Act.

7.2.2 The payment obligations of the Issuer under the Bonds and in respect of principal and any interest on the Bonds shall at all times rank at least equally with all secured or unsecured obligations of the Issuer (as maybe applicable under any Series), present and future except for obligations mandatorily preferred by law applying to companies generally.

7.2.3 Each issue of Bonds shall form a separate Series. The provisions of this Deed shall apply mutatis mutandis, separately and independently to the Bonds of each Series. Each Series shall be constituted by a separate trust created by a Series Trust Deed under which the Bond Trustees shall hold the benefit of the covenant in Clause 5 (Covenant to Repay) in this Deed in trust for the Bondholders of the particular Series. The provisions

contained in any other Series Trust Deed shall apply only in relation to the Series to which it relates.

If there is any conflict between the provisions of a Series Trust Deed relating to a Series and the provisions of this Trust Deed, the provisions of the Series Trust Deed shall prevail over the provisions of this Trust Deed in respect of the relevant Series.

7.3 Terms of Issue

The terms and conditions of the Bonds, subject to compliance with all Applicable Laws, will be set out in the Terms and Conditions of the Bonds annexed hereto and as may be amended in the Final Terms.

7.4 Minimum subscription of bonds

The minimum subscription of the Bonds shall be specified in the relevant Series Trust Deed.

7.5 Coupon Rate

The Coupon payable in respect of the Bonds shall be specified in the relevant Series Trust Deed.

7.6 Currency of payments

All payments in respect of, under and in connection with this Deed, shall be denominated in Nigerian Naira and subject to compliance with all applicable legal or regulatory requirements.

8. Form of the Bonds

8.1 Bonds to be in Registered Form

8.1.1 The Bonds shall be delivered in dematerialised or book entry form and held by the CSD. Dealings in the Bonds shall be in accordance with CSD procedures and the rules of the FMDQ and /or NSE, as applicable.

8.1.2 Notwithstanding Clause 8.1.1 above, a Bondholder may elect to receive a certificate, covering the aggregate Principal Amount of his beneficial interest in the Bonds. PROVIDED THAT joint Bondholders shall be entitled to only one (1) certificate in respect of the Bonds jointly held by them which certificate shall be delivered to that one of the joint Bondholders whose name appears first in the Register and the delivery of a certificate to one of such persons shall be deemed to be sufficient delivery to all.

8.1.3 Any Series of the Bonds may be senior bonds, secured, unsecured, subordinated bonds, or guaranteed under terms to be provided in the applicable Final Terms.

8.2 Title to Bonds

8.2.1 Title to the Bonds shall pass upon the registration of transfers by the Registrar and/or CSD in respect thereof in accordance with the provisions of this Clause 8.2.

8.2.2 The records of the Register maintained by the Registrar and/or the CSD as to the aggregate number of Bonds standing to the credit of any Bondholder shall be conclusive and binding for all purposes except in the case of manifest error.

8.2.3 The Bondholders shown in the records of the Registrar and/or CSD are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of this Deed and any relevant Series Trust Deed.

8.3 Transfer of Bonds

Transfers of Bonds will be effected through the records of the CSD, CSD procedures and the rules of the FMDQ and /or NSE, as applicable.

8.4 Ranking

The ranking of the Bonds as and when issued shall be as specified in the relevant Final Terms.

8.5 Persons to be treated as Bondholders

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Bond Trustees and the Registrar (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may:

8.5.1 for the purpose of making payment thereon or on account thereof and for the purpose of voting, giving consents and making requests pursuant to these provisions; deem and treat the registered holder of any Bond as the absolute legal and beneficial owner thereof and of all rights thereunder free from all Encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the registered Bondholder; and

8.5.2 for all other purposes; deem and treat the registered holder of any Bond as the absolute owner thereof free from all Encumbrances and shall not be required to obtain proof of such ownership (other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of the Bond Trustees or any other form of record made by it) or as to the identity of the registered holder of any Bond.

8.6 Rights of Bondholders

The Bondholders shall not have or acquire any right against the Bond Trustees in respect of the Bonds except as expressly conferred upon them by this Deed or by law, regulation or court order and no person shall be recognised as a Bondholder except in respect of Bonds registered in his name.

8.7 Certificates of the Registrar

The Issuer and the Bond Trustees may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on (without liability) as sufficient evidence thereof, a certificate or letter of confirmation issued on behalf of the Registrar or any form of record made by the Registrar or such other form of evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Bonds and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

12. COVENANT OF COMPLIANCE

The Issuer covenants with the Bond Trustees that it will comply with and perform and observe all the provisions of this Deed and the Terms and Conditions which are expressed to be binding on it. The Terms and Conditions of the Bonds shall be binding on the Issuer and the Bondholders. The Bond Trustees shall be entitled to enforce the obligations of the Issuer under the Bonds and the Final Terms as if the same were set out and contained in this Deed, which shall be read and construed as one document with the Bonds. The Bond Trustees shall hold the benefit of this covenant upon trust for themselves and the Bondholders according to their respective interests.

16. COVENANTS OF THE ISSUER

The Issuer covenants to the Bond Trustees that it shall:

- 16.1. Comply with and perform all the obligations expressed to be undertaken by it under this Deed and the Bonds. The Bond Trustees shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in the Deed, which shall be read and construed as one document with the Terms and Conditions of the Bond;

- 16.2. to the extent that any Bonds are constituted under the relevant Series Trust Deed and issued, be indebted to the Bondholders up to the Principal Amount of the Bonds specified in such Series Trust Deed in respect of the relevant Series and undertakes to the Bond Trustees that the Bonds, to the extent constituted and issued, shall be redeemed together with any outstanding Coupon and other interest/monies on the Redemption Date in the relevant currency (or earlier on an amortised basis) provided for in the relevant Final Terms or such earlier date as the same or any part may become due and repayable;
- 16.3. pay to the Bond Trustees in immediately available funds, the full Principal Amount of the Bonds and or such part of the Bonds as ought to be redeemed on the Redemption Date as may be payable, and shall in the meantime and until such date (both before and after any judgment or other order of a court of competent jurisdiction) pay unconditionally to or to the order of the Bond Trustees, interest (which shall accrue from day to day) on the Principal Amount of the Bonds;
- 16.4. in the event it fails to make payment to the Bond Trustees on or before the due date or improperly withholds or refuses to make such payment, interest shall continue to accrue on the Principal Amount so withheld or refused (both before and after any judgment or order of a court of competent jurisdiction) at the Coupon Rate up to and including the date on which payment is eventually made to the Bondholders;
- 16.5. ensure every payment of principal and or interest on the Bonds will be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income which the Issuer may by any Applicable Laws be required to deduct;
- 16.6. obtain and keep in full force and effect all authorisations required for the validity and enforceability of the Offer Documents against the Issuer;
- 16.7. comply in all respects with all Applicable Laws, permits, and licences to which it may be subject and which in each case is material to its business and its obligations under the Offer Documents for as long as any Bonds are outstanding under the Programme, and shall obtain and maintain such permits and licences except where such non-compliance will not result in a Material Adverse Effect on its business or its obligations under the Offer Documents;
- 16.8. furnish the Bond Trustees and Rating Agencies with 4 (four) copies of its audited financial statements, prepared in accordance with IFRS and other Applicable Law and confirmed by the Auditors as fairly representing the financial condition of the Issuer as at the close of that fiscal year, at the same time as such statements are being sent to the Issuer;
- 16.9. for as long as any Bonds are outstanding, subject to obtaining the prior written consent of the Bond Trustees (such consent not to be unreasonably withheld), be entitled to enter into any amalgamation, de-merger, merger, consolidation or corporate restructuring or enter into any transaction which effect would be similar to that of a merger, de-merger, consolidation or corporate reconstruction, provided that:
- 16.9.1. no consolidation, corporate restructuring, merger or other change in the status of the Issuer shall be interpreted to avoid the Issuer's obligations imposed by this Deed and in the event of any change in status of the Issuer, the successor or successors-in-title of the Issuer shall be held and deemed responsible for the due performance of the obligations intended by this Deed. PROVIDED that if required by the Bond Trustees, the successor or successors-in-title of the Issuer shall expressly assume by a supplemental trust deed to this Deed, in form and substance satisfactory to the Bond Trustees, all of the obligations of the Issuer under this Deed;
- 16.9.2. immediately before and after giving effect to such consolidation or merger, no Event of Default shall have occurred and be continuing;
- 16.9.3. the Issuer or its successor-in-title, as the case may be, shall have delivered to the Bond Trustees, a certificate signed by two (2) of its directors or by one (1) director and its Chief Financial Officer, stating that the consolidation or merger complies with the provisions of subparagraphs 16.9.1 and 16.9.2 above; and
- 16.9.4. the provisions of this clause 16.9 shall not apply to any internal corporate restructuring, amalgamation, de-merger, merger, consolidation or other transaction with a similar effect, carried out within the BUA Group and which does not result in a change in control of the Issuer or the ownership of its assets.

- 16.10. unless with the prior written consent of the Bond Trustees first had and obtained (which consent shall not be unreasonably withheld), not reduce its issued share capital or otherwise amend or change its share capital (except by way of an increase in its share capital by the issuance of ordinary shares) in a manner which, in the Bond Trustees' reasonable opinion would adversely affect its ability or obligation to pay the principal and or interest on Bonds and or any monies payable under this Deed except such amendment is required by an Applicable Law;
- 16.11. in any other case of alteration of capital, and or amendment of its Memorandum and Articles of Association, give the Bond Trustees prior written notice of the proposed amendment and/or, giving full particulars of the status of its share capital after the proposed amendment, of its Memorandum and Articles of Association accompanied with a formal representation by the Issuer confirming that such alteration or amendment shall not adversely affect its ability or obligation to pay principal and or interest on the Bonds issued under this Deed. In addition, the Issuer shall give answers to any reasonable queries of the Bond Trustees in respect of such alteration or amendments;
- 16.12. ensure that all information in supplementals to the Offer Documents, to be made available to the Bondholders by the Issuer or any director, officer, employee, or representative of the Issuer in connection with the transaction contemplated herein, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements are made;
- 16.13. retain a reputable firm of auditors as its auditors at all times;
- 16.14. duly and punctually pay and discharge all taxes for which:
- 16.14.1. it reasonably believes it is liable, pursuant to any self-assessment procedure; and
 - 16.14.2. assessed upon it or its assets under any Applicable Law within the time period allowed, without incurring penalties, except:
 - 16.14.2.1. such payment is being contested in good faith;
 - 16.14.2.2. adequate reserves are maintained for those taxes and any interest or penalties; and
 - 16.14.2.3. such payment can be lawfully withheld.
- 16.15. bear and pay any Stamp Duties and charges (including interest and penalties, payable or imposed by any Authority or government agency in Nigeria), in connection with the execution, delivery and performance of this Deed, and shall indemnify each Bondholder against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, any properly incurred legal fees and any applicable VAT) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same;
- 16.16. ensure that it maintains its legal status and complies with all Applicable Laws required to maintain such status;
- 16.17. ensure the information it makes available to the Bondholders directly or through any of its directors, officers, employees, or representatives in connection with the transactions contemplated by this Deed shall be complete and correct in all material respects; and not contain any untrue statement of a material fact or omit to state a material fact necessary in order to ensure the statements contained therein are not misleading in light of the circumstances under which such statements were or are made;
- 16.18. give notice in writing to the Bond Trustees immediately upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Bond Trustees to take any further action;
- 16.19. keep proper books of account and, at any time after an Event of Default has occurred or if the Bond Trustees reasonably believe that an Event of Default may have occurred or may be about to occur, allow the Bond Trustees and the Auditor free access to such books of accounts at all reasonable times during normal business hours, until such Event of Default ceases;

- 16.20. for as long as any Bonds are outstanding and, without the prior written consent of the Bond Trustees (such consent not to be unreasonably withheld), ensure that there is no change in Control of the Issuer;
- 16.21. not declare or pay any dividend in cash or otherwise or make a distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital if a Potential Event of Default or an Event of Default has occurred and is continuing;
- 16.22. use its best endeavours to maintain the listing of the Bonds on the Recognised Securities Exchange, if it is unable to do so having used such endeavours, use its best endeavours to obtain and maintain a quotation or listing of such Bonds on such other stock exchange or securities market as the Issuer may decide and upon obtaining a quotation or listing of such Bonds issued by it on such other stock exchange or exchanges or securities market or markets, enter into a deed supplemental to this Deed or the relevant Series Trust Deed to effect such consequential amendments as shall be necessary to comply with the requirements of any such stock exchange or securities market. Provided that the Issuer shall be able to delist the Bonds from any exchange for any reason whatsoever with the prior approval of the Majority Bondholders;
- 16.23. provide the Bond Trustees with all documents and information the Bond Trustees may reasonably require in connection with the performance of its obligations under this Deed, within ten (10) Business Days of receipt of a written request from the Bond Trustees or, in the event that the Issuer may require a longer period to obtain such documents or information from third parties, as soon as is reasonably practicable after such request and in any event by such longer period as may be agreed with the Bond Trustees;
- 16.24. ensure that all payments due to the Bondholders shall be paid to the Payment Account(s) as provided in the relevant Final Terms;
- 16.25. where the day on which a payment is due to be made is not a Business Day, ensure that payment shall be effected on or by the next succeeding Business Day unless that succeeding Business Day falls in a different Month in which case payment shall be made on or by the immediately preceding Business Day.

18. STATEMENT OF INVESTMENT PRINCIPLES

The Bond Trustees undertake to invest the monies available in the Debt Service Reserve Account in accordance with and based on the approved portfolio allocation as set out in the relevant Series Trust Deed and in accordance with the Trustee Investment Act. Provided however that the Bond Trustees shall, while any Bonds are outstanding, render accounts on a half-yearly basis to the Issuer.

19. ENFORCEMENT

At any time after the occurrence of an Event of Default which is continuing, the Bond Trustees may, in their discretion, institute proceedings and or take other actions against or in relation to the Issuer or any other person as it may think fit to enforce the obligations of the Issuer under this Trust Deed.

20. PROCEEDINGS, ACTION AND INDEMNIFICATION

- 20.1. The Bond Trustees shall not be bound to take any action or proceedings mentioned in Clause 19 (Enforcement) or any other action in relation to this Deed unless directed or requested to do so (i) by an Extraordinary Resolution or (ii) in writing by the Majority Bondholders and in either case the Bond Trustees shall be indemnified and/or secured and/or prefunded to their satisfaction against all liabilities to which the Bond Trustees may thereby render themselves liable or which the Bond Trustees may incur by so doing. Only the Bond Trustees may enforce the performance of the Issuer's obligations under this Deed.
- 20.2. Subject to the provisions of CAMA, no Bondholder or a person claiming through a Bondholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the obligations under this Deed or any Series Trust Deed.

21. TRUST OF RECEIPTS

21.1. All monies received by the Bond Trustees in respect of the Bonds of any Series or amounts payable under this Deed from the Issuer (including any monies which represent principal or interest in respect of Bonds which have become void or in respect of which claims have become prescribed under Condition 19 (Prescription)) shall, be apportioned pari passu and rateably between the Bonds, and all moneys received by the Bond Trustees under this Deed from the Issuer, shall be held by the Bond Trustees upon trust to apply them (subject to Clause 20 (Proceedings, Action and Indemnification) in the following order:

21.1.1. FIRSTLY in payment or satisfaction of costs, charges, taxes, levies, expenses and liabilities incurred and payments made in respect of the execution of the trusts or this Deed including all amounts then due and unpaid under Clause 26 (Remuneration and Indemnification of Bond Trustees) to the Bond Trustees and/or any appointee;

21.1.2. SECONDLY in or towards payment of Coupon owing pari passu then due and unpaid in respect of the Bonds; and

21.1.3. THIRDLY in or towards payment pari passu and rateably of all Principal Amount then due and unpaid in respect of the Bonds; and

21.1.4. FOURTHLY in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

Without prejudice to this Clause 21, if the Bond Trustees hold any moneys which represent principal or interest in respect of Bonds which have become void or in respect of which claims have been prescribed under Condition 19 (Prescription), the Bond Trustees will hold such moneys on the above trusts.

27. SUPPLEMENT TO TRUSTEES' INVESTMENT ACT

The Bond Trustees shall have all the powers, reliefs and indemnities conferred upon trustees by the Trustees Investment Act and by way of supplement thereto it is expressly declared as follows:

27.1. The Bond Trustees shall act in accordance with the provisions of this Deed, the relevant Series Trust Deed, the ISA, the SEC Rules and Regulations, the Trustees Investment Act and any Applicable Laws and safeguard the rights of the Bondholders for the Issuer's obligations under the Programme;

27.2. The Bond Trustees shall summon, as and when necessary, meetings of all Bondholders of a Series where necessary matters and business will be presented to and determined by Bondholders;

27.3. The Bond Trustees shall not enter into contracts or other arrangements that would amount to a conflict of interest in the performance of its obligations under this Deed, or any other customary obligations of a trustee;

27.4. The Bond Trustees may in relation to this Deed act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Bond Trustees or otherwise and shall not be responsible for any liability occasioned by so acting provided it has used its best efforts to ensure that such persons are competent and has exercised due care and diligence in the selection of such professional adviser(s).

27.5. Any such advice, opinion or information may be sent or obtained by letter, email, telex, telegram, facsimile transmission or cable and the Bond Trustees shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, email, telex, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.

27.6. The Bond Trustees may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by two of the

Directors of the Issuer or one Director and the Chief Financial Officer of the Issuer and the Bond Trustees shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such certificate.

- 27.7. The Bond Trustees shall not be responsible for the receipt or application of the proceeds of the issue of any of the Bonds by the Issuer, the exchange of any Bond for another Bond or the delivery of any Bonds to the person(s) entitled to it or them.
- 27.8. The Bond Trustees shall not be bound to give notice to any person of the execution of any documents comprised or referred to in this Deed or to take any steps to ascertain whether any Event of Default or any Potential Event of Default has occurred or to monitor or supervise the performance, observance or compliance by the Issuer of the provisions of this Deed and, until the Bond Trustees shall have actual knowledge or express notice pursuant to this Deed to the contrary, the Bond Trustees shall be entitled to assume that no Event of Default or Potential Event of Default has occurred and that each of the Parties is observing and performing all its obligations under this Deed.
- 27.9. Save as expressly otherwise provided in this Deed, the Bond Trustees shall have absolute discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under this Deed (the exercise or non-exercise of which as between the Bond Trustees and the Bondholders shall be conclusive and binding on the Bondholders) and the Bond Trustees in the absence of fraud, negligence, or wilful misconduct, shall not be responsible for any liability which may result from its exercise or non-exercise and in particular the Bond Trustees shall not be bound to act at the request or direction of the Bondholders or otherwise under any provision of this Deed or to take at such request or direction or otherwise any other action under any provision of this Deed, without prejudice to the generality of Clause 22.1, unless the Bond Trustees shall first be indemnified and/or secured to its reasonable satisfaction against all liabilities to which it may render themselves liable or which the Bond Trustee may incur by so doing.
- 27.10. The Bond Trustees shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the Bondholders of the Bonds in respect whereof minutes have been made and signed or any direction or request of the Bondholders even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such Bondholders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Bondholders) or that for any reason the resolution, direction or request was not valid or binding upon such Bondholders.
- 27.11. Without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Bond Trustees and every permitted appointee of the Bond Trustees and keep them indemnified against all Liabilities to which they may be or become subject or which may be incurred by them in the execution or purported execution of any of their trusts, powers, authorities and discretions under this Deed or their functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Deed or any such appointment or in respect of disputing or defending any Liabilities, provided always that the Bond Trustees, or any such permitted appointee has not acted fraudulently, or negligently or in default of its powers, duty and obligations. The above indemnity shall continue in full force and effect notwithstanding the termination of this Deed.
- 27.12. Any consent or approval given by the Bond Trustees for the purposes of this Deed may be given on such terms and subject to such conditions (if any) as the Bond Trustees thinks fit and, notwithstanding anything to the contrary in this Deed, may be given retrospectively. The Bond Trustees may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in this Deed) if it is satisfied that the interests of the Bondholders will not be materially prejudiced thereby. For the avoidance of doubt, the Bond Trustees shall not have any duty to the Bondholders in relation to such matters other than that, which is contained in the preceding sentence.
- 27.13. The Bond Trustees shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder, any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the

Bond Trustees by the Issuer or any other person in connection with this Deed and no Bondholder shall be entitled to take any action to obtain from the Bond Trustees any such information.

- 27.14. Where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustees in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer and the Bondholders.
- 27.15. In connection with the exercise by the Bond Trustees of any of its trusts, powers, authorities or discretions under this Deed (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustees shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustees shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Bond Trustees or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders;
- 27.16. The Bond Trustees may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by this Deed as the Bond Trustees may determine, including for the purpose of depositing with a custodian this Deed or any document relating to the trusts constituted by this Deed and the Bond Trustees shall not be responsible for any liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of such person; the Bond Trustees are not obliged to appoint a custodian if the Bond Trustees invest in securities payable to the bearer.
- 27.17. The Bond Trustees shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Bonds or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any liability incurred thereby.
- 27.18. The Bond Trustees may whenever it thinks fit, delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a Bond Trustees of this Deed or not) all or any of its trusts, powers, authorities and discretions under this Deed. Such delegation may be made upon such terms and subject to such conditions and regulations as the Bond Trustees may in the interests of the Bondholders think fit. The Bond Trustees shall not be under any obligation to supervise the proceedings or acts of any such delegate and shall not in any way be responsible for any liability incurred by reason of any misconduct or default on the part of any such delegate provided it has used its best efforts to ensure that such persons are competent and has exercised due care and diligence in the selection of such persons. The Bond Trustees shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer, provided however that where the Bond Trustees delegate all its powers to an agent, the Bond Trustees shall not do so without seeking the prior approval of the Issuer.
- 27.19. The Bond Trustees may in the conduct of the trusts of this Deed instead of acting personally, employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this Deed (including the receipt and payment of money). The Bond Trustees shall not in any way be responsible for any liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent provided it has used its best efforts to ensure that such persons are competent and has exercised due care and diligence in the selection of such professional.
- 27.20. The Bond Trustees shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Deed or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality,

effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Deed or any other document relating or expressed to be supplemental thereto.

- 27.21. Notwithstanding anything contained in this Trust Deed and the Terms and Conditions of the Bonds, to the extent required by any Applicable Law, if the Bond Trustees are required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Bond Trustees are otherwise charged to, or may become liable to tax as a consequence of performing its duties and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatever nature and whenever made upon the Bond Trustees, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled hereunder or any Bonds from time to time representing the same, including any income or gains arising therefrom, or any action of the Bond Trustees in or about the administration of the trusts hereof or otherwise, in any case other than any tax generally payable by the Bond Trustees on its income, then the Bond Trustees shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by it in respect of this Deed an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Bond Trustees to tax from the funds held by the Bond Trustees on trust hereunder.
- 27.22. The Bond Trustees shall not be bound to take any action in connection with this Deed or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not reasonably satisfied that the Issuer will be able to indemnify it against all Liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify it and on such demand being made the Issuer shall be obliged to make payment of all such sums in full.
- 27.23. No provision of this Deed shall require the Bond Trustees to do anything which may:
- 27.23.1. be illegal, contrary to Applicable Law or render the Bond Trustees liable to any person;
 - 27.23.2. cause the Bond Trustees to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if the Bond Trustees shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.
- 27.24. Unless notified to the contrary, the Bond Trustees shall be entitled to assume without enquiry that no Bonds are held by, for the benefit of, or on behalf of, the Issuer.
- 27.25. The Bond Trustees shall not be responsible for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Deed, or any other agreement or document relating to the transactions contemplated in these presents or under such other agreement or document.
- 27.26. The Bond Trustees shall not be liable or responsible for any Liabilities or inconvenience, which may result from anything done or omitted to be done by it in accordance with the provisions of this Deed.
- 27.27. Any corporation into which the Bond Trustees shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Bond Trustees under this Deed without executing or filing any paper or document or any further act on the part of the parties thereto.
- 27.28. Any certificate or report of the Auditors or any other person called for by or provided to the Bond Trustees (whether or not addressed to the Bond Trustees) in accordance with or for the purposes of this Deed may be relied upon by the Bond Trustees as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Bond Trustees in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.

- 27.29. To the extent that the Bond Trustees are instructed to take any action pursuant to clause 26.1, the Bond Trustees shall be entitled to rely conclusively upon such request in writing or by Extraordinary Resolution of the Bondholders regarding the same and shall bear no liability of any nature whatsoever to the Issuer or Bondholders for acting upon such request in writing or Extraordinary Resolution of the Bondholders.
- 27.30. The Bond Trustees shall retain control of and manage the Payment Account and Debt Service Reserve Account and will not commingle the funds therein with other funds managed by the Bond Trustees.
- 27.32. Subject to the obligation of the Issuer in clause 9.2 of this Agreement, to fund the Payment Account, the Bond Trustees shall ensure the prompt payment of the Principal Amount and Coupon to the Bondholders from the Payment Account.

28. BOND TRUSTEES' LIABILITY

Nothing in this Deed shall, in any case in which the Bond Trustees have failed to show the degree of care and diligence required of it as Bond Trustees, having regard to the provisions of this Deed conferring on it any trusts, powers, authorities or discretions, exempt the Bond Trustees from or indemnify them against any liability for breach of trust in relation to its duties under this Deed. For the avoidance of doubt, the Bond Trustees shall be liable to the Issuer for any loss that may result from the Bond Trustees' misapplication of any funds paid by the Issuer into the Payment Account, or for any failure of the Bond Trustees to make payments to the Bondholders (or, otherwise, to apply any funds) in accordance with the terms of this Deed.

39. GOVERNING LAW AND DISPUTE RESOLUTION

- 39.1. This Deed and all rights and obligation arising therefrom shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.
- 39.2. In the event of any dispute arising out of or under this Programme Trust Deed, the Parties shall within five (5) Business Days from the date the dispute arose, notify the SEC of the existence of the dispute.
- 39.3. Any dispute which cannot be mutually resolved by the Parties shall be referred to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, Cap A18, LFN, 2004. The arbitral tribunal shall consist of three (3) arbitrators. The Issuer and the Bond Trustees shall each appoint one arbitrator within five (5) business days of the referral of the dispute to arbitration. The two (2) arbitrators so appointed shall appoint the third arbitrator within five (5) business days of the request to appoint the third arbitrator. PROVIDED THAT if the first two arbitrators are unable to agree on a third arbitrator within two (2) weeks of the appointment of the second arbitrator, then such Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch) on the application of any Party and when appointed, the third Arbitrator shall convene an arbitrators' meeting and act as Chairman of the same. The arbitrators shall also have a maximum period of twenty-five (25) Business Days to resolve the dispute after the submission of final addresses by the Parties.
- 39.4. The seat of arbitration shall be Lagos, and the language of arbitration shall be English.

SECOND SCHEDULE

PROVISIONS FOR MEETINGS OF BONDHOLDERS

For the avoidance of doubt, all references to "nominal amount" in this Second Schedule shall be read to mean "Principal Amount Outstanding" in the case of Bonds that are redeemable on an amortising basis.

1. Who may Convene Meetings

- 1.1. Either the Issuer, or Bond Trustees may at any time at their discretion convene a meeting or meetings of the Bondholders, or the Bondholders of a Series in accordance with the provisions of this Schedule to discuss and determine any matter affecting their interests. The meeting may be held: (a) at such place as the Bond Trustees, shall determine or approve in writing; or (b) via teleconference or other communication equipment, provided that all the Bondholders participating in the meeting are able to hear, and communicate with, each other.
- 1.2. The Bond Trustees shall on the requisition of Bondholders holding not less than one-tenth (1/10) of the nominal amount of the Bond, or in the case of a matter affecting the interests of any Series, not less than one-tenth (1/10) of the nominal amount of the Bonds under that Series; and upon being indemnified to its satisfaction against all reasonable costs and expenses to be incurred, convene a meeting or meetings of the Bondholders, or the Bondholders of that Series in accordance with the provisions of this Schedule to discuss and determine any matter affecting their interests. The meeting shall be held at a place the Bond Trustees determine or approve in writing.

2. Notice of Meetings

- 2.1 A meeting shall be convened by the giving of at least fourteen (14) clear days' written notice to all Bondholders (specifying the agenda of the meeting), and the said notice may also be published in at least two (2) national newspapers. The procedure of and regulations for such a meeting of the Bondholders shall be in accordance with this Second Schedule.
- 2.2 A meeting may be called after giving shorter notice than that specified in paragraph 2.1 by obtaining the consent of Bondholders holding not less than sixty per cent (60%) of the nominal amount of the Bond, or if it is a matter affecting the interests of any Series, not less than sixty per cent (60%) of the nominal amount of the Bonds issued under that Series for the time being outstanding.

3 Content and Manner of Service of Notice

- 3.1 Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted and the terms of every Extraordinary Resolution to be proposed at the meeting or state fully the effect on the Bondholders of the resolution, if passed. Provided that there shall be annexed to every notice convening a meeting of the Bondholders, a statement setting out the material facts concerning each item of business and where any item of business consists of granting approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement.
- 3.2 Notice of every meeting shall be given to:
 - 3.2.1 every Bondholder in the manner specified for the service of notices in Condition 13 of the Bond;
 - 3.2.2 Issuer when the meeting is convened by the Bond Trustees; and
 - 3.2.3 Bond Trustees when the meeting is convened by the Issuer.
- 3.3 The accidental omission to give notice to or the non-receipt of notice by any Bondholder or other person to whom it should be given or an error or omission in a notice with respect to the place, date, time or general nature of the business of a meeting shall not invalidate the proceedings of the meeting, unless the officer responsible for the error or omission acted in bad faith or failed to exercise due care and diligence, provided that in the case of accidental error or omission, the officer responsible shall effect the necessary correction before or during the meeting.

4 Quorum for Meeting

4.1 No businesses shall be transacted at any meeting unless the requisite quorum has been met and:

4.1.1 The Bond Trustees are present when the meeting proceeds to business; or

4.1.2 in the case of a meeting convened by the Issuer, the Issuer and the Bond Trustees are present when the meeting proceeds to business.

4.2 Any two (2) or more persons present or represented by proxy and holding at least three-fifth (3/5) of the nominal amount of the Bond, or if it is a matter affecting the interest of any series, any two (2) or more persons present or represented by proxy holding at least three-fifth (3/5) of the outstanding Bonds issued under the Series shall be a quorum for the meeting of the Bondholders.

4.3 Where the business of the meeting includes the consideration of an Extra Ordinary Resolution, the necessary quorum shall be two (2) or more persons present or represented by proxy and holding in aggregate at least three-fourth (3/4) of the nominal amount of the Bonds.

4.4 Where a meeting (whether a meeting to consider an ordinary resolution or an Extraordinary Resolution) is adjourned for lack of quorum, two or more persons present or represented by proxy and holding in aggregate not less than three-fifth (3/5) of the nominal amount of the Bonds shall remain the quorum for such a reconvened meeting.

4.5 If within half an hour from the time appointed for holding the meeting a quorum is not present, the meeting, if called upon by the requisition of the Bondholders, shall be dissolved. In any other case the meeting shall be adjourned to such day and time not being less than seven (7) days after and to such place as the Chairman may determine.

4.6 At least seven (7) days' notice of any adjourned meeting shall be given in the same manner as for an original meeting, but it shall not be necessary to specify in such notice the business to be transacted at the adjourned meeting as the business of an adjourned meeting will be same as the original meeting.

5. Chairman of Meeting

The Bond Trustees shall in writing appoint their representative to be the chairman (the "Chairman") at every meeting and if such nomination is not made or if at any meeting the person nominated is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Bond Trustees may appoint a Bondholder present at the meeting to act as chairman for that meeting.

6. Persons Entitled to Attend Meeting

The Bond Trustees, their lawyers and financial advisers and any director or officer of the Issuer (if invited by the Bond Trustees), and any other person authorised in that behalf by the Trustee may attend and speak at any meeting but shall not be entitled to vote at the meeting.

7. Evidence of Passing of Resolution

At any meeting a resolution, or any question put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner subsequently mentioned, and unless a poll is so demanded, a declaration by the Chairman that on a show of hands the resolution has been carried either unanimously or by a particular majority or lost or not carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of that fact without proof of the number or proportion of the votes cast in favour of, or against such resolution.

8. Demand for Poll

8.1 Before or on the declaration of the result of the voting on any point or question on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on demand made by the Bond Trustees or any Bondholder or his proxy having the right to vote on the resolution and present in person.

- 8.2 The demand for a poll may be withdrawn at any time by any person or persons who made the demand.
- 8.3 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- 8.4 Time of Taking Poll
- 8.4.1 A poll demanded on a question of adjournment shall be taken immediately.
- 8.4.2 A poll demanded on any other question (other than a question relating to the election of a Chairman as provided for in section 5) shall be taken at once but where this is not practicable in this manner and at such time not being later than thirty (30) days from the time when the demand was made as the Chairman may direct.
9. Votes
- On a show of hands every Bondholder who (being an individual) is present in person or by proxy or (being a body corporate) is present by its duly authorised representative shall have one vote, and on a poll every Bondholder who is present in person or by proxy shall have one (1) vote in respect of every Bond of which he is the holder. In the case of joint Bondholders the vote of the one named first in the Register who tenders a vote whether in Person or by proxy shall be accepted to the exclusion of the votes of other joint holders.
10. Representatives of Corporate Bodies
- Any corporate body which is a Bondholder may by writing under the hand of a duly authorised officer authorise such person as it thinks fit to act as its representative at any meeting of the Bondholders and the person so authorised shall be entitled to exercise the same powers on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual Bondholder.
11. Proxies
- 11.1. The registered holder of the Bond or in case of joint holders the one named first in the Register shall be entitled to vote in respect of the Bond either in person or by proxy and in the latter case as if such joint holder was solely entitled to the Bond. A registered holder of the Bond shall be entitled to appoint another person (whether a Bondholder or not) as his proxy to attend and vote instead of himself.
- 11.2. In every notice calling a meeting of the Bondholders there shall appear with reasonable prominence a statement that a Bondholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Bondholder.
- 11.3. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarized copy of the power of attorney or other authority, shall be deposited at such place as may be specified in the notice convening the meeting or if no place is so specified then at the office of the Bond Trustees, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
- 11.4. The instrument appointing a proxy shall:
- 11.4.1. be an instrument in writing in English language and in usual common form or any other form as the Bond Trustees may approve; and
- 11.4.2. be signed by the appointing Bondholder or his attorney duly authorised in writing or if the appointing Bondholder is a body corporate be under its seal or be signed by an officer or any attorney duly authorised by it.
- 11.5. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution. An instrument appointing a proxy shall be deemed to confer authority to demand or to join in a demand for a poll.

- 11.6. Every Bondholder entitled to vote at a meeting of Bondholders or on any resolution to be moved at such meeting shall be entitled during a period commencing twenty-four (24) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect by himself or through a duly authorised person the proxies lodged at any time during the business hours of the Bond Trustees, provided that not less than three (3) days' notice in writing of the intention to inspect is given to the Bond Trustees.
- 11.7. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation had been received by the Bond Trustees at its registered offices before the commencement of the meeting or adjourned meeting at which the proxy is used.
12. Entitlement of Bondholder to Vote Differently
- On a poll taken at a meeting of Bondholders, a Bondholder entitled to more than one (1) vote, or his proxy or other person entitled to vote for him as the case may be are entitled to cast the votes of the Bondholder in different ways.
13. Scrutineers at Poll
- 13.1 Where a poll is to be taken, the Chairman of the meeting may appoint two (2) scrutineers to scrutinize the votes given on the poll and report to him.
- 13.2 The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or for any other cause.
- 13.3 Of the two (2) scrutineers appointed under this clause, one shall always be a Bondholder (not being an officer or employee of the Issuer) present at the meeting, provided that such a Bondholder is available and willing to be appointed.
14. Manner and Result of Poll
- The Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
15. Power to Adjourn Meeting
- The Chairman of a meeting of the Bondholders may in case of a development requiring an adjournment, with the consent of (and shall if directed by) any such meeting at which a quorum is present, adjourn the same from time to time and from place to place, provided that no business shall be transacted at such adjourned meeting other than business which might lawfully have been transacted at the meeting from which the adjournment took place.
16. Casting Vote
- In the case of equality of votes whether on a show of hands or a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as or on behalf of a Bondholder.
17. Chairman to be Sole Judge
- The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting, and the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
18. Meaning of Ordinary and Extraordinary Resolution
- 18.1 Extraordinary Resolution
- 18.1.1 A resolution shall be deemed an Extraordinary Resolution if the same shall be passed by a majority consisting of not less than three-fourth (3/4) of the persons present and

voting at the meeting upon a show of hands, or if a poll is demanded, by Bondholders holding not less than three-fourth (3/4) in value of the Bonds held by the Bondholders present or represented by proxies at the meeting.

18.2 Ordinary Resolution

An Ordinary Resolution means:

- 18.2.1 a resolution passed at a meeting duly convened and held in accordance with this Second Schedule by a majority consisting of not less than a simple majority of the Bondholders present or represented by proxies at the meeting and voting upon a show of hands;
- 18.2.2 where a poll is duly demanded in a meeting, the result of the poll shall be deemed to be an ordinary resolution if it has been passed by a majority consisting of not less than a simple majority in value of the total Bonds held by the Bondholders present or represented by proxies at the meeting;
- 18.2.3 a resolution in writing signed by or on behalf of the Bondholders of more than fifty percent (50%) of the nominal amount of the Bond which resolution may be contained in one document or in several documents in like form, each signed by the Bondholders holding more than fifty percent (50%) of the nominal amount of the Bond.

19. Power of the Bondholders' General Meeting

A meeting of the Bondholders shall have the following powers exercisable by an Extraordinary Resolution:

- (a) sanction the release of the Issuer from all or any part of the principal monies and any other sums owing upon the Bond;
- (b) sanction any modification or compromise or any agreements in respect of the rights of the Bondholders against the Issuer whether such rights shall arise under this Deed or otherwise;
- (c) assent to any modification of the provisions contained in the Programme Trust Deed proposed or agreed by the Issuer;
- (d) authorise and empower the Bond Trustees to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution; or
- (e) give any release to the Bond Trustees in respect of anything done or omitted to be done by the Bond Trustees under this Deed before the giving of the release.

20. Resolution Binding

A resolution passed at a meeting of the Bondholders duly convened and held in accordance with this Deed shall be binding upon all the Bondholders whether present or not present at such meeting and whether or not voting, and each of the Bondholders shall be bound to give effect to such resolution accordingly, and the passing of the resolution shall be conclusive evidence that the circumstances justify the passing of the resolution, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution. Notice of the result of any resolution duly considered by the Bondholders shall be published by the Bond Trustees (with the approval of the Issuer) within fourteen (14) days of such result being known, provided that the non-publication of the notice shall not invalidate the result.

21. Minutes

- 21.1. Minutes of all resolutions and proceedings at the meeting referenced above shall be made and duly entered in the minute book to be provided from time to time for that purpose by the Bond Trustees at the expense of the Issuer.

- 21.2. If the minutes of all meetings are signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting of the Bondholders, such signature shall be conclusive evidence of the proceedings of the said meetings, and until the contrary is proved such meetings shall be deemed to have been duly held and convened, and all resolutions passed or proceedings at the meetings are taken to have been duly passed and taken.

22. Resolution in Writing

A Resolution in writing duly signed by the holders of a majority consisting of not less than three-fourth (3/4) of the holders of the Bonds for the time being outstanding, shall be as effective for all purposes as an Extraordinary Resolution duly passed at a meeting of the Bondholders. Such resolution in writing may be contained in one document or in several documents of like form duly signed by or on behalf of all of the Bondholders.

23. More than one series of Bonds

The following provisions shall apply where outstanding Bonds belong to more than one series:

- (a) a resolution which in the opinion of the Bond Trustees affects only one series of Bonds shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Bonds of that series;
- (b) a resolution which in the opinion of the Bond Trustees affects more than one series of Bonds but does not give rise to a conflict of interest between the holder of Bonds of one such series and the holders of Bonds of any other such series shall be deemed to have been duly passed if passed at separate meetings of the holders of the Bonds of each such series or at a single meeting of the holders of the Bonds of all such series, as the Bond Trustees shall in its absolute discretion determine;
- (c) a resolution which in the opinion of the Bond Trustees affects the Bonds of more than one series and gives rise to a conflict of interest between the holders of Bonds of one such series and the holders of Bonds of any other such series shall be deemed to have been duly passed if passed at separate meetings of the holders of the Bonds of each such series; and
- (d) the preceding paragraphs of this Schedule shall be applied, mutatis mutandis as if references to the Bonds and Bondholders were to the Bonds of the relevant series and to the holders of such Bonds.

13. DECLARATIONS

Except as otherwise disclosed in this Shelf Prospectus:

- a) No share of the Issuer is under option or agreed conditionally or unconditionally to be put under option;
- b) No commissions, brokerages or other special terms have been granted by the Issuer or to any person in connection with the Programme or sale of any securities of the Issuer;
- c) Save as disclosed herein, the directors of the Issuer or have not been informed of any holding representing 5% or more of the issued share capital of the Issuer;
- d) There are no founders', management or deferred shares or any options outstanding in the Issuer;
- e) There are no material service agreements between the Issuer or any of its directors and employees other than in the ordinary course of business;
- f) There are no long-term service agreements between the Issuer or any of its directors and employees other than in the ordinary course of business;

- g) No director of the Issuer has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Issuer in the five (5) years prior to the date of this Shelf Prospectus;
- h) No prosecution has commenced against the Issuer or any of its subsidiaries in respect of any breach of any securities or Companies and Allied Matters Act, 2020; and
- i) No action has been taken against the Issuer by the NSE, FMDQ or any other recognised Exchange in respect of any breach of the listing requirements of the Exchange.

It is further declared that to the best of the Directors' knowledge as at 30 December 2020

- a) None of the Directors/shareholders/key management staff is under any bankruptcy or insolvency proceedings in any court of law;
- b) None of the Directors/shareholders/key management staff has been convicted in any criminal proceeding;
- c) None of the Directors/shareholders/key management staff is the subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty.

14. CONFIRMATION OF GOING CONCERN STATUS

The Directors affirm that the Issuer is a going concern and has no pending insolvency proceedings instituted against it. The Directors also confirm that the Issuer will continue in operations for the foreseeable future and that there are no threats to the operations of the Issuer.

15. RELATIONSHIP BETWEEN THE ISSUER, ISSUING HOUSES AND OTHER ADVISERS

There are no relationships (other than the professional ones established pursuant to this Programme) existing between the Issuer and any of its advisers.

16. OVERVIEW OF CORPORATE GOVERNANCE

BUA Cement PLC's corporate governance structure provides a framework that aims to:

- a) Enhance accountability to shareholders and other stakeholders;
- b) Ensure timely and accurate disclosures of all material matters;
- c) Deal fairly with shareholders' and other stakeholders' interests;
- d) Maintain high standards of business ethics and integrity; and
- e) Ensure risks are managed prudently, while pursuing business objectives.

The Board of Directors is made up of eight (8) members comprising a Non-Executive Chairman, two (2) Independent Non-Executive Directors and five (5) Executive Directors (inclusive of the Managing Director/CEO).

The Board is led by the Non-Executive Chairman and includes individuals with vast experience and achievement in their respective fields. The Board meets regularly to set broad policies for its business and operations ensuring that actions are taken on a fully informed basis, in good faith with due diligence in the best interest of its shareholders.

Responsibilities of the Board are well defined and the Board is not dominated by one individual. The position of the Chairman is separate from that of the Managing Director/CEO and the Chairman is not involved in the day to day operations of the Company.

The board of directors is responsible for providing leadership to deliver long-term value to shareholders and other stakeholders. It also guides and supervises the executive leadership

team to act in the interest of the public as well as its shareholders, in case of conflict, the former shall prevail. The board establishes corporate policies, sets strategic direction, ensures that an effective internal control environment is in place, and oversees the management which is responsible for day-to-day operations. The board recognises that delegating its functions and authorities to any committee and the management does not absolve its overall responsibility for governance.

The managing director, supported by the management team (known as the Executive Leadership Team), facilitates the business and operational duties of the Issuer. The managing director is responsible for supervising and coordinating all key business and operational activities in relation to the implementation of the company's overall strategy. The Executive Leadership Team is made up of the senior executives of the company who have the delegated authority from the board to perform day-to-day management functions of the business and to implement all projects and initiatives as approved by the board. The team meet at least once a month and may attend board meetings by invitation, where they present a report and provide input and perspective on their areas of responsibility.

The board, managing director and Executive Leadership Team are further supported by the company secretary and external auditors. The company secretary facilitates the board process as well as communications between board members, shareholders and management, and advises the board on all governance matters. The external auditors provide assurance on financial reporting and ensure accountability and audit quality.

BUA Cement PLC holds regular general meetings of its shareholders and is also mindful of adhering to its governance framework in its interactions with other stakeholders in the company's daily operations including clients, employees, regulatory bodies, suppliers and vendors.

Corporate Governance Committees

To enhance corporate governance, Board sub-committees are constituted to discuss broad policies for the Company's business and operations, help the Board properly assess management reports, proposals, carry out oversight functions and make recommendations to the main Board. In line with this the Board of Directors constituted the following committees through which the Board's oversight functions are performed:

Statutory Audit Committee

This Committee carries on an oversight role regarding financial reporting risks and the internal financial processes of the Company. The Audit Committee reviews the going concern status of the Company at each meeting and makes recommendations. The Committee consists of directors and shareholders and is chaired by an independent shareholder.

Risk Management Committee

The objective of this committee is to determine the medium and long term strategies for the company's principal risks and ensure that they are adequately assessed and effectively managed. The committee also evaluates the adequacy of the Company's internal control policy.

Governance, Establishment and Remuneration Committee

This committee oversees the nomination and appointment of Board members and is responsible for the appointment and discipline of top management staff. The committee is also responsible for the succession plan of the Board and the remuneration of the Board members.

Finance and General Purpose Committee

This Committee vets the budget, audited and management accounts and makes necessary recommendations to the Board. It also approves contracts for capital projects beyond the approval limits of the management.

17. RELATED PARTY TRANSACTIONS

The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. There is a Natural Gas Sale and Purchase Agreement between Nigerian

Gas Company Limited ("NGC") and BUA International Limited. BUA Cement PLC takes delivery of the natural gas for its operational use at the Okpella plant in Edo State.

ULTIMATE CONTROLLING PARTY

Abdul Samad Rabiou CON

Additional information on related party transactions can be found in the audited financial statements.

18. MERGERS AND TAKEOVERS

As at the date of this Shelf Prospectus, the Directors are not aware of the following in the current financial year:

- a. a merger or takeover offer by third parties in respect of the Issuer's securities; and
- b. a merger or takeover by the Issuer in respect of another company's securities.

19. CONSENTS

The following have given and not withdrawn their written consents to the issue of this Shelf Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Issuer:	Abdul Samad Rabiou CON Engr. Yusuf Binji Chimaobi Madukwe Kabiru Rabiou Khairat Abdulrazaq Gwadabe Finn Arnoldsen Shehu Abubakar Jacques Piekarski
Company Secretary of the Issuer:	Ahmed Aliyu
Lead Issuing House:	Stanbic IBTC Capital Limited
Joint issuing Houses:	Tiddo Securities Limited and UCML Capital Limited
Solicitors to the Issuer:	G.Elias & Co
Solicitors to the Transaction:	Udo Udoma & Belo-Osagie
Joint Trustees:	Stanbic IBTC Trustees Limited Custodian Trustees Limited ARM Trustees Limited
Reporting Accountants:	KPMG Professional Services
Auditor:	PricewaterhouseCoopers
Receiving Bank(s):	Access Bank PLC United Bank of Africa PLC
Rating Agencies:	Agusto & Co. Limited and DataPro Limited

20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Issuing Houses offices between 8.00 a.m. and 5.00p.m. on any Business Day throughout the validity of the Programme:

- a. Certificate of Incorporation of the Issuer, duly certified by the CAC;
- b. Memorandum and Articles of Association of the Issuer, duly certified by the CAC;
- c. Reporting Accountants' Report on the audited accounts of the Issuer for the years ended 31 December 2019, 2018 and 2017;
- d. The Programme Trust Deed dated 30 December 2020 between the Trustees and the Issuer;
- e. The resolution of the shareholders authorising the Bond Issuance Programme;
- f. Extracts of the Minutes of the Board of the Issuer dated 27th August 2020 authorising the Bond Issuance Programme;
- g. Letter from the SEC dated on or before 14 December 2020 approving the registration of the Shelf Prospectus;
- h. The schedule of the Claims and Litigation referred to above and the Solicitors' opinion thereon;
- i. Audited Financial Statement of the Issuer for the years ended December 2019, 2018 and 2017;
- j. Shelf Prospectus issued with respect to the Bond Issuance Programme;
- k. Any Series Trust Deeds;
- l. Any Pricing Supplement;
- m. Any Vending Agreements in relation to specific issuances under the Programme; and
- n. Written Consents of the Directors and Professional Parties to the Issue.



UDO UDOMA &
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11th November 2020

STANBIC IBTC CAPITAL LIMITED,
I.B.T.C. Place,
Walter Carrington Crescent,
Victoria Island,
Lagos.

UCML CAPITAL LIMITED,
7, Fatal Durosinmi Etti Crescent,
Off Ligali Ayorinde Street,
Victoria Island,
Lagos.

TIDDO SECURITIES LIMITED,
The Wealth House,
1st Floor, Labour House,
Behind Federal Ministry of Finance,
Central Business District,
Abuja.

Dear Sirs,

**RE: BUA CEMENT PLC ₦200,000,000,000.00 (TWO HUNDRED BILLION NAIRA) BOND
ISSUANCE PROGRAMME – SOLICITOR'S OPINION ON CLAIMS AND LITIGATION**

We have been retained as the solicitors to the Issue for the proposed ₦200,000,000,000.00 (two hundred billion Naira) bond Issuance programme by BUA Cement PLC ("the Company") (the "Transaction"). Based on the information provided to us by the Company and its external counsel, we have set out below a statement of the claims and litigation by or against the Company.

STATEMENT ON CLAIMS AND LITIGATION

Based on the information provided by the Company and its external solicitors, the Company in its ordinary course of business is presently involved in 1 (one) case. The aggregate amount claimed against the Company in this case is ₦32,500,000.00 (thirty-two million five hundred thousand Naira).

We are of the opinion that the pending claim against the Company is unlikely to have a material adverse effect on the Company or the Transaction.

Yours faithfully,
UDO UDOMA & BELO-OSAGIE

**YINKA EDU
PARTNER**

PARTNERS: DAN ABOBO • WIKKI A. OYIN • J. P. LAMID • J. O. ADEWOLE • F. O. ELLIS ADEBOWALE • YINKA EDU • NICHOLAS OKAFOR • O. O. LATIFE OGBURNIA
LOLADE OGBURNIA • M. A. A. ADEPO • FESTUS OYIN • ADEOLA SUNDOLA • O. O. OKAFOR • CHRISTOPHER SUZANNE • JOSEPH E. EDEJUNGBE
OF COUNSEL: UDO UDOMA • YINKA BELO-OSAGIE
CONSULTANTS: OLUSOGBA OJO • ANOLA O. O. OGBURNIA • SALLY UDOMA
OFFICES: LAGOS • ABUJA • PORT HARCOURT



BUA Cement Plc RC 119 3879
(A BUA Company)

Headquarters

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**THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT 2020
PUBLIC COMPANY LIMITED BY SHARES**

EXTRACT OF THE MINUTES

OF

THE BOARD OF DIRECTORS

OF

BUA CEMENT PLC (RC 1193879)

At the meeting of the board of directors (the "**Board**") of BUA Cement Plc (the "**Company**") held virtually hosted at Lagos on 27/08/2020 at 4:00 pm, the following resolutions were proposed and passed by the Board:

1. "The Company be and is hereby authorized to raise debt capital through the issuance of tenured bonds, notes, commercial papers, debt instruments or loans in any currency by way of a private placement, bond issuance, note issuance or other methods and whether in one or more tranches or series, under a debt issuance programme with a limit not exceeding ₦200,000,000,000 (Two Hundred Billion Naira) subject to obtaining approvals from relevant regulatory authorities (the "**Programme**")";
2. The Programme may be implemented by way of convertible and non-convertible, senior or unsubordinated debt instruments to be issued in series or tranches covering fixed rate bonds, floating rate bonds, zero coupon bonds or any combination thereof and in any other form or structure as may be determined by the Board;
3. The Company be and is hereby authorized to issue a first series of bonds under the Programme in an aggregate amount of up to ₦100,000,000,000 (One Hundred Billion Naira) at such coupon or interest rates, within such maturity periods and on such terms and conditions deemed necessary by the Board and by such methods determined by the Issuing House(s) subject to obtaining approvals from relevant regulatory authorities ("**the Series 1 Offer**")";
4. The Board or on its behalf, the Managing Director and the Company Secretary be and are hereby authorized to consent to any modifications of the Programme and the Series 1 Offer that any regulatory authority may think fit to impose and approve;
5. Any actions undertaken by the Management prior to the date of this resolution or to be undertaken by the Company in connection with the Programme and the Series 1 Offer be and are hereby approved and ratified;

BOARD OF DIRECTORS | **Chairman** Abdul Samad Rabi, CON. **MD/Chief Executive** Yusuf Binji, FNSE. **Directors** Chimaobi Madukwe, Kabiru Rabi, Finn Arnoldsen.
Independent Directors Khairat Abdulrazzaq Gwadabe, Shehu Abubakar. **Company Secretary** Ahmed Aliyu, Esq.

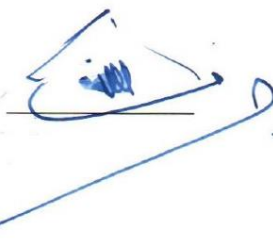
www.buacement.com

6. The Company be and is hereby authorized to appoint all the professional parties customarily required on transactions of a nature similar to the establishment of the Programme and the Series 1 Offer;
7. The terms of, entry into, finalization and execution by the Company of the transaction agreements and offer documents in respect of the Programme and the Series 1 Offer, and any other notices and documents required to be executed in connection with the Programme and the Series 1 Offer ("**the Transaction Documents**") be and are hereby approved and ratified;
8. Any subsequent variation of or modification to the Transaction Documents that may be considered necessary by the Board be and is hereby approved; and
9. The Board or the Managing Director and the Company Secretary be and are hereby authorized to execute all applicable documents, notices, letters or certificate, and make all returns that are, in the opinion of the Issuing House(s)/Financial Advisers, required to make any statutory or regulatory filings necessary for or incidental to the establishment of the Programme and the Series 1 Offer."

We certify that the above are true and accurate extracts from the minutes of meeting of the board of directors of BUA Cement Plc that held on 27TH day of August 2020.

Name: **ABDUL SAMAD RABIU**
Designation: Director

Signature:



Name: **ALIYU AHMED**
Designation: Company Secretary

Signature:





30 October 2020

The Directors
BUA Cement Plc
32 Churchgate Street
Victoria Island
Lagos
Nigeria

Dear Sirs

Confirmation of going concern status of BUA Cement Plc in respect of the ₦2.00 billion bond issuance programme

We have audited the financial statements of BUA Cement Plc ("the Company") for the year ended 31 December 2019 which were prepared in accordance with International Financial Reporting Standards, the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

Based on our audit of the financial statements of the Company for the year ended 31 December 2019 on which we expressed our opinion on 15 May 2020 and the representation received from the Directors of the Company, nothing has come to our notice that makes us believe that the Company will not continue in operations as a going concern for at least 12 months from 31 December 2019.

Yours faithfully
For: **PricewaterhouseCoopers**

A handwritten signature in black ink, appearing to read 'Raheem Rahji'.

Raheem Rahji
Engagement Partner

Cc: The Chief Executive, Stanbic IBTC Capital Limited

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 58 Water Corporation Road, Victoria Island, Lagos, Nigeria
T: +234 1 270 1700, www.pwc.com/ng IDN: 01228727-0001

Partners: B. Aba, O. Adenuga, O. Adebisi, T. Adebisi, W. Adeniyemi-Ajayi, A. Akinlade, U. Akpan, O. Akpan, C. Akpan, E. Akpan, K. Akpan, U. Akpan, C. Akpan, P. Akpan, T. Akpan, C. Akpan, O. Akpan, W. Akpan, P. Akpan, O. Akpan, T. Akpan, A. Akpan, O. Akpan, T. Akpan

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be prepared by the Issuer for each Series issued under the Programme



BUA CEMENT PLC (RC 1193879)

**OFFER FOR SUBSCRIPTION [(BY WAY OF BOOK BUILDING)]
OF ₦[·]
[·] YEAR [·] % SERIES [·] FIXED RATE BONDS DUE [·]
UNDER THE ₦200,000,000,000 BUA CEMENT PLC BOND ISSUANCE PROGRAMME**

BOOKBUILDING OPENS: [·]

BOOKBUILDING CLOSES: [·]

This Pricing Supplement is prepared for the purpose of Rule 279(3) (6) & (7) of the Rules and Regulation of the Securities and Exchange Commission (the "Commission" or "SEC") in connection with the ₦200,000,000,000 Bond Issuance Programme established by [company name] (the "Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated [·] and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail.

This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus as amended and / or supplemented from time to time. Offer is valid for High Net-worth Individuals and Qualified Institutional Investors. **Risks related to this offer can be found on page [·] of the Shelf Prospectus.** This Pricing Supplement has been delivered to the Commission to be registered and made available for download on the respective websites of the Commission (<http://sec.gov.ng>) and the Issuer [●], throughout its validity period. Copies of this Pricing Supplement may also be obtained free of charge from the offices of the Issuer and the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series [·] Bonds" or "Bonds"). The Bonds now being issued will upon admission to an exchange qualify as a security in which Trustees may invest under the Trustees Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004. The Bonds also qualify as a security under Section 20(1)(g) of the Personal Income Tax Act, Cap P8, LFN, 2004 as well as Section (19)(2) of the Companies Income Tax Act, Cap C21, LFN, 2004.

The Directors of the Issuer collectively and individually accept full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge (having made all reasonable enquiry), in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Furthermore, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

This Pricing Supplement is dated [·]

FORM OF PRICING SUPPLEMENT

Final terms of the Series [●] Bonds

- | | |
|--------------------------------------|---|
| 1. Issuer: | BUA CEMENT PLC |
| 2. Description of the Bond: | [●] |
| 3. Series Number: | [●] |
| 4. Specified Currency: | [●] |
| 5. Aggregate Nominal: | ₦[●] |
| 6. Issue Price: | [●] |
| 7. Gross proceeds: | ₦[●] |
| 8. Net proceeds: | ₦[●] |
| 9. Denominations: | [●] |
| 10. Minimum Acceptable Subscription: | [●] |
| 11. Issue Date: | [●] |
| 12. Coupon Commencement Date: | [Coupon shall accrue from the allotment date] |
| 13. Tenor: | [●] |
| 14. Maturity Date: | [●] |
| 15. Principal Moratorium: | [●] |
| 16. Coupon Basis: | [●] |
| 17. Coupon: | [●]% p.a |
| 18. Source of Repayment: | [●] |
| 19. Redemption/Payment Basis: | [●] |
| 20. Status: | [●] |
| 21. Listing(s): | [●] |
| 22. Use of proceeds | |
| | [Insert details of use of proceeds] |
| 23. Offer Period: | [●] – [●] |

FORM OF PRICING SUPPLEMENT

Provisions relating to coupon (if any) payable

24. Fixed Rate Bond Provisions:

- | | |
|--|---|
| i. Coupon Payment Date(s)/Payment Dates: | [•] |
| ii. Coupon Amount(s): | [•] |
| iii. Day Count Fraction: | [•] |
| iv. Business Day Convention: | [Modified Following: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day] |
| v. Business Day: | [Any day (other than a Saturday, Sunday or a Federal Government of Nigeria declared public holiday) on which commercial banks are open for general business in Lagos, Nigeria] |
| vi. Other terms relating to method of calculating Coupon for Fixed Rate Bonds: | [•] |

General provisions applicable to the Bonds

- | | |
|--|---|
| 25. Form of Bonds: | Dematerialised |
| i) Form of Dematerialised Bonds: | [Registered / Certificate / Dematerialised] |
| ii) Registrar: | [•] |
| 26. Trustees: | [•] |
| 27. Record Date: | [•] |
| 28. Other terms or special conditions: | [•] |

Distribution, clearing and settlement provisions

- | | |
|-----------------------------|---|
| 29. Issuing Houses: | [•] |
| 30. Method of Distribution: | [•] |
| 31. Underwriting: | [•] |
| 32. Clearing System: | Central Securities Clearing System PLC or FMDQ Depositary |
| 33. Rating: | [•] |

An issue rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or

withdrawal at any time by the assigning rating agency.

34. Terms of Settlement [●]

Provisions regarding redemption / Maturity

35. Redemption at the Option of the Issuer (Call Option): [Applicable / Not Applicable]

If applicable:

(i) Optional Redemption Date(s) (Call) [[●] / Not Applicable]

(ii) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s) [[●] / Not Applicable]

(iii) Minimum period of notice (if different from Condition 7.2 of the Final Terms (*Early Redemption at the option of the Issuer (Call Option)*)) [[●] / Not Applicable]

(iv) If redeemable in part: [[●] / Not Applicable]

(A) Minimum Redemption Amount(s) [●]

(B) Higher Redemption Amount(s) [●]

(v) Other terms applicable on Redemption [[●] / Not Applicable]

General

36. Total Bonds in Issue (excluding current issue): [●]

37. Taxation: See "Taxation" on page [●] of the Shelf Prospectus dated [●] 2020

38. Risk Factors: See Risk Factors on page [●] – [●] of the Shelf Prospectus dated [●] 2020

39. Governing Law: The Bonds will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria

40. Board approval for issuance of Bonds obtained [●]

41. Selling restrictions: Strictly to Qualified Institutional Investors and High Net worth Individuals as stipulated by Rule 321 of the SEC Rules and Regulations

42. Details of Indebtedness: As at 30th September 2020, total indebtedness of the Issuer stood at ₦[●]

43. Claims and Litigation: [●]
44. Other disclosures: [Save as disclosed in the Prospectus, there has been no change to the material contracts of the Issuer.
- There have been no merger / take-over offers by third parties in respect of the Issuer's securities; or merger / take-over offers by the Issuer in respect of another company's securities
- Extracts of the resolution can be inspected at the offices of the Issuer and Issuing houses]

Material adverse change statement

Except as disclosed in this document and in the Shelf Prospectus dated [●] 2020, there has been no significant change in the financial or trading position of the Issuer since [●] 2020 and no material adverse change in the financial position or prospects of the Issuer since [●] 2020.