

This Programme Memorandum has been prepared in accordance with the Central Bank of Nigeria ("CBN") Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, and the CBN Letter to All Deposit Money Banks and Discount Houses dated July 12, 2016 on the Mandatory Registration and Listing of Commercial Papers (together "the CBN Guidelines") and the Commercial Paper Registration and Quotation Rules ("the Rules") of FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") in force from time to time. This document is important and should be read carefully. If you are in doubt about its contents or the actions to take, please consult your banker, stockbroker, accountant, solicitor, or any other professional adviser for guidance immediately. This Programme Memorandum has been seen and approved by the members of the Board of Directors of Nosak Distilleries Limited and they individually and jointly accept full responsibility for the accuracy of all information given.



(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

## **₦20,000,000,000 Commercial Paper Issuance Programme**

Nosak Distilleries Limited ("Nosak" or the "Issuer") a private limited liability company incorporated in Nigeria, established this ₦20,000,000,000 Commercial Paper Issuance Programme (the "CP Programme") on October 6, 2022, under which Nosak may from time to time issue Commercial Paper Notes ("CP Notes" or the "Notes"), denominated in Nigerian Naira ("Naira" or "₦") as may be agreed between the Issuer and the Arranger (as defined in the section entitled, "Summary of the Programme"), in separate series or tranches subject to the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum.

Each Series and each Tranche (as defined herein) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the pricing supplement applicable to such series or tranche (the "Applicable Pricing Supplement"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the CP Programme shall not exceed ₦20,000,000,000 (Twenty Billion Naira) over the three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

This Programme Memorandum 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 or Tranche (as defined herein), together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

The CP Notes issued under this Programme shall be issued in dematerialised form, registered, quoted and traded over the counter via the FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of commercial papers as may be prescribed by the Central Bank of Nigeria ("CBN") and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The securities will settle via the Central Securities Clearing System Plc ("CSCS"), FMDQ Depository Limited ("FMDQ Depository") recognized depository by the Securities and Exchange Commission, acting as central securities depository for the Notes.

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the "Recipient") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party.

In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in the Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of Notes.

### **ARRANGERS/DEALERS/ISSUING AND PLACING AGENTS**



### **COLLECTING AND PAYING AGENT**



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## IMPORTANT NOTICE

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This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and Note up to a maximum aggregate amount of ₦20,000,000,000 (Twenty Billion Naira) outstanding at any given time within the validity period. The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in this Programme Memorandum is correct and does not omit any material facts likely to affect the import of such information. The Issuer accepts responsibility for the information contained in this Programme Memorandum.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is reasonably material in the context of the CP Programme and the offering of the Notes, that the information contained in this Programme Memorandum and the Applicable Pricing Supplement is true and accurate in all material respects and is not misleading and that there are no other facts the omission of which would make this document or any of such information misleading in any material respect.

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

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation or should be considered as a recommendation or the rendering of investment advice by the Issuer or the Arranger that any recipient of this Programme Memorandum should purchase any Notes.

No representation, warranty or undertaking, express or implied is made and no responsibility is accepted by the Arranger or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arranger and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

**SPECIFICALLY, FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS CP PROGRAMME, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROGRAMME MEMORANDUM.**

**Each person contemplating purchasing any Commercial Paper should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.**

**The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should review, among other things, the most recent audited annual financial statements of the Issuer prior to taking any investment decision.**

DEFINITION

Abbreviation	Name/Explanation
"Agency Agreement"	The Issuing, and Placing Agency Agreement and the Collecting and Paying Agency Agreement dated October 6 2022 on or about the date of this Programme Memorandum executed by the Issuer, the Issuing and Placing Agent and the Collecting and Paying Agent(s)
"Applicable Pricing Supplement"	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme.
"Arrangers"	Boston Advisory Limited and Radix Capital Partners Limited
"Board" or "Board of Directors"	The Board of Directors of Nosak Distilleries Limited
"Business Day"	Any day (excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria) on which banks are open for business
"Business Hours"	8.00am to 5.00pm on any Business Day
"CAMA"	The Companies and Allied Matters Act (Cap. C20) 2020 as may be amended from time to time
"CBN"	The Central Bank of Nigeria
"CBN Guidelines"	The CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers, as amended or supplemented from time to time
"CGT"	The Capital Gains Tax as provided for under the Capital Gains Tax Act (Cap.C1) LFN 2004 and the Finance Acts 2019, 2020 and 2021)
"CITA"	The Companies Income Tax Act (Cap. C21) LFN, 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007) and the Finance Acts 2019, 2020 and 2021)
"Clean CP"	A CP not backed by a guarantee or such other credit enhancement
"Collecting and Paying Agent" or "CPA"	Fidelity Bank Plc as Collecting and Paying Agent and/or any successor Collecting and Paying Agent(s) appointed from time to time in accordance with the Agency Agreement
"CP"	Commercial Paper
"CP Notes" or "Notes"	Unsecured and unsubordinated commercial paper securities to be issued by the Issuer in the form of short-term zero-coupon Notes under the CP Programme
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes"
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum, pursuant to which the Issuer may issue several, separate Series or Tranches of Notes from time to time with varying maturities and discount rates, provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦20,000,000,000 or its equivalent in any other specified currency
"Clearing"	Clearing system approved by the Issuer or as may otherwise be specified in the

System"	Applicable Pricing Supplement
"CSCS PLC"	Central Securities Clearing System PLC
"CSCS PLC Rules"	The rules and operating procedure for the time being of CSCS PLC
"Central Securities Depository" or "CSD"	Means FMDQ Depository Limited or such other central securities depository registered or recognised by the Securities and Exchange Commission and approved by the Issuer or as may be specified in the Applicable Pricing Supplement.
"Day count Fraction"	Any such method of calculating the interest/discount in respect of a Note as specified in the Applicable Pricing Supplement.
"Dealers"	Boston Advisory Limited and Radix Capital Partners Limited and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer
"Deed of Covenant"	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders
"Eligible Investors or EI"	An investor that is not a Qualified Institutional Investor as defined by the FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules. Clean CPs (i.e., CPs not backed by guarantees or such other credit enhancement) shall be sold to QIIs and EIs
"Event of Default"	Means an event of default by the Issuer as set out in <b>Condition 7</b> of the "Terms and Conditions of the Notes"
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"FIRS"	Federal Inland Revenue Service
"FMDQ Depository Limited" or "FMDQ Depository"	a clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
"FMDQ Securities Exchange" or the "Exchange"	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the SEC, to provide a platform for the listing, quotation, registration and trading of securities inter alia
"FMDQ Exchange Rules"	The FMDQ Commercial Paper Registration and Quotation Rules, April 2021 (as may be amended, from time to time) and such other regulations with respect to the registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
"Force Majeure"	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, industrial unrest, epidemics, pandemics and disease outbreaks.
"Government"	Any federal, state or local government of the Federal Republic of Nigeria
Holder or "Noteholder"	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement

"Issuer", "Nosak" or the "Company"	Nosak Distilleries Limited
"Issue Date"	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
"Issue Price"	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
"Issuing and Placing Agents" or "IPAs"	Boston Advisory Limited and Radix Capital Partners Limited or any successor Issuing and Paying Agent in respect of the Notes, appointed by the Issuer
"LFN"	Laws of the Federation of Nigeria
"Maturity Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due
"Material Adverse Change"	A material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
"Naira", "NGN" or "N"	The Nigerian Naira
"NIBBS"	Nigeria Inter-Bank Settlement System Plc
"NIBOR"	The Nigerian Inter-Bank Offered Rate
"Noteholders" or "Holder"	The several persons, for the time being, whose names are shown in the records of the CSD and/or entered in the Register of Noteholders as holders of the Notes and shall include the legal and personal representatives or successors of the Noteholders and those entered as joint Noteholders
"Notes"	The commercial paper issued by the Issuer from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialised form by the Noteholders through the CSD
"OTC"	Over the Counter
"Outstanding"	In relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none"><li>• those Notes which have been redeemed pursuant to these Conditions</li><li>• those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption, in accordance with the relevant conditions, has occurred and the redemption moneys have been duly paid in accordance with the provisions of this Deed and those Notes which have become void under the provisions of this Deed</li></ul>
"PITA"	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)
"Pricing Supplement" or "Applicable Pricing Supplement"	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
"Principal Amount"	The nominal amount of each Note, as specified in the Applicable Pricing Supplement =
"Programme"	The ₦20,000,000,000 (Twenty Billion Naira) commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time

"Programme Memorandum"	This Programme Memorandum dated October 6 2022 which sets out the aggregate size and broad terms and conditions of the CP Programme
"Qualified Institutional Investors"	This include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be prescribed by FMDQ Exchange.
"Redemption Amount"	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date
"Redemption Date"	Means, in relation to any Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement
Register	A register or such registers as shall be maintained by the Registrar in which are recorded details of Noteholders
"Registrar"	The CSD or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme
"Relevant Currency"	Naira; being the currency in which payments in respect of the Notes of therelevant Tranche or Series are to be made
"Relevant Date"	The payment date of any obligation due on the Notes
"Relevant Last Date"	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
"SEC"	The Securities and Exchange Commission

**INCORPORATION OF DOCUMENTS BY REFERENCE**

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This Programme Memorandum should be read and construed in conjunction with:

- a. each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
- b. the audited annual financial statements of the Issuer and any audited interim financial statements published subsequent to such annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme.

which shall be deemed to be incorporated into, and to form part of, this Programme Memorandum and which shall be deemed to modify and supersede the contents of this Programme Memorandum as appropriate.

The Issuer may for so long as any Note remains outstanding, publish an amended and restated Programme Memorandum or a supplement to the Programme Memorandum on any subsequent issue of Notes, where there has been:

- a. a material change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Programme Memorandum or any supplement to the Programme; or
- b. any modification of the terms of the Programme, which would then make the Programme materially inaccurate or misleading.

Any such new Programme Memorandum or Programme Memorandum as supplemented and/or modified shall be deemed to have been substituted for the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

The audited financial statements and documents incorporated by reference shall be made available by the Issuer unless such documents have been modified or superseded (and which documents may at the Issuer's option be provided electronically). Requests for such documents shall be directed to the Issuer or the Arranger at its Specified Offices as set out in this Programme Memorandum.



SUMMARY OF THE PROGRAMME

This summary information should be read in conjunction with the full text of this Programme Memorandum, from where it is derived. The information below is a brief summary of the key features and summarized terms and conditions of the proposed CP Programme:

Issuer:	Nosak Distilleries Limited
Programme	Commercial Paper Issuance Programme established by the Issuer which allows for the multiple issuance of Notes from time to time under a standardized documentation framework.
Arrangers & Dealers (Issuing and Placing Agents): Sponsors to the Registration on FMDQ Exchange	Boston Advisory Limited and Radix Capital Partners Limited
Collecting and Paying Agent:	Fidelity Bank Plc
Auditors:	Femi Davies & Co
Registrars/Custodian:	FMDQ Depository Limited
Solicitors:	TOLG Advisors
Trustees	United Capital Trustees Limited
Programme Size:	₦20,000,000,000 (Twenty Billion Naira) aggregate principal amount of Notes outstanding at any point in time
Issuance In Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue Size:	As specified in the Applicable Pricing Supplement
Use of Proceeds:	Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its general corporate purposes and working capital
Interest Payment:	Notes shall be issued at a discount and in the form of zero- coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
Source of Repayment:	The repayment of all obligations under the CP issuance will be funded from the operating cash flows of the Company
Method of Issue:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement

Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher)		
Currency of Issue:	Nigerian Naira		
Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules		
Tenor:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of (15) days and a maximum of (270) days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall also not exceed the validity period of the applicable Issuer/CP Programme rating filed with the Exchange at the commencement of the registration of the CP Programme.		
Rating:	The Issuer has been assigned the following national scale rating:		
		Long-term	Short-term
	DataPro Limited	A	A1
	Pursuant to the CBN Guidelines and FMDQ Exchange Rules, the Issuer or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the SEC.  A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency		
Status Of Notes:	Except for guaranteed CPs issued under the Programme, each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank <i>pari passu</i> among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time		
Registration And Quotation:	In compliance with the CBN circular on Mandatory Registration and Quotation of Commercial Papers issued on 12 July 2016, an application has been made to FMDQ Exchange for the Registration of the Programme.  The Issuer may elect at its discretion to have any Series or Tranche of Notes quoted on the FMDQ Exchange platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted on the relevant trading platform		
Taxation:	The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws		
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law		

Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS InstantPayment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")
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OVERVIEW OF NOSAK DISTILLERIES LIMITED

HISTORY AND OVERVIEW

Nosak Distilleries Limited produces food grade ethanol from crude ethanol derived from the fermentation of agricultural products such as sugarcane molasses, grains and cassava, which is refined by distillation. The food grade ethanol is used to produce various household items, confectioneries, food and drugs, wines, perfumery, cosmetics etc.

The company was formerly incorporated under the Companies and Allied Matters Act of 1990, on the 15th day of January 2001, pioneering the manufacture of various industrial and consumer-based chemicals, particularly ethanol.

A Nigerian-Spanish joint venture and a subsidiary of Nosak Group, Nosak Distilleries is the largest manufacturer of ethanol in Nigeria and Sub Saharan Africa.

Nosak has an authorized, Issued and paid-up share capital of 300,000,000 ordinary shares of ₦1.00 each.

Shareholders	No of shares held	% Shareholding
Grand Union Limited	270,000,000	90
Tradhol SA	30,000,000	10
Total	300,000,000	100

Overview of Nosak Distilleries Products and Services

Nosak Distilleries Limited has built a strong customer base ranging from local distillers to cosmetics manufacturers. It offers excellent logistics service, inventory management, and supply of ethanol with the support of its sister companies Nosak Haulage and Zex Standard Chemicals.

The Company expertise in transportation logistics using dedicated road tankers and emphasis on superior service has resulted in close relationships with both suppliers and customers. Today, we continue to grow as the market leader in the national ethanol supply chain.

The company clients include the major distillers and alcoholic beverage blenders, cosmetics and perfumery, and pharmaceutical companies. They also include other industrial users in paints and allied companies.

Nosak supplies ethanol in various packages including bulk in road tankers, 250 litres sealed drums, 25 litres and 5 litres kegs respectively.

PROFILE OF BOARD & KEY MANAGEMENT TEAM

Dr. Anthony Edoghogho Ogunbor - Chairman

- Dr. Toni Ogunbor holds a Bachelor of Science degree in Agricultural Economics from the University of Ibadan and an MBA specializing in Marketing from Ahmadu Bello University.
- He worked with Unilever Nigeria Limited as Sales Manager and Union Carbide Nigeria Limited as Regional and National Sales Manager. With the experiences acquired, he founded Nosak Agencies Limited in 1985. This, he nurtured to an indigenous and proudly Nigerian Industrial Conglomerate with

admirable pedigree known today as Nosak Group of Companies.

- He is a Trustee of Ethanol Manufacturers and Blenders Association of Nigeria. Member of Committee of Chief Executives of the following trade groups: Association of Food, Beverage & Tobacco Employers, Nigeria Employers' Consultative, Chemical & Non-Metallic Products Employers' Federation. He is a member of Institute of Directors, Nigeria Institute of Management and a Fellow of the Nigeria Institute of Marketing.

**Mr. Osaro Omogiade - Managing Director**

- Osaro Monday Omogiade is an experienced manager in Process Engineering. He holds a bachelor's degree in Industrial Chemistry from the University of Nigeria, Nsukka, and a masters degree in Process Engineering from the University of Lagos.
- He is an alumnus of Business School Netherlands, Nigeria (BSNN) as well as Lagos Business School; and has held various positions in major areas of manufacturing including production, research/development, project and management of operations. He is a Certified Management Trainer (Nigerian Council for Management Development).

**Mr. Juan Anthonio Rodriguez – Non-Executive Director**

- Mr. Rodriguez is the founder and President of Tradhol International SA, Madrid, Spain. He holds a degree in Business Administration from the University of Complutense, Madrid, Spain, and a second degree in Commercial Management and Marketing from ESIC Business and Marketing School.
- He started his career as an accountant in Mercedes Benz Cellular Phone Services and worked in several capacities in different organizations until his acquisition of Tradhol SA in 1998.
- He is a mountain bike and triathlon Ironman distance athlete and has competed in several Ironman distance races.

**MR. Thomas Oloriegbe- Director**

- Mr. Thomas Oloriegbe is a graduate of accounting. He has a Postgraduate Diploma in Management, a master's degree in Business Administration from the University of Calabar, and a Certificate in Advanced Management from IESE University of Navarra, Barcelona, Spain.
- He is a Fellow of Certified Institute of Cost Management of Nigeria, Member of the Institute of Directors (IoD), Certified Management Trainer (Nigerian Council for Management Development) and an Alumnus of Lagos Business School. He is a seasoned administrator, consultant and project manager; leaning on over 25 years of work experience in Business Consulting, Mortgage Banking, and Real Estate Management.
- He joined Grand Villas Limited in 2008 and was later promoted to the Chief Operating Officer of Grand Villas Limited in 2014. He was appointed as the Chief Operating Officer of Nosak Group in October 2016 and appointed as the Group Managing Director in August 2020 and oversees all strategic business units.

**Mr. Osaheni Ogunbor - Executive Director**

- Mr. Osaheni Ogunbor studied Business Administration at Santa Monica College California, Computer Information Systems at ITT Technical Institute, Torrance, California, E-commerce, Internet System at the University of Portsmouth, United Kingdom and Business Information Technology at Bolton University. He is an APTECH Certified Computer Professional with specialization in Software Engineering & Information System Management.
- He worked in several organizations before joining Nosak Group in 2009 as Group Executive Director, Compliance. He is an Alumnus of Lagos Business School, a member of the Institute of Directors (IoD), a Fellow of the Institute of Credit Administration and a Certified Management Trainer (Nigerian Council for Management Development).

**Engr. Osariemen Simon Owieadolor – Independent Director**

- A thorough-breed professional, seasoned business executive and organizational leader with over 25 years of progressive experience in the Upstream & Midstream Sectors of the Nigeria Oil & Gas Industry, with expertise and core competence in: Board and JV Relations Management, Organizational Leadership & Corporate Governance, Strategic Negotiation and New Business Development, Product Flow Management and Operations, Marginal Oil & Gas Asset Evaluation and Field Development, Multidisciplinary Teams Integration and People Management, Strategic Planning and Resource Management & Strategic Supply Chain Management.
- Mr. Owieadolor holds a master's degree in business administration from the PanAtlantic University, Lagos Business School, and a bachelor's degree in Petroleum Engineering from the University of Benin.

**Mr. Gabriel Idahosa – Non-Executive Director**

- Mr. Gabriel Idahosa holds a bachelor's degree in Economics from the University of Ife (now Obafemi Awolowo University). He had his primary National Service with Pannell Kerr Forster and Co, Chartered Accountants (now known as PKF) between 1995 and 1996.
- He completed the professional accountancy examinations of the Association of Chartered Certified Accountants (ACCA), London in December 1976. In 1978, he was admitted an Associate (ACA) of the Institute of Chartered Accountants of Nigeria where he is now a Fellow (FCA) of the Institute.
- From 1976 to 1980 he was in the professional staff of Peat Marwick Casselton Elliot and Co, now KPMG. In 1980 he founded the professional accounting and consulting group now known as UHY Maaji, a 9-partner firm with offices in Lagos, Abuja, Port Harcourt, Benin, Kaduna, Maiduguri and Yola. UHY Maaji is the Nigerian member firm of UHY International.

**Mr. Raymond Ugboh – Independent Director**

- Raymond Ugboh is an executive business leader, with extensive manufacturing management,

business and organizational skills experience who is currently the Managing Director of Hettmond International Limited, an Agro Services Company, which he established after his retirement from Guinness Nigeria Plc.

- A graduate of University of Nigeria, Nsukka, and an alumnus of Cranfield University Management School, UK, he had most of his working career at Guinness Nigeria Plc, a Diageo Company, where he served for 27 years. Raymond is a member of the Institute of Directors (Nigeria), International Breweries Guild (IBG) UK and a board member of the Nigerian Institute of Packaging.

**KEY MANAGEMENT TEAM**

**Koyenikan Toluwalope Christopher – Assistant General Manager (Production/Operation)**

- Mr. Koyenikan holds a bachelor's degree in Industrial Chemistry from Federal University of Technology, Akure and a master's degree in Process Engineering from the acclaimed University of Lagos. He also has the completion of the Senior Management Programme (SMP) to his name.
- He is a seasoned production manager, having worked at Nymph International Limited as an Assistant Production/Quality Control Manager before moving to Nosak, where he served for 20 years under different capacities related to production.

**Judith Aikhoje – Group Company Secretary & Legal Adviser**

- Judith Aikhoje holds a LL.B (Barister of Laws) from Ambros Alli University, Ekpoma and a LL.M (Master of Laws) from University of Lagos, having gone to Nigerian Law School, Abuja and got called to bar in 2002. She is a Fellow of the Institute of Chartered Secretaries and Administration of Nigeria (ICSAN) and has a College of Law/International Bar Association, London International Practivce Diploma. She also has completed the BPP, London Solicitors Qualification Examination (UK), Solicitors. England & Wales and has the Advanced Management's Development Certificate from the Centre for Management Development, Lagos. She also completed the Senior Management Programme from Lagos Business School.
- Before her employment with Nosak Group, she worked as an associate and legal supervisor in companies such as Umaru Kawu & Co., Minna, Niger State, Rose Chambers, Overland Airways Limited, Voix Networks Limited, Abuja and Helios Towers Nigeria Limited.

**Babatunde Adejumo Fajobi – Group Head, Internal Audit, Risk & Compliance**

- A seasoned professional in Finance and Audit, Mr. Fajobi holds a HND in Accounting from Federal Polytechnic, Ede, Osun State, a bachelor's degree in economics from University of Ibadan, a Post Graduate Diploma in Management, Ladoke Akintola University of Technology and a Masters in Entrepreneurship & Innovations from Rome Business School, Italy. He has also completed a Manufacturing Management Programme from Lagos Business School.
- He started his working career in Integrity Construct Ltd, Lagos as the Head Finance and Control before proceeding to Olumuyiwa Odeniyi & CO (Chartered Accountants) as an Audit Manager. He has worked with Linkserve Ltd as Head of Accounts Payables and Zenith Bank Plc

as Regional Supervisor (Internal Control and Audit Dept.) before his present role at Nosak Group.

**Olubuade Mikhail Keji – Group ICT Manager**

- Mikhail Olubuade holds a HND in Computer Science from The Federal Polytechnic Offa, a Master of Business Administration in Management Technology from Lagos State University and a Master's in Information Systems Management (Merit) from University of Roehampton. His other educational and professional achievements include Oracle Certified Professional in Oracle 10g Database, Practitioner Project Management PRINCE2 by APMG International, MCITP Dynamics NAV by Microsoft, Certified IT Business Manager by Belmont University, United States of America, ITIL (Foundation) certified by EXIN London, Certified Management Trainer (Basic and Advanced MANDEV) by CMD and Certified Implementer in IT Governance COBIT5 by APMG International.
- Prior to joining Nosak Group, Mikhail has worked in different IT positions in companies like UACN Plc, Skypower (Skyway) Aviation Handling Company Limited, Seepc Nigeria (Life Flour Mills Company), Shod Systems Nigeria Limited and RT Briscoe Nigeria Plc.

**Fapojuwu Samuel Olaleke – Finance Manager**

- Mr. Fapojuwu has a HND in Accounting from the Federal Polytechnic, Ado-Ekiti and is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).
- He worked in different capacities with Jide Abimbola & Co. , Onike Stores (Nigerian Brewery Plc Mega Distributor as an Account Manager and Olusola Adekanola & Co before his employment in Nosak Group.

**Ogugua Obi – Quality Assurance/Quality Control Manager**

- A graduate of Food Science & Technology from the University of Nigeria, Nsukka and a master's degree in Process Engineering from University of Lagos, Ogogua Obi is a seasoned professional Quality Control and Assurance and Operations.
- His career started in NEECO Limited (Protectro Limited) as an operations supervisor before serving in Nosak Group from 2003 till date in different capacities relating to Quality Control and Assurance.

**Ugiagbe Omoruyi – National Sales/Marketing Manager**

- Mr. Omoruyi is a graduate of History from the prestigious University of Benin and a master's in business administration from the same educational institution.
- He worked in the Nigeria Deposit Insurance Corporation as an administrative staff before joining Nosak Group, where he has served in different positions till date.

**Kenneth Adejumoh– Corporate Communications Manager**

- A seasoned professional who has a B.Sc. in Geography & Regional Planning from Ambrose Alli University, Ekpoma, Edo State, a Diploma in Digital Marketing and a professional certificate from

the National Institute of Public Relations (NIPR), Kenneth Adejumoh has carved a niche in the field of Marketing and Communications, having taken courses from Business Management Institute, American Marketing Association and National Institute of Marketing.

- He has operated in different roles with companies such as BrandCrunch NG, Metro Media Communications, C&F Porter Novelli, MediaCraft & Associates and DKK Nigeria (DKK & Associates) before his current employment with Nosak Group.

**Adeleke Fajuyigbe– Project Manager**

- Mr. Fajuyigbe is a graduate of Chemical and Polymer Engineering from Lagos State University and a master's in Engineering from Louisiana Tech. University, Ruston, Louisiana, USA.
- He has worked in Vono Products Plc, Vitapur Nigeria, Allied Atlantic Distilleries Limited, Igbesa and Engee PET Manufacturing Company, Igbesa in various positions before joining Nosak Group.

**Aikhoje Benjamin Aideloje– Assistant General Manager (Logistics)**

- Mr. Aikhoje has a BSc. In Economics from Ambrose Alli University, Ekpoma, a Diploma in Courier & Logistics Management, a Diploma in Human Resources Management, a Master's in Business Administration and a Diploma in Desktop Publishing.
- Before his employment in Nosak Group, he worked in Rad Systems Limited and Oxford Technologies Limited under various roles relating to Training.

**Okudor Ovie Sheriff– Health, Safety &Environment (HSE) Supervisor**

- Mr. Okudor has both a ND and HND in Industrial Safety & Environmental Technology from Petroleum Training Institute (PTI).
- Before his current employment with Nosak, he worked at Nigerian Gas Company (Subsidiary of NNPC) Fire, Safety & Environment Department, Obax Worldwide as a HSE Officer and Greenville LNG as a HSE Supervisor.

**Patience Aghogho Akaighe– Human Resources/Admin Officer**

- Mrs. Akaighe holds a B.A in Philosophy from the University of Lagos and a Master's in Public & International Affairs. She is also a Member of the Chartered Institute of Personnel Management and a Member of the Association of Elite Human Resources Professionals (AEHRP).
- Before her current position in Nosak Group, she worked in Logon Technologies International Limited as an Administrative Manager.
- She is a passionate servant in The Redeemed Christian Church of God, as she has worked as the PA/Church Administrator in both Wisdom City and Lily of the Valleys Chapel, which are substructures in the Church.

**Enejor Christopher– Human Resources/Admin Officer**

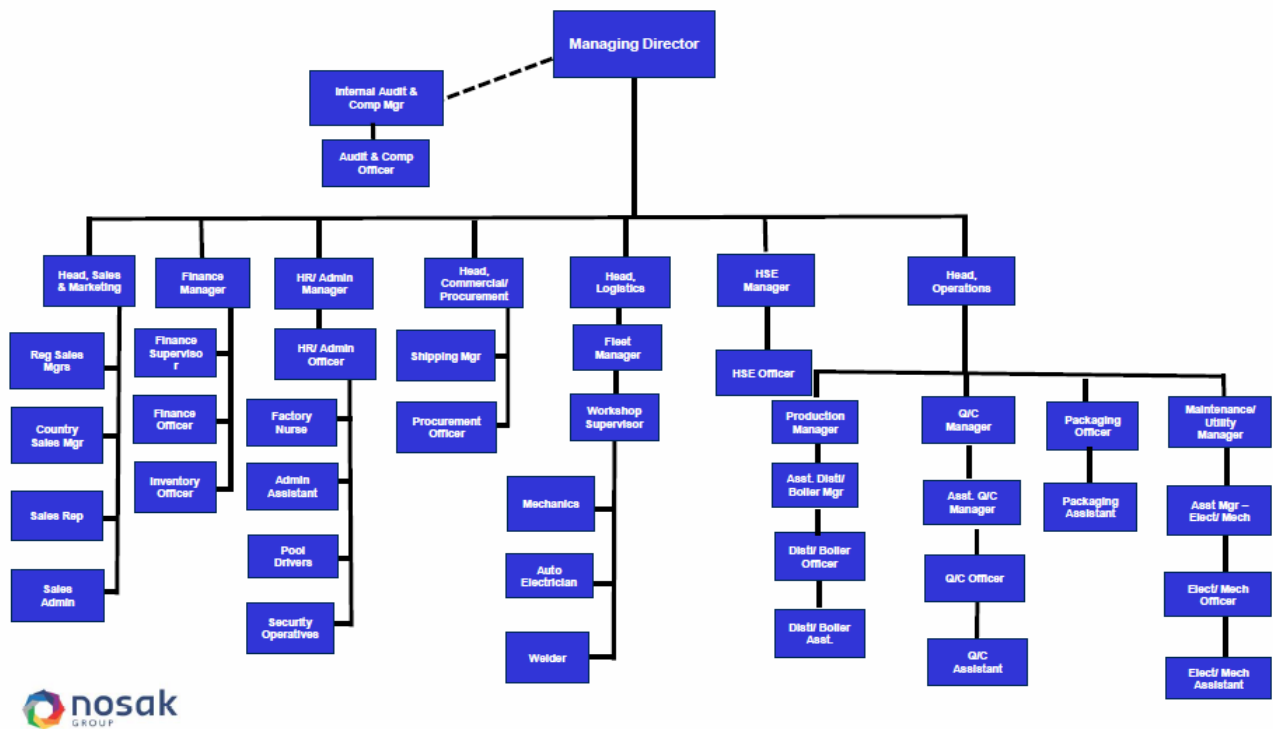
- A graduate of Mechanical Engineering from the Federal University of Agriculture, Makurdi, Mr. Enejor has been serving Nosak Group from 2001 till date in various roles relating to maintenance and utility.



EMPLOYEES

As at December 31, 2021. Nosak has a total of Ninety (90) employees. The staff comprises professionals in Finance, engineering, human resources administration and office management.

ORGANIZATIONAL STRUCTURE



No Material Adverse Change

Since the date of the Issuer's incorporation, 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.

Litigation

Nosak Distilleries Limited is currently involved in Seven (7) pending cases – two (2) of which were instituted against the Issuer. A review of these cases was conducted by the Solicitors to the Transaction to confirm their status and ascertain the "Contingent Liability" of the Issuer.

The total amount claimed in the Seven (7) cases is N2,931,254,039.40 (Two Billion, Nine Hundred and Thirty-One Million, Two Hundred and Fifty-Four Thousand, Thirty-Nine Naira, Forty Kobo) only. Please note that these figures do not include interest claims against the Issuer.

As Solicitors to the transaction, we are of the opinion that the claims and litigation are not likely to have any material adverse effect on the Issuer and/or the Issue and we are not aware of any pending or threatened claims or litigation involving the Issuer other than those disclosed above.

## USE OF PROCEEDS

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### Use of Proceeds

Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of Notes will be used to support the Issuer's general corporate purposes and short-term funding requirements.

The Applicable Pricing Supplement for each Series under the Programme will specify details of the use of proceeds of the particular Series.

### Sources of Repayment

The repayment of all obligations under the Programme will be funded from the operating cash flows of the Issuer.

## REVISED CBN GUIDELINES ON THE ISSUANCE OF CPs

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### BACKGROUND

In July 2009, CBN suspended the use of Commercial Papers and Bankers Acceptances as off-balance-sheet instruments by banks and discount houses, citing concerns over abuse of their use as financing instruments. The ban was subsequently lifted on 16th November 2009. On 18th November 2009, CBN issued a circular titled "Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers" (the "Guidelines"), in an attempt to facilitate the effective and efficient functioning of the Nigerian money market and provide a regulatory framework for the issuance of CPs and BAs in Nigeria. An updated circular was subsequently issued on 11th September 2019.

### REGULATORY FRAMEWORK

Issuance of CPs in Nigeria is subject to the provisions of the CBN Guidelines and FMDQ Exchange Rules. The provisions applicable to CPs are as highlighted below:

### QUALIFICATION

A CP qualifies as a financing vehicle if:

- I. The issuer has three (3) years audited financial statements, the most current not exceeding eighteen (18) months from the last financial year end; and
- II. The issuer has an approved credit line with a Nigerian bank acting as an issuing and paying agent, where the bank guarantees the issue.

### SIZE AND TENOR

CPs shall be issued at the primary market for a minimum value of ₦100,000,000 (One Hundred Million Naira) and multiples of ₦50,000,000 (Fifty Million Naira), thereafter.

Furthermore, they shall be issued for maturities of between 15 (Fifteen) days and 270 (Two Hundred and Seventy) days, including rollover, from the date of issue. The discount element on maturing CPs may not be capitalised and rolled over.

### RATING

Either the issuer of CP or the specific issue shall have an investment grade rating (minimum of BBB- or similar rating) by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.

An indicative rating should have been obtained prior to the submission of declarations and information to the CSD.

### INVESTORS IN BANKERS ACCEPTANCES AND COMMERCIAL PAPERS

CPs may be issued to and held by individuals, deposit money banks, other corporate bodies registered or incorporated in Nigeria and unincorporated bodies, non-resident Nigerians and foreign institutional investors.

Clean CPs (i.e., CPs not backed by a guarantee or such other credit enhancement shall only be sold to Qualified Institutional Investors, and Eligible Investors. Eligible Investors seeking to invest in clean CPs shall first execute a declaration attesting to his/her/its eligibility in the manner/form prescribed in Template I of the FMDQ Exchange Commercial Paper Registration and Quotation Template Guide, or such other regulation as may be prescribed by FMDQ Exchange from time to time.

### FORMS OF MAINTAINING CPs

Issuers and investors in CPs may issue or hold CPs in dematerialised or physical form. Issuers and investors are encouraged to issue and hold CPs in a dematerialised form.

**ISSUING, CALCULATING AND PAYING AGENT**

Only a deposit money bank or discount house (licensed by the CBN) that is a registered member of the FMDQ Exchange may act as an IPCA for the issuance of a CP.

**GENERAL REQUIREMENTS**

- I. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- II. Investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.
- III. Any proposed issue of CPs shall be completed within the period of 2 (two) weeks from the date of opening of the issue for subscription.
- IV. All CPs issued in Nigeria shall be registered with the clearing system, which shall serve as the custodian of all issues and central depository for all dematerialised instruments.

**MANDATORY REGISTRATION & QUOTATION**

CBN Circular of 12 July 2016 on Mandatory Registration and Quotation of Commercial Papers requires CPs to be registered and quoted on an authorized securities exchange. Accordingly, banks are prohibited from transacting in CPs (that are not quoted or intended for quotation on an authorized securities exchange), in any capacity whatsoever, including to act as issuer, guarantor, issuing, placing, paying and collecting agent, etc.

The CBN having approved the quotation rules of FMDQ Securities Exchange Limited has cleared it for the quotation of CPs in Nigeria.

**COMPLIANCE WITH THE CBN GUIDELINES AND FMDQ EXCHANGE RULES**

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines and FMDQ Exchange Rules. A legal opinion confirming adherence to the CBN Guidelines and FMDQ Exchange Rules is incorporated on page 45 of this Programme Memorandum.

**COMPLIANCE WITH SECURITIES REGULATION**

There is no obligation for the Issuer to register the Notes with the SEC. This is by virtue of Rule 8 of the SEC Rules, which exempt short-term securities (including notes) with maturity dates not exceeding 9 months from the date of issuance from registration with the SEC.

## TERMS AND CONDITIONS OF THE NOTES

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*The following is the text of the terms and conditions of the Notes which, subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are contained in the Applicable Pricing Supplement (the "**Final Terms**"), will govern the Notes to be issued under the Programme.*

*The provisions of these Terms and Conditions of the Notes (the "**Conditions**") which are applicable to the Notes issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provision 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.*

### 1. Issuance of Notes

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Series on a continuous basis under the Programme in an aggregate principal amount not exceeding the Programme Limit ₦20,000,000,000.00. Any Series of Notes issued under the Programme shall be constituted by, be subject to, and benefit from, the Deed of Covenant.

### 2. Form, Denomination and Title

#### 2.1 Form and Denomination`

- 2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and denominated in a minimum amount of ₦5,000,000 and integral multiples of ₦1,000 in excess thereof; and will be sold at such discount from their face value amounts as shall be agreed upon by the Issuing and Placing Agent and the Issuer; and shall have a maturity not exceeding 270 (two hundred and seventy) days, including the roll over from the Issue Date.
- 2.1.2 The Notes issued under this Programme will be denominated in Naira.
- 2.1.3 The Notes issued will be in the form of short-term Zero Coupon Notes and will not bear interest, other than in the case of late payment.
- 2.1.4 The Notes will be delivered to the Issuing and Placing Agent in dematerialised (uncertificated, book entry) form; shall be registered by the Issuing, and Placing Agent with the CSD, which shall serve as the custodian and central depository of the Notes; and the Issuing and Placing Agent may deal in the Notes in accordance with the CSD procedures and guidelines.

#### 2.2 Title

- 2.2.1 The title to the Notes will pass upon credit to the CSD account of the Noteholder.
- 2.2.2 Transfer of title to the Notes shall be effected in accordance with the rules governing transfer of title in securities held by the CSD.
- 2.2.3 The Issuer and the Agent may deem and treat the registered holder of any Note as indicated in the records of the CSD and the IPA as the legal and beneficial owner thereof for all purposes, including but not limited to the payment of outstanding obligations in respect of the Notes, and no liability shall attach to any person for such a determination.

### 3. Status of the Notes

The Notes shall constitute a direct, unconditional and unsubordinated obligation of the Issuer and the Notes shall rank *pari passu* among themselves and, save for certain debt obligations mandatorily preferred by law, *pari passu* with all other present and future secured and unsubordinated obligations of the Issuer outstanding from time to time.

### 4. Guarantee

CPs issued under the Programme may be backed by a Guarantor, as stated in the applicable Pricing Supplement.

### 5. Redemption

Subject to Condition 6, the Notes are only redeemable at maturity and will be redeemed at the Face Value specified in the Applicable Pricing Supplement in accordance with the provisions of Condition 5 below.

### 6. Payments

The Face Value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the close of business on the applicable Maturity Date(s). The registered Noteholder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged from any further obligations or liability upon payment to, or to the order of, the registered Holder in respect of each amount so paid.

#### 6.1 Method of Payments

- 6.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira, to the account of the Noteholder specified in the Register.
- 6.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Agent.
- 6.1.3 In the case of joint Noteholders, payment by electronic transfers or cheque will be made or addressed to, as the case may be, the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders.
- 6.1.4 In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder which payee shall in turn transfer such funds to the holders of the beneficial interest.
- 6.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 6.1.6 If the Issuer or the Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, protest, curfew, lockout, fire explosion, floods, riot, insurrection, war, accident, any act of God, embargo,

legislation, shortage of or breakdown in facilities, civil commotion, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer or the Agent shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) and the Issuer and the Agent shall not be responsible for any delay arising from making such payment by cheque. Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.

- 6.1.7 Cheques may be posted by registered mail, provided that neither the Issuer nor the Agent shall be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.

**6.2 Payment Day**

Any payment in respect of the Notes shall be made on a Business Day. Where the day on or by which a payment of any amount in respect of the Notes is due to be made is not a Business Day, that payment shall be made on or by the next succeeding Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case that payment shall be made or that event shall occur on or by the immediately preceding Business Day. The Noteholder shall not be entitled to any interest, return or other payment in respect of any delay in payment.

**6.3 Closed Periods**

No Noteholder may require the transfer of the Notes (i) during the period of 5 (five) days ending on the due date for redemption in respect of that Note; or (ii) following the issuance of a default notice to the Issuer pursuant to Condition 6.2 (Action upon Event of Default).

**7. Event of Default**

**7.1 Event of Default**

An event of default in relation to the Notes (each an "Event of Default") shall arise if any one or more of the following events shall have occurred and be continuing:

- 7.1.1 Non-Payment: default by the Issuer in the payment of the Redemption Amount to the Noteholders in respect of the Notes on the Maturity Date and the continuance of such default.
- 7.1.2 In line with section 9.2 of the FMDQ Exchange Rules, part payment of the CP value to investors shall also constitute a default
- 7.1.3 In line with section 9.8 of the FMDQ Exchange Rules, in respect of any Tranche or Series, if the Issuer fails to notify FMDQ Exchange (through the IPA) that the Notes have been liquidated and funds have been transferred to all Noteholders by 4:00pm on the Redemption Date
- 7.1.4 Breach of Other Obligations: the Issuer does not perform or comply with any one or more

of its other obligations under the Offer Documents 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 10 days, 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 Issuing, Collection and Paying Agent (except where such default is not capable of being remedied, in which case no such notice as is mentioned above will be required).

- 7.1.5 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.
- 7.1.6 Inability to Pay Debts: the Issuer stops or suspends payment of a substantial part of its debts due to financial difficulties.
- 7.1.7 Insolvency: The appointment of a liquidator (other than in respect of a solvent liquidation or reorganization), receiver, manager or other similar officer in respect of the Issuer and any of its assets.
- 7.1.8 Obligations Unenforceable: any of the Notes or the Offer Documents is or becomes wholly or partly void, voidable or unenforceable.
- 7.1.9 Failure to Notify: In line with section 9.8 of the FMDQ Exchange Rules, in respect of any Tranche or Series, if the Issuer fails to notify FMDQ Exchange (through the ICPA) that the Notes have been liquidated and funds have been transferred to all Noteholders by 4:00pm on the Redemption Date.

## 7.2 Action upon Event of Default

- 7.2.1 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of a Force Majeure Event or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
- 7.2.2 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Maturity Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- 7.2.3 In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria.

## 8. Register

- 8.1 The Register shall be maintained by the Registrar. The Register shall reflect each Tranche and Series of Notes; the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of



the Notes issued to such Noteholder and the date of issue.

- 8.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account 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 Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 8.3 The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the Agent to any Noteholder or any person authorised in writing by the Noteholder.
- 8.4 The Agent shall alter the Register in respect of any change of name, address or bank account details of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

## **9. Notices**

### **9.1 Notices to the Noteholders**

- 9.1.1 All notices to the Noteholders will be valid if it is delivered by hand, courier, electronic mail or sent by registered post in a letter duly addressed to the Party to whom same is required to be given at the registered address of such Party or any address given by such Party at their respective addresses of record in the relevant register of Notes of a Series maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the FMDQ Exchange, the CSD or such other regulatory authority as may be applicable to the Notes.
- 9.1.2 Any notice if delivered by hand or registered post before 5p.m. local time on a given date, shall be deemed to have been delivered on that date. Any notice or communication given by electronic mail shall be deemed to have been delivered when sent, subject to no delivery failure notification being received by the sender within 24 (twenty-four) hours of the time of sending or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

### **9.2 Notices from the Noteholders**

- 9.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging same with the Agent at its registered office.
- 9.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and the Agent and subsequently, the Register shall be altered accordingly following notifications to the CSD.

## **10. Modification**

- 10.1 The Issuing, Collection and Paying Agent and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which in the opinion of the Issuing and Paying Agent is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria or delivered in accordance with the provisions of Condition 8 (Notices), and shall be deemed to have been given and received on the date of first publication.
- 10.2 Save as provided in Condition 9.1 above, no amendment of the Terms and Conditions may be effected unless:

- 10.2.1 such amendment is in writing and signed by or on behalf of the Issuer; and
- 10.2.2 such amendment:
  - 10.2.2.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes; or
  - 10.2.2.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy five percent) of the outstanding Principal Amount of all the Notes held by that group.
- 10.3 Any such modification shall be binding on all the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

**11. Meeting of Noteholders**

- 11.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (twenty- one) days prior written notice to the Noteholders. The notice required to be given shall be in accordance with clause 8 (Notices). Such Notice shall specify the date, agenda, time of the meeting to be held, and the place for holding the meeting, which place shall be in Nigeria.
- 11.2 Every Director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 11.3 Noteholders holding not less than 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 11.4 A Noteholder may by an instrument in writing (a "Form of Proxy") signed by the holder or, in the case of a corporate entity executed under its common seal or signed on its behalf by an attorney or a duly authorized officer of the corporate entity, appoint any person (a "Proxy") to attend and act on his/her or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 11.5 Any Noteholder which is a corporate entity may by resolution of its directors or other governing body authorise any person to act as its representative (a "Representative") in connection with any meeting or proposed meeting of the Noteholders.
- 11.6 Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the Holder of the Notes to which the appointment relates and the Holder of the Notes shall be deemed for such purposes not to be the Holder.
- 11.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by Noteholders, holding not less than 51% (fifty-one percent) of the outstanding Principal Amount of all the Notes present in person, by representative or by proxy.
- 11.8 At any meeting of Noteholders, two or more Noteholders present in person, by representative or

by proxy, holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum.

- 11.9 At any meeting of Noteholders, any resolution put to the vote shall be first decided on a show of hands, unless a poll is demanded. A poll may be demanded by either the chairman, the Issuer, or one or more Noteholders present in person, by representative or by proxy. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
- 11.10 If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 11.11 If 30 (thirty) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than 14 (fourteen) days nor more than 21 (twenty One) days thereafter and at the same time and place. At such adjourned meeting, 2 (two) or more Noteholders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 11.12 A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all the Noteholders.

## **12. Taxation**

The Notes issued under the Programme are short-term Zero-Coupon Notes and as such will be offered and sold at a discount to Face Value.

## **13. Further issues**

The Issuer shall be at liberty from time to time without the consent of the existing Noteholders under a series to issue further Notes under the Programme.

## **14. Governing Law**

- 14.1 The provisions of this Programme Memorandum and the Notes are governed by, and shall be construed in accordance with the laws of the Federal Republic of Nigeria.
- 14.2 The Nigerian Courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Programme Memorandum and the Notes.

## TAX CONSIDERATION

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The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws. Furthermore, in accordance with the provisions of the Finance Act 2019, any expense incurred in deriving tax-exempt income would not be deductible for the purpose of arriving at taxable profit.

The foregoing summary does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective purchaser of Notes issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any actual or prospective purchaser of the Notes who intends to ascertain his/her/its tax position should seek professional advice from his/her/its preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Notes, bearing in mind his/her/its peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Notes in any manner for placing reliance upon the contents of this section.

**RISK FACTORS**

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*The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes. The risks in the following 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 Programme Memorandum, which may describe additional risks associated with the Notes.*

**Investors should also seek professional advice before making investment decisions in respect of the Notes.**

**1. RISKS FACTORS RELATING TO THE ISSUER**

**a) Operational Risks**

Risk could occur as a result of inadequate or failed internal processes, people and systems or from external events leading to direct or indirect loss for the Company. Examples of these risks include rogue trading, fraud/forgery, penalties or expenses incurred, loss of goods in transit, inappropriate sales practices, poor accounting processes, lapses in financial control and legal settlements resulting from accidents or mishaps alleged to have been caused by the Company.

**b) Business Disruption Risks**

Over the past four (4) quarters, the global economy has been plagued by the continuous spread of the novel COVID-19, leading to significant uncertainty and volatility in financial markets worldwide. In an effort to limit the spread of the pandemic, several countries took strategic steps including the closure of borders and control of importation of goods and products not considered essential. In view of the nature of Nosak's business, this decision impacted business operations by lengthening timeline for delivery of products to Nosak. Whilst countries around the world, including Nigeria, have since opened up their borders and business appears to be returning back to pre-COVID-19 pace, there is no assurance that similar situations will not arise in the near future.

Noting that concerted efforts are being made to develop a vaccine against the virus, there is no assurance on the certainty of or timing within which these efforts would materialize.

**c) Change in Governing Law**

The Issuer is duly incorporated and established under Nigerian law, which remains in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Programme Memorandum.

**d) Credit Risk**

Due to adverse business or other conditions, especially the current on-going COVID-19 pandemic, which has had adverse effects on businesses, there would be an obvious credit risk concern. Credit risk is the risk of financial loss to Nosak if a customer or counterparty fails to meet its contractual obligations. In order to mitigate the credit risk, the Management of the Issuer determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. Customers are also categorized according to their credit characteristics. Customers with high credit risk are placed on restriction and future credit services are made only with the approval of Nosak's Management.

**e) Liquidity Risks**

Liquidity risk is the risk that Nosak would be unable to meet its obligations as they become due. This may arise where the cushion provided by liquid assets is not sufficient to meet outstanding maturing obligations. Liquidity risk projections like available credit facilities are incorporated in the regular management

information reviewed by Nosak's Management. The focus of the liquidity review is on the net financing capacity such as free cash plus available credit facilities in relation to the financial liabilities.

**f) Legal Risks**

There is a risk that the Company's counterparties, such as suppliers may fail to fulfil their obligations. The Company in the ordinary course of business may become vulnerable to litigation.

Where proceedings lead to a substantial legal liability, this could have a detrimental effect on the Company's business, brand image and reputation. Regulatory fines and claims from litigation could also impact the Company's financial performance in the year where such payments are being made.

Additionally, modifications affecting any applicable law or regulations, whether before or after the completion of the transaction, cannot be anticipated.

**g) Brand and Reputation Risk**

The risk of brand erosion and reputational loss as well as a change in the ability to deliver on brand promise. It includes failure to understand, identify or manage developments that could negatively impact the Issuer's brand and its corporate identity. The Issuer's reputation may also be affected by the corrupt behaviour of any employees or agents, hence affecting its brand and ability to retain and generate business.

**2. RISKS FACTORS RELATING TO THE NOTES**

**a) Market Price Risk**

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Company's results, adverse business developments, changes in the macroeconomic environment and the actual or expected sale or purchase of a large number of Notes.

Each investor needs to assess the market risk prior to trading their Notes.

**b) Interest Rate Risk**

The Notes may vary inversely with changes in prevailing interest rates as the Notes could be offered at a fixed rate benchmarked against treasury bills. In this instance, where the interest rates rise, the prices of fixed rate securities fall and when interest rates drop, the prices increase.

Therefore, the extent of the fall or rise in the prices is a function of the existing interest, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Notes.

**c) Liquidity Risk**

Although the listing of the Notes increases the possibility of trading activity, the Notes issued under the Programme will be new securities which may not be widely distributed. The liquidity of the Notes may be limited, and investors may not be able to trade the Notes actively or realise a yield comparable to that of similar instruments, if any, in developed secondary markets. The trading market for debt securities may be volatile and may be adversely impacted by many events. The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates as well as global events, which may also have an adverse effect on the price of the Notes.

**d) Ranking**

The Notes will constitute senior unsecured obligations of the Issuer. Therefore, holders of secured indebtedness, if any, will have claims that are prior to the claims of the holders of the Notes, to the extent of the assets securing such indebtedness. Thus, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, the pledged assets would be available to satisfy obligations on the secured indebtedness before

anypayment could be made on the Notes.

**3. RISKS FACTORS RELATING TO NIGERIA**

**a) Political Risk**

The diverse political, religious and ethnic landscape in Nigeria has led to struggles for power between rival groups, which has consistently hindered the smooth governance of the country. The pastoralist conflict in the North-East and Middle Belt has been escalating and Boko Haram continues to weaken the North-East economy. In the South, Niger Delta pipeline attacks could threaten oil production and the state of the environment.

In addition, frustrations over poor living conditions and economic hardships can potentially fuel further conflict. The risks related to political instability, continued criminal activities including banditry, kidnapping, security challenges as well as political and religious tensions in the country could adversely impact Nigeria's economy and by extension - the operations of Nosak Distilleries Limited.

**b) Economic Risk**

The Nigerian economy is largely dependent on global oil prices and country's level of oil and gas production as the Oil sector remains a major contributor to the GDP. In addition, the Oil sector plays a central role in Nigeria's economy, as it accounts for a substantial portion of its export earnings. This dependence makes the Nigerian economy vulnerable to oil price fluctuations, as many economic sectors and state governments in Nigeria depend upon public spending and private consumption driven by oil revenues.

Oil price witnessed a downward trend caused by the outbreak of the COVID-19 pandemic and decisions from the Organization of the Petroleum Exporting Countries (OPEC) to pump more oil into the market. However, with the implementation of production cuts and rebound of economies around the world, oil price recently inched upwards and remains fairly stable. Relying on past events, a fall in oil prices has caused, and is expected to continue to result in liquidity issues, reduced tax revenues, depreciation of foreign exchange reserves, and increased currency pressures for Nigeria. The Company's prospects may be impacted by an economic recession in Nigeria which could adversely affect the demand of its products.

**c) Foreign Exchange Risks**

The Nigerian foreign exchange market has recently been volatile as the sharp decline in international oil prices contributed to the depreciation of the Naira against the US Dollar in the first six months of 2020, with the CBN officially devaluing the Naira to N380:US\$1.00 in a move to converge the growing disparity between the exchange rate systems for the inter-bank and parallel markets in Nigeria, thus affecting the foreign reserves. A further devaluation of Naira to N410:US\$1.00 was experienced in May 2021.

Any further depreciation or devaluation of the Naira may negatively impact the Company's cost profile, considering the nature of its business.

## SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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*Words used in this section shall bear the same meanings as used in the section headed "Definitions and Interpretations", except to the extent that they are separately defined in this section or the meaning if applied, would be clearly inappropriate for the context.*

### Clearing System

The Notes will be issued in dematerialised form and will not be represented by any certificate or written instrument. As stipulated by the CBN Guidelines, each Series or Tranche of Notes will be held in custody by the CSD, either in the name of the beneficial owner or Nominee.

All transactions in the Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Subject as aforesaid, each Tranche of Notes will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through authorized participants who will follow the electronic settlement procedures prescribed by the CSD.

### Authorized Participants

The CSD will maintain a central securities account for Collecting & Paying Agents/Issuing & Placing Agent and Dealing Members (the "**Authorized Participants**") and each beneficial owner of the Notes is required to have a sub-account under the Authorized Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorized Participants.

For purposes of Notes issued under this Programme, the Authorized Participant is Boston Advisory Limited, Fidelity Bank Plc and any other bank or dealer appointed by the Issuer.

### Registration

- I. The Authorized Participant shall register with the CSD before dealing in CPs.
- II. The Authorized Participant shall complete the required registration form or other applicable document(s) and shall be required to submit proof of appropriate FMDQ membership along with the completed form
- III. Noteholders are required to route their account opening applications and transactions through the Authorized Participant, who will officially notify the CSD to create sub-accounts for these Noteholders and attach Noteholders' mandates to this effect.
- IV. The CSD will assign a unique identification number (**the "Trade Member Code"**) to the Authorized Participant and also provide an account number (and sub-account numbers for Noteholders) after creation as requested by the Authorized Participant to enable them to trade the CPs.
- V. FMDQ Exchange shall request for the CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorized Participant with the CP Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the Authorized Participant.
- VI. The CSD will re-open the existing ISIN code for all tranches with same maturity dates, however new ISIN codes will be issued for tranches with different maturity dates.



**Lodgement**

- I. The Authorised Participants shall provide the schedule of all the subscribers and their expected holdings to the CSD for distribution. The Authorized Participant will electronically lodge CPs with the CSD and advise the CSD after lodgment to transfer the CPs to the sub-accounts, individual accounts or custodians accounts of the beneficial owners of the Notes.
- II. The CSD shall process same within 24 hours of receipt.

**Redemption**

- I. No transactions or trades may be effected for any CPs five (5) working days prior to its maturity date as the Register closes two (2) working days before the Maturity Date.
- II. The Authorized Participant will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by 12.00 noon on the date which is two (2) working days before the Maturity Date.
- III. The Authorized Participant must notify the CSD to expunge (knock-off) matured CPs on the Maturity Date or Redemption Date of the CP.
- IV. The Maturity Date shall be on a Business Day, however if the relevant Business Day falls on a public holiday, the following Business Day shall be the Maturity Date of the CP.

**Roll-Over**

- I. All CPs, including roll-overs shall not exceed 270 days (tenor) from the date of issue.
- II. Every roll-over of a CP shall be treated or classified as a fresh/separate CP.
- III. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorized Participant with the new CP Symbol and ISIN Codes, subject to receipt of CP rollover fees from the Authorized Participant.
- IV. The CSD shall expunge the existing CP Symbol and ISIN Codes from the system and replace with the new codes.

**Default**

- I. Where the Issuer is unable to repay the Noteholders and the CP will be in default status, the Authorized Participant shall notify the CSD, FMDQ Exchange, as well as the Noteholders, latest two (2) Business Days before the Maturity Date, latest by 3.00pm.
- II. The CSD shall make public the default status to the market latest by the date which is one (1) Business Day before the Maturity Date.
- III. The ICPA shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 4:00PM on the Maturity Date, failing which the Issuer shall be deemed to be in default.
- IV. In case of (i) above, the CP holdings must remain with the CSD until the CPA pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.
- V. Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly.

**Secondary Market Trading (OTC) Guidelines**

- I. Standard settlement cycle is T+2.
- II. FMDQ shall submit the confirmed CP trade details on trade day in the specified format via the CSD authorized platform, based on the following settlement timelines:
  - a. Same Day Settlement: 12.30 p.m.
  - b. T+1 or T+2 Settlements: 3.00 p.m.
- III. The CSD shall deliver securities and send confirmation of transfers via the CSD's authorized platform by 2.00p.m. on the settlement date to FMDQ and the Nigeria Inter-Bank Settlement System ("NIBSS") simultaneously. The Authorized Participant shall state the particular account number where the CP(s) will be settled.
- IV. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the CSD and the Authorized Participant simultaneously.
- V. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is five (5) Business Days before the Maturity Date.

**Reporting**

- I. The CSD shall effect the transfer of CPs on the settlement date as advised by the buyer and seller and keep records of consideration for each transaction.
- II. The CSD will advise the Authorized Participant of the FMDQ for onward communication to the Authorized Participant, as applicable, of successful and failed transactions on each settlement day.
- III. Dealing Members can visit the CSD's website ([www.fmdqgroup.com/fmdqdepository](http://www.fmdqgroup.com/fmdqdepository)) to ascertain its CP balances after each day's trade.

**Transfer of Notes**

Title to beneficial interest in the Notes will pass on transfer thereof by electronic book entry in the securities accounts maintained by the CSD and may be transferred only in accordance with rules and operating procedures of the CSD.

**Cash Settlement**

Transaction parties will be responsible for effecting the payment transfers via Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT) or any other transfer mode agreed by the transaction parties and recognised by the CBN.

PROFORMA APPLICABLE PRICING SUPPLEMENT



**Issue of up to ₦5,000,000,000.00 Series 1 Under its ₦20,000,000,000 Commercial Paper Issuance Programme**

This Pricing Supplement must be read in conjunction with the Programme Memorandum dated October 6, 2022 prepared by Boston Advisory and Radix Capital on behalf of Nosak Distilleries Limited in connection with its ₦20,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the "**Programme Memorandum**").

Any capitalised terms not defined in this Pricing Supplement shall have the meanings ascribed to them in the Programme Memorandum.

This document constitutes the Pricing Supplement relating to the issue of Commercial Paper Notes ("CP Notes" or the "Notes") described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

This document has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on September 11, 2019 and the CBN circular to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the "**CBN Guidelines**") and the FMDQ Exchange Commercial Paper Registration and Quotation Rules (the "**Rules**") in force from time to time. The document is not required to be registered with the Nigerian Exchange Limited ("**NGX**") or the Securities and Exchange Commission ("**SEC**"). This document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should consult his/her Banker, Stockbroker, Accountant, Solicitor or any other professional adviser for guidance immediately.

ARRANGERS/DEALERS/ISSUING AND PLACING AGENTS



COLLECTING AND PAYING AGENT



THIS PRICING SUPPLEMENT IS DATED [●], 2022

PARTIES	
Issuer	Nosak Distilleries Limited
Arrangers	Boston Advisory Limited and Radix Capital Partners Limited
Collecting and Paying Agent	Fidelity Bank Plc
Issuing and Placing Agents	Boston Advisory Limited and Radix Capital Partners Limited
Sponsor to the Quotation on FMDQ Exchange	Boston Advisory Limited and Radix Capital Partners Limited
Auditors	Femi Davies & Co
Registrar/Depository	FMDQ Depository Limited
Solicitor	TOLG Advisors
PROVISIONS RELATING TO THE NOTE	
Series Number	1
Programme Size	₦20,000,000,000.00
Issued and Outstanding at the date of this Pricing Supplement	NIL
Face Value	₦5,000,000,000.00
Discounted Value	₦
Nominal Amount Per Note	₦1000
Tenor	270 Days
Issue Date	
Maturity Date	
Final Redemption Amount	₦5,000,000,000.00
Minimum Subscription	Minimum of ₦5,000,000.00 and multiples of ₦1,000.00 thereafter
Specified Currency	Nigeria Naira (₦)
Status of Notes	Each Note constitutes a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves and, save for certain debts preferred by law, <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time
Form of Notes	Uncertificated
Quotation	FMDQ Securities Exchange Limited
Taxation	Please refer to the 'Tax Consideration' section in the Programme Memorandum
Method of Offer	Fixed Price Offer
Use of Proceeds	Fund Working Capital
Source of Repayment	Operating cashflow of the company
Book Closed Period	
ZERO COUPON NOTES	
Discount Rate	TBD
Implied Yield	TBD
Any Other Formula or Basis for Determining Amount(S) Payable	$PV = FV * (1 - (DR * t / \text{actual number of days in a year}))$
Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria

PROVISION REGARDING REDEMPTION		
Redemption/Payment Basis	Redemption at par	
Issuer's Early Redemption	Not Applicable	
Issuer's Optional Redemption	Not Applicable	
Other Terms Applicable on Redemption	Not Applicable	
Offer Opens	TBD	
Offer Closes	TBD	
Allotment Date	TBD	
Notification of Allotment	TBD	
Settlement Date	TBD	
Details of Bank Account to Which Payments Are to be Made in Respect of the Notes	Bank: Account Name: Account Number:	
Settlement Procedure and Settlement Instruction	Purchases will be settled via direct debit,electronic funds transfer (NIBBS, NEFT, RTGS, etc.)	
Issuer Rating	DataPro Limited: (short Term Rating – <b>A1</b> , Long Term Rating - <b>A- </b> )	

**MATERIAL ADVERSE CHANGE STATEMENT**

Except as disclosed in this document, there has been no Material Adverse Change in the financial position or prospects of the Issuer since the [insert date of last published annual account] audited accounts.

**RESPONSIBILITY**

The Issuer and its Board of Directors accept responsibility for the information contained in this Pricing Supplementwhich, when read together with the Programme Memorandum and supplemental Programme Memorandum, if any, contains all information that is material in the context of the issue of the Notes.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ [●]

**For and on behalf of Nosak Distilleries Limited**

\_\_\_\_\_  
Name:  
Capacity: Director  
Who warrants his/her authority hereto

\_\_\_\_\_  
Name:  
Capacity: Company Secretary  
Who warrants his/her authority here

AUDITOR'S COMFORT LETTER

**Femi Davies & Co**

**Chartered Accountants**  
3 Olakunle Ajibade Street,  
Off Ogudu Ojota Road,  
By RCCG LP 19.  
Ojota.  
Lagos. Nigeria.

**Tel:** 08160599187  
08024977119

**REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF NOSAK DISTILLERIES LIMITED**  
**Opinion**

The accompanying summary financial statements, which comprise of the summary statement of financial position as at 31 December 2021, 31 December 2020 and 31 December 2019, the summary of statement of profit and loss and all other comprehensive income for the year ended 31 December 2021, 31 December 2020 and 31 December 2019 and summary statements of cash flows for the years ended, are derived from the audited financial statement of Nosak Distilleries Limited for the year ended 31 December 2021, 31 December 2020 and 31 December 2019 respectively.

In our opinion, the summary financial statements derived from the audited financial statements of Nosak Distilleries Limited for the year ended 31 December 2021, 31 December 2020, and 31 December 2019 are consistent in all material respects with those financial statements in accordance with Companies and Allied Matters 2020, the Financial Reporting Council of Nigeria Act, 2011 and International Financial Reporting Standards.

**Summary of Financial Statements**

The summary financial statements do not consist of all the disclosures required by the international Financial Reporting Standards, Companies and Allied Matters Act CAP C20 Laws of the Federal Republic of Nigeria 2004, and the Financial Reporting Council of Nigeria Act No. 6, 2011, applied in the preparation of the audited financial statement. Therefore, the summary financial statements are not a substitute for the audited financial statements of the group.

**The Audited Financial Statements and our Report Thereon**

In our opinion, the summary financial statements derived from the audited financial statements of Nosak Distilleries Limited for the year ended 31 December 2021, 31 December 2020, and 31 December 2019 are consistent in all material respects with those financial statements in accordance with Companies and Allied Matters Act 2020.

**Directors' Responsibilities for the Summary Financial Statements**

The Directors are responsible for the preparation and fair representation of a summary of the audited financial statements in accordance with section 355 of the Company Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act 2011. International Financial Reporting Standards, and the FMDQ commercial paper quotation rules.

**Auditors Responsibility**

Our responsibility is to express an opinion on the summary of financial statements based on our procedures, which were conducted with International Standards on Auditing (ISA) 810, "Engagements to report on Summary Financial Statements"

**For: Femi Davies & Co.**

Chartered Accountants

Engagement Partner: Femi Davies

FRC/2015/ICAN/11230

**10 May 2022**

*Femi Davies*



A list of partners is available at 77 Awolowo Way. Ikeja. Lagos. Nigeria.

HISTORICAL FINANCIAL INFORMATION OF NOSAK DISTILLERIES LIMITED

Statement of Financial Position as at December 31st	2019 N'000	2020 N'000	2021 N'000
<b>Assets:</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	2,995,327	3,447,913	3,214,286
Intangible Assets	576,007	576,007	576,007
<b>Total Non-current assets</b>	<b>3,571,334</b>	<b>4,023,920</b>	<b>3,790,293</b>
<b>Current assets</b>			
Inventory	3,526,811	4,447,038	15,875,751
Trade and other receivables	941,171	1,044,644	824,323
Prepayments	1,848	28,907	2,393
Cash and cash equivalent	82,420	139,474	213,581
<b>Total current assets</b>	<b>4,552,250</b>	<b>5,660,063</b>	<b>16,916,048</b>
<b>Total assets</b>	<b>8,123,584</b>	<b>9,683,983</b>	<b>20,706,341</b>
<b>Equity &amp; Liabilities:</b>			
<b>Equity</b>			
Share Capital	300,000	300,000	300,000
Accumulated deficit/revenue reserves	(287,110)	1,255,106	5,525,286
<b>Total Equity</b>	<b>12,890</b>	<b>1,555,106</b>	<b>5,825,286</b>
<b>Non-current Liabilities</b>			
Deposit for Shares	363,000	363,000	363,000
Long Term Facilities	3,796,244	3,831,651	2,992,626
<b>Total non-current liabilities</b>	<b>4,159,244</b>	<b>4,194,651</b>	<b>3,355,626</b>
<b>Current Liabilities</b>			
Borrowings	-	-	4,700,000
Trade and other payables	3,861,888	3,893,450	6,563,008
Current tax payables	89,562	94,776	262,421
<b>Total Current Liabilities</b>	<b>3,951,450</b>	<b>3,934,226</b>	<b>11,525,429</b>
<b>Total Liabilities</b>	<b>8,110,694</b>	<b>8,128,887</b>	<b>14,881,055</b>
<b>Total Equity and Liabilities</b>	<b>8,123,548</b>	<b>9,683,983</b>	<b>20,706,341</b>

	2019	2020	2021
Statement of Profit and Loss for the year ended December 31st	N'000	N'000	N'000
Revenue	17,912,405	21,878,847	18,324,035
Cost Of Sales	(15,140,374)	(18,863,303)	(12,680,656)
<b>Gross (loss)/profit</b>	<b>2,772,031</b>	<b>3,015,544</b>	<b>5,643,379</b>
Administrative Expenses	(820,122)	(880,132)	(893,714)
Other Income	-	(6,436)	(856)
<b>Operating (loss)/Profit</b>	<b>1,951,909</b>	<b>12,141,848</b>	<b>4,750,521</b>
Net Financing Cost	(802,078)	(380,575)	(178,014)
Loss on Foreign Exchange	-	(124,280)	(39,906)
<b>Profit Before Taxation</b>	<b>1,149,831</b>	<b>1,636,993</b>	<b>4,532,601</b>
Tax Charge	(89,562)	(94,776)	(262,421)
<b>Total Comprehensive profit for the year</b>	<b>1,060,269</b>	<b>1,542,217</b>	<b>4,270,180</b>
<b>Basic Profit per share of N1 each</b>	<b>3.53</b>	<b>5.14</b>	<b>14.23</b>



	2019	2020	2021
	N'000	N'000	N'000
<b>Statement of Cashflow</b>			
<b>Cash Flow From operating activities:</b>			
Cash receipts from customers	17,738,320	21,775,374	18,544,356
Cash payments to suppliers and employees	(16,125,887)	(20,558,896)	(17,895,998)
	<b>1,572,433</b>	<b>1,216,478</b>	<b>648,358</b>
<b>Cash flows from Investing Activities</b>			
Purchase of Fixed Assets	-	(819,470)	(133,816)
	<b>-</b>	<b>(819,470)</b>	<b>(133,816)</b>
<b>Cash flow from financing activities:</b>			
Income Tax Paid	(254,653)	5,214	167,645
Net Interest Paid	(802,078)	(380,575)	(178,014)
Long Term Facilities	(739,773)	35,407	(839,025)
<b>Net cash flow/ (outflows) from financing activities from operating activities</b>	<b>(1,796,504)</b>	<b>(339,954)</b>	<b>(849,394)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(224,071)</b>	<b>57,054</b>	<b>74,107</b>
Cash and cash equivalents as at the beginning of the year	306,491	82,420	139,474
<b>Cash and cash equivalents as at the end of the year</b>	<b>82,420</b>	<b>139,474</b>	<b>213,581</b>

NOSAK DISTILLERIES LIMITED

**Long-Term Rating:**

**A<sup>-</sup>**

**Short Term Rating:** A1  
**Rating Outlook:** Stable  
**Trend:** Up  
**Currency:** Naira  
**Date issued:** 8 Jun, 2022  
**Valid Till:** 7 Jun., 2023

**Reference:**

Abiodun Adeseyoju, FCA.  
Abimbola Adeseyoju  
Oladele Adeoye

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

EXECUTIVE SUMMARY

	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Turnover	18,324,035	21,878,847	17,912,405	11,990,316
Pre-tax-Profit	4,532,601	1,636,993	1,149,831	896,401
Equity	5,825,286	1,555,106	12,890	(1,047,380)
Non-Current Assets	3,214,286	3,447,913	2,995,327	3,317,576
Total Assets	20,706,341	9,683,983	8,123,584	5,772,387
Total Liabilities	14,881,055	8,128,877	8,110,694	6,819,767

**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 **A<sup>-</sup>** indicates *Low Risk*. It shows Very Good Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Company, in our opinion, has strong ability to meet its ongoing obligations.

RATING SYNOPSIS

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

The qualitative information used were 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 Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Strengths:

- Experienced Management Team
- Very Good Market Share
- Good Liquidity

Weakness:

- Supply Concentration Risk

*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.*

LEGAL OPINION ON THE NOTES

MEMORANDUM

**FROM: TOLG ADVISORS**

**TO: THE MANAGING DIRECTOR/CEO, NOSAK DISTILLERIES LIMITED, AGUSTO & CO AND DATA PRO LIMITED**

**DATE: MAY 24, 2022**

**RE: ESTABLISHMENT OF A ₦20,000,000,000.00 (TWENTY BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME BY NOSAK DISTILLERIES LIMITED**

**TRANSACTION DYNAMICS**

We act as Solicitors to Nosak Distilleries Limited (the “**Issuer**”) in connection with the ₦20,000,000,000.00 (Twenty Billion Naira) Commercial Paper Issuance Programme (the “**Transaction**”) under which the Issuer, a private limited liability company incorporated under the laws of Federal Republic of Nigeria, may from time to time issue Commercial Paper (“**CP**” or “**Notes**”), denominated in Nigerian Naira, in separate series or tranches subject to the terms and conditions (the “**Terms and Conditions**”) contained in the Programme Memorandum (defined below) and the applicable Pricing Supplement.

This Legal Opinion (this “**Opinion**”) is rendered pursuant to the Dealer Agreement (the “**Dealer Agreement**”) between the Issuer and Boston Advisory Limited (as “**Dealer 1**”) and Radix Capital Partners Limited (as “**Dealer 2**”) (together, the “**Dealers**”).

The Notes issued will be constituted by, subject to, and have the benefit of, a Deed of Covenant, which shall take effect as a deed poll for the benefit of the holders of the Notes (the “**Deed of Covenant**”).

For avoidance of doubt, all capitalised terms used but not defined herein shall have the meanings assigned to such terms in the Programme Memorandum, or any Pricing Supplement, as applicable.

This Opinion is rendered in relation to the Transaction and at the request of the Issuer, Augusto & Co and DataPro Limited (the “**Rating Agencies**”).

**1. DOCUMENTS REVIEWED**

- 1.1** In rendering this Opinion, we have examined such documents as we have considered necessary for the opinions expressed in this Opinion and principally the following documents provided to us in physical or electronic form (unless otherwise stated):
- (a) a Deed of Covenant;
  - (b) a Dealer Agreement;

- (c) an Issuing and Placing Agency Agreement;
- (d) a Collecting and Paying Agency Agreement;
- (e) the Programme Memorandum;
- (f) a Backstop Facility Agreement;
- (g) a copy of the Certificate of Incorporation of the Issuer;
- (h) a copy of the Memorandum and Articles of Association of the Issuer certified by the Corporate Affairs Commission;
- (i) a copy of the resolution of the meeting of the Board of Directors of the Issuer authorising the establishment of the Programme;
- (j) a copy of the Form CAC 7A Notice of Change of Directors, or in the Name, Residential Address or Postal Address of Director certified by the Corporate Affairs Commission; and
- (k) a copy of the Form CAC 2A Return of Allotment (Post Incorporation) certified by the Corporate Affairs Commission.

The documents specified in paragraphs (a) – (f) are collectively referred to as the **“Transaction Documents”**, the documents specified in paragraphs (h) – (k) are referred to as the **“Constitutional Documents”**, while the documents referred to in paragraphs (a) – (k) are collectively referred to as the **“Documents”**.

**1.2 Assumptions**

For the purpose of this Opinion, we have assumed, without our own independent verification, each of the following:

- (a) the authenticity of all signatures on all Transaction Documents and the completeness and conformity to original documents, of all copies made available to us by courier or e-mail and that any document so submitted to us continues to be in full force and effect;
- (b) the absence of fraud, coercion, duress, undue influence or other vitiating factor on the part of any party to the Transaction Documents, including their respective representatives, directors, employees, agents and advisers;
- (c) the Transaction Documents referred to in paragraph 1.1 above have been validly authorised and duly executed and delivered in such form by each of the parties to them (other than the Issuer), by a person or persons duly authorised to do so;
- (d) the Transaction Documents which are governed by the laws of the Federal Republic of Nigeria are, or will be, legal, valid, binding and enforceable against all relevant parties (other than the Issuer), in accordance with their respective terms under the laws of the Federal Republic of Nigeria;

- (e) the due compliance with all matters (including without limitation, the obtaining of necessary consents, authorisations and approvals and the making of necessary filings and registrations) required in connection with the Transaction Documents to render them enforceable in all relevant jurisdictions (other than the Federal Republic of Nigeria) has been effected and such compliance remains in full force and effect and will continue to be effected where required for the validity and enforceability, under such laws as applicable (other than the laws of the Federal Republic of Nigeria), of the Transaction Documents (or any document in connection therewith); and
- (f) the power, authority and legal right of all parties under all the relevant laws and regulations (other than the laws of the Federal Republic of Nigeria) to enter into, execute and perform their respective obligations under the Transaction Documents.

**2. OUR OPINION**

Based on the assumptions above and subject to the qualifications below and to any matters not disclosed to us, we are of the opinion that:

**2.1 Status, Power and Authority, Legal Validity**

- 2.1.1 the Issuer (i) is a private liability company duly incorporated and validly existing under the laws of the Federal Republic of Nigeria; (ii) has perpetual corporate existence and the capacity to sue or be sued in its own name; (iii) has the corporate power and authority to enter into and perform the obligations expressed and assumed by it under the Transaction Documents to which it is a party and any Notes; (iv) has taken all necessary corporate and other action to authorise the entry into, execution of and performance of its obligations under the Transaction Documents to which it is a party and the Notes; and (v) has duly complied with all extant laws, regulations, circulars and guidelines;
- 2.1.2 the Transaction Documents have been duly executed and delivered, and the Transaction Documents and the Notes have been duly authorised by the Issuer in accordance with the laws of the Federal Republic of Nigeria and the Constitutional Documents of the Issuer;
- 2.1.3 the Transaction Documents constitute valid, legal, binding and enforceable obligations of the Issuer and are enforceable against it in accordance with their terms;
- 2.1.4 the holders of the Notes shall be entitled, severally, to enforce the Deed of Covenant against the Issuer;
- 2.1.5 the Notes, when issued, would constitute valid, legal, binding and enforceable obligations of the Issuer; and



2.1.6 the issuance of the Notes in dematerialised form is valid and legal under Nigerian law.

**2.2 Foreign Exchange Control**

2.2.1 There are no foreign exchange control consents, licences or approvals required (including without limitation by any governmental authority, including the Central Bank of Nigeria) for the entry into and performance by the Issuer of its obligations under the Transaction Documents or the Notes; save that non-residents of Nigeria who have brought funds into Nigeria for the purchase of the Notes through an approved and lawful channel may upon liquidating their investment in the Notes repatriate the proceeds of their investment upon the submission of all relevant documentation including a Certificate of Capital Importation, which evidences the in-flow of the funds into Nigeria by the non-resident holders of the Notes in accordance with the provisions of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act<sup>1</sup> and the Foreign Exchange Guidelines issued by the Central Bank of Nigeria.

**2.3 Consents, Filings and Form**

2.3.1 No consent, approval, registration or filing with any court or governmental authority in the Federal Republic of Nigeria (including the Central Bank of Nigeria and the Securities and Exchange Commission of Nigeria) is required in connection with the execution, delivery and performance of the Transaction Documents, including the issue of the Notes.

2.3.2 the Notes, when issued, would be issued in compliance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the Central Bank of Nigeria.

2.3.3 the Transaction Documents are in the proper form for their admissibility in evidence and their enforcement (save for payment of stamp duty as described in paragraph 2.8 below) against the Issuer in the courts of the Federal Republic of Nigeria.

**2.4 Non conflict with laws**

The execution of and the performance by the Issuer of its obligations under the Transaction Documents and the Notes, and the compliance with the provisions of the Transaction Documents to which it is a party and the Notes will not contravene, violate or conflict with any law, statute, rule or regulation of the Federal Republic of Nigeria or the Constitutional Documents of the Issuer.

**2.5 Insolvency**

To the best of our knowledge, no procedure has been commenced in the Federal Republic of Nigeria with a view to the winding up, reorganisation, or dissolution (or similar procedure) of the Issuer or with a view

<sup>1</sup> Cap F34 Laws of the Federation of Nigeria 2004

to the appointment of a liquidator, receiver, receiver/manager or similar officer in respect of the Issuer or any of its properties, assets or interest.

**2.6 Immunity**

The Issuer is not entitled to claim in relation to itself or any of its assets, any form of immunity on the grounds of sovereignty, diplomacy or otherwise from any legal action or proceeding or from execution of a judgement against it, instituted or initiated before a competent jurisdiction or any arbitral panel.

**2.7 Licensing and Qualifications etc.**

- 2.7.1 Under the laws of the Federal Republic of Nigeria, no party which is not registered in Nigeria will, by reason of its purchase of the Notes, and enforcing its rights thereunder, (i) be required to be registered, qualified, licensed or otherwise entitled to do business in the Federal Republic of Nigeria or be required to comply with any requirement as to foreign registration or qualification in the Federal Republic of Nigeria; or (ii) be required to make any filing with any court or other agency in the Federal Republic of Nigeria prior to any enforcement of the Transaction Documents (including the Notes); or (iii) be deemed to be resident, domiciled or carrying on business in the Federal Republic of Nigeria for tax or any other purpose.
- 2.7.2 The performance by any party of any of its rights, duties, obligations or representations under the Transaction Documents (including the Notes) will not violate any existing applicable law or regulation in the Federal Republic of Nigeria.

**2.8 Taxes and Stamp Duty/Registration**

- 2.8.1 The provisions of the Stamp Duties Act<sup>2</sup> require any instrument executed in the Federal Republic of Nigeria, or relating, wheresoever executed, to any property situated or any matter or thing done or to be done in the Federal Republic of Nigeria to be stamped and the appropriate stamp duty paid in respect of the said instrument. Unstamped or insufficiently stamped instruments are not admissible in evidence (except in criminal proceedings) in the courts of the Federal Republic of Nigeria.
- 2.8.2 Stamp duty is payable in the Federal Republic of Nigeria either at a flat rate or an ad valorem rate. Based on the Stamp Duties Act, the rate of stamp duty payable in the Federal Republic of Nigeria in respect of the Note is 0.1% levied on an ad valorem basis on the value of the underlying transaction.
- 2.8.3 Prior to the amendment of the Stamp Duties Act by the Finance Act 2019, dematerialised Notes were not subject to stamp duty as the Notes being in uncertificated form did not qualify as

<sup>2</sup> Cap S8 Laws of the Federation of Nigeria 2004

“instruments” as was previously defined under the Stamp Duties Act.

- 2.8.4 The Finance Act amends the definition of “instruments” in the Stamp Duties Act to include electronic instruments, as such, it is not clear whether the electronic form of the dematerialised Notes would qualify the Notes as an electronic instrument which would be subject to stamp duty.
- 2.8.5 Where the Federal Inland Revenue Service takes the view that the dematerialised Notes qualify as “electronic instruments”, the Notes would be subject to stamp duty as stated in Paragraph 2.8.2 above.
- 2.8.6 It is unclear whether the Deed of Covenant, the Dealer Agreement the Collecting and Paying Agency Agreement and the Issuing and Placing Agency Agreement will be assessed for stamp duties at a flat rate or an ad valorem rate. Historically, the Deed of Covenant, the Collecting and Paying Agency Agreement the Dealer Agreement and the Issuing and Placing Agency Agreement have each attracted a nominal stamp duty of N500.00 (Five Hundred Naira) for an original copy and N50.00 (Fifty Naira) for each counterpart. The Deed of Covenant, the Issuing and Placing Agency Agreement the Dealer Agreement and the Collecting and Paying Agency Agreement will be assessed and stamped at the prevailing stamp duties rate as of the time of stamping. No other stamp, registration fees or other tax is payable, and no filing or registration is required in connection with the execution, delivery, performance or enforcement of any of the foregoing documents.
- 2.8.7 Each of the Transaction Documents are required to be stamped in Nigeria within a period of 30 (thirty) days after their execution (where they are executed in the Federal Republic of Nigeria) or within a period of 40 (forty) days after they are first brought into the Federal Republic of Nigeria (in the event that they are executed outside the Federal Republic of Nigeria).
- 2.8.8 No other stamp duty is payable, and no filing or registration is required in connection with the execution, delivery, issue, performance and enforcement of the Transaction Documents and the Notes.
- 2.8.9 The Issuer is not required to make any withholding or deduction from any payment due to the Noteholders on the Notes. However, the discount on any of the Notes may be taxed in accordance with applicable Nigerian tax laws.

**2.9 Forum of Dispute Resolution**

- 2.9.1 The submission to arbitration by the parties would be upheld in Nigeria as parties are permitted under Nigerian law to choose arbitration as a means of settling their disputes. Parties are also permitted to choose the seat and governing rules of the arbitration.



2.9.2 The courts of the Federal Republic of Nigeria will accept jurisdiction in any suit, action or proceedings against the Issuer arising out of or in connection with the Transaction Documents and the Notes and can give judgement in a currency other than the legal tender/lawful currency of the Federal Republic of Nigeria for the payment of any sum due under the Transaction Documents or the Notes.

**2.10 Pari Passu**

2.10.1 The obligations of the Issuer under the Transaction Documents and the Notes will rank at least pari passu as to priority of payment with the claims of all other unsecured and unsubordinated creditors of the Issuer except for those claims which are mandatorily preferred solely by any bankruptcy, insolvency or liquidation or other similar laws of general application.

**3. QUALIFICATIONS**

This Opinion is subject to the following qualifications:

- 3.1 this Opinion is limited in all respects to the laws of the Federal Republic of Nigeria, as at the date hereof. We have not made any investigations of, and we do not express any opinion as to the laws of any other jurisdiction;
- 3.2 this Opinion is expressed as of the date hereof and we assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective;
- 3.3 our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which the courts in the Federal Republic of Nigeria will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances as the validity, enforceability and/or binding nature of such obligations or documents under the laws of the Federal Republic of Nigeria will be subject to, amongst other things, the laws of bankruptcy, insolvency, receivership, reorganisation, liquidation, moratorium and other like laws. In particular, equitable remedies such as injunctions and specific performance are discretionary and are not generally available in circumstances where damages are considered by the courts in the Federal Republic of Nigeria to be an adequate remedy;
- 3.4 save for paragraph 2.8 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein; and
- 3.5 where any obligation is to be performed or observed in a jurisdiction outside the Federal Republic of Nigeria, it may not be enforceable under Nigerian law if and to the extent that such performance or observance would be unlawful, unenforceable or contrary to public policy of the Federal Republic of Nigeria or under the laws of such jurisdiction.

**4. RELIANCE**

This Opinion is issued at the request of the Issuer and Rating Agencies for the purpose of the Programme and any Note issuances thereunder. This Opinion may be relied upon only by the Issuer and Rating Agencies and persons seeking to invest in the Notes, in connection with the matters dealt with herein and may not without our prior written consent be relied upon by any other person. Neither its contents nor its existence may be disclosed to any other person unless we have given our prior written consent.

This Opinion may be disclosed (a) if required by law or regulation; (b) to the officers, directors, employees, affiliates, professional advisers (including legal advisers), auditors or regulators of the Dealers; and (c) in connection with any actual or potential dispute or claim in respect of the Note issuance provided that such persons may not rely on the Opinion.

*Signed -*

**FOR: TOLG ADVISORS**



**MICHAEL ORIMOB**  
MANAGING PARTNER

## STATUTORY AND GENERAL INFORMATION

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### Authorisation

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Nosak Distilleries Limited dated 27<sup>th</sup> April 2022.

### Auditors

Femi Davies & Co. acted as auditors of the annual financial statements of the Issuer for the financial years ended December 31, 2019, December 31, 2020 and December 31, 2021 and issued unqualified reports.

### Commercial Paper Outstanding

The Issuer has no commercial paper outstanding as at the date of this Programme Memorandum.

### Going Concern

The Issuer is at the date hereof a going concern and can be reasonably expected to meet all of its obligations as and when they fall due.

### Material Contracts

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

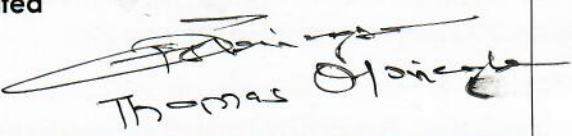
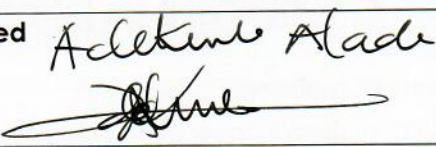
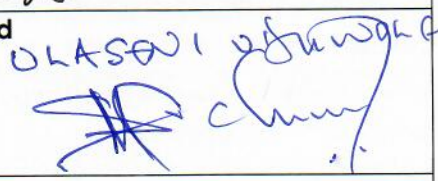
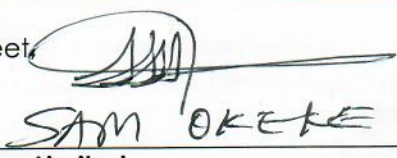
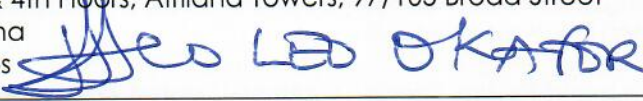

- I. the Deed of Covenant dated 6<sup>th</sup> October 2022 executed by the Issuer as a deed poll in favour of the Noteholders;
- II. the Dealer Agreement dated 6<sup>th</sup> October 2022 executed by the Dealer and the Issuer;
- III. the Issuing and Placing Agency Agreement dated 6<sup>th</sup> October 2022 executed by the Issuer and Issuing and Placing Agent; and
- IV. Collecting and Paying Agency Agreement dated 6<sup>th</sup> October 2022 executed by the Issuer and the Collecting and Paying Agent.

Other material contracts in respect of any issuance of Notes under the Programme will be disclosed in the Applicable Pricing Supplement issued in respect of that Series or Tranche.

### Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

# **PARTIES TO THE PROGRAMME**

<b>Issuer</b>	<b>Nosak Distilleries Limited</b> 2 Ramat Crescent Ogudu GRA Lagos 
<b>Arranger, Dealer, Issuing and Placing Agent</b>	<b>Boston Advisory Limited</b> 28B Awori Road Dolphin Estate Ikoyi 
	<b>Radix Capital Partners Limited</b> 3rd Floor ALLCO Plaza, PC 12 Churchgate Street, Victoria Island Lagos 
<b>Collecting &amp; Paying Agent</b>	<b>Fidelity Bank Plc</b> 2, Kofo Abayomi Street, Victoria Island, Lagos 
<b>Trustees</b>	<b>United Capital Trustees Limited</b> 3rd & 4th Floors, Afriland Towers, 97/105 Broad Street Marina Lagos 
<b>Auditor to the Issuer</b>	<b>Femi Davies &amp; Co</b> (Chartered Accountants) 3, Olakunle Ajibade Street Off Ogudu Ojota Road Lagos 
<b>Solicitors</b>	<b>TOLG Advisors</b> 15A Remi Olowude Street Lekki Phase 1 Lagos 