

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 approved by the members of the Board of Directors of Dufil Prima Foods PLC and they individually and jointly accept full responsibility for the accuracy of all information given.



DUFIL PRIMA FOODS PLC

RC 438802

₦50,000,000,000 Commercial Paper Issuance Programme

Dufil Prima Foods PLC ("Dufil", the "Issuer" or the "Company"), a public limited liability company incorporated in Nigeria, has established this ₦50,000,000,000 Commercial Paper Issuance Programme (the "CP Programme" or "the Programme"), under which Dufil may from time to time issue Commercial Paper Notes ("CP Notes" or "Notes"), denominated in Nigerian Naira, in separate series or tranches subject to compliance with all relevant laws and in accordance with the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum ("Programme Memorandum").

Each Series or Tranche (as defined herein) will be issued in such amounts, and will have such discounts, periods of maturity and other terms and conditions as set out in the relevant Pricing Supplement (as defined herein) applicable to such Series or Tranche (the "Applicable Pricing Supplement"). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦50,000,000,000 (Fifty 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 incorporated herein by reference and, in relation to any Series or Tranche, together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum. This Programme Memorandum, any Applicable Pricing Supplement and the Notes have not been and will not be registered with the Securities and Exchange Commission ("SEC"), or under the Investments and Securities Act, No. 29 of 2007 (as amended).

The CP Notes will be issued in dematerialised form, registered, quoted and traded via the FMDQ Securities Exchange Limited ("FMDQ Exchange") platform in accordance with the FMDQ Exchange Rules (defined below), CBN Guidelines (defined below) and such other regulations with respect to the issuance, registration and quotation of Commercial Paper as may be prescribed by the Central Bank of Nigeria ("CBN") and FMDQ Exchange from time to time, or any other recognised trading platform as approved by the CBN. The securities will settle via any central securities depository registered or recognised by SEC, acting as custodian and clearing agent 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 material change in the condition of the Issuer, material mistake, omission or inaccuracy relating to the information included in this 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 CP Notes.

LEAD ARRANGER / ISSUING AND PLACING AGENT



Stanbic IBTC Capital Limited
RC 1031358

JOINT LEAD ARRANGER / ISSUING AND PLACING AGENT



Rand Merchant Bank Nigeria Limited
RC 1031371

COLLECTING AND PAYING AGENT



Stanbic IBTC Bank PLC
RC 125097

CONTENTS

DEFINITIONS AND INTERPRETATIONS	3
IMPORTANT NOTICES	8
INCORPORATION OF DOCUMENTS BY REFERENCE	10
SUMMARY OF THE PROGRAMME	11
OVERVIEW OF DUFIL PRIMA FOODS PLC	13
USE OF PROCEEDS	18
TERMS AND CONDITIONS OF THE NOTES	19
TAX CONSIDERATIONS	25
RISK FACTORS	26
SETTLEMENT, CLEARING AND TRANSFER OF NOTES	29
PRO FORMA APPLICABLE PRICING SUPPLEMENT	32
AUDITOR'S COMFORT LETTER	36
HISTORICAL FINANCIAL INFORMATION	37
EXTRACT FROM ISSUER'S RATING REPORT	40
LEGAL OPINION ON THE NOTES	41
GENERAL INFORMATION	50
PARTIES TO THE PROGRAMME	51

DEFINITIONS AND INTERPRETATIONS

In this Programme Memorandum, unless a contrary indication appears, the following expressions shall have the meanings respectively assigned to them.

"Agency Agreements"	(A) The Issuing and Placing Agency Agreement and Collecting and Paying Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer and the Issuing and Placing Agents and (B) Collecting and Paying Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer and the Collecting and Paying Agent.
"Applicable Pricing Supplement" or "Pricing Supplement"	The document(s) to be issued pursuant to the Programme Memorandum, which shall provide the definitive final terms and conditions relating to a specific Tranche or Series under the Programme.
"Arrangers", "Issuing and Placing Agents" or "IPAs"	Stanbic IBTC Capital Limited Rand Merchant Bank Nigeria Limited.
"Board" or "Directors"	The Board of Directors of the Issuer.
"Business Day"	Any day excluding Saturdays, Sundays and a public holiday declared by the Federal Government of Nigeria on which commercial banks are open for general banking business in Lagos, Nigeria.
"Business Hours"	8:00am to 5:00pm on any Business Day.
"CAMA"	Companies and Allied Matters Act No. 3 of 2020 as may be amended from time to time.
"CBN"	The Central Bank of Nigeria.
"CBN Guidelines"	CBN 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 or any amendments thereto.
"Central Securities Depository", "CSD" or "Clearing Agent"	CSCS or FMDQ Depository (which expression shall include their successors) or any additional or alternative clearing system recognised or registered by SEC as may otherwise be specified in the Applicable Pricing Supplement.
"CGT"	The Capital Gains Tax as provided for under the Capital Gains Tax Act (Cap. C1) LFN 2004 (as amended by the Finance Act 2019, Finance Act 2020 and Finance Act 2021).
"CITA"	Companies Income Tax Act (Chapter C21) LFN, 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007, the Finance Act 2019, the Finance Act 2020, and the Finance Act 2021).
"CP"	Commercial Paper.
"CP Notes" or "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.

DEFINITIONS AND INTERPRETATIONS

"Collecting and Paying Agent" or "CPA"	Stanbic IBTC Bank PLC, as Collecting and Paying Agent or any other Agent that may be appointed under the 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" or the "Transaction"	The ₦50,000,000,000 domestic commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time under a standardised documentation framework.
"CSCS"	Central Securities Clearing System PLC.
"CSD Rules"	The rules governing transfer of title in securities held with the CSD.
"CSD Securities Account"	A securities account maintained by a Noteholder with the CSD.
"CSCS Rules"	The rules and operating procedure of the CSCS.
"Day Count Fraction"	Such method of calculating the interest/discount in respect of a Note as specified in the Applicable Pricing Supplement.
"Dealing Members"	An FMDQ Exchange licensed member authorized to make market in securities admitted to trade on the FMDQ Exchange.
"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.
"Default Rate"	The interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher).
"Eligible Investor" or "EI"	An investor that is not a Qualified Institutional Investor as defined in the FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules.
"Event of Default"	An event of default as set out in Condition 6 of the "Terms and Conditions".
"Face Value"	The par value of the Notes.
"FGN"	The Federal Government of Nigeria.
"FIRS"	The Federal Inland Revenue Service.
"FMDQ Depository" or "FMDQD"	FMDQ Depository Limited.
"FMDQ Exchange" or the "Exchange"	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration, and trading of securities.
"FMDQ Exchange Rules"	The FMDQ Exchange Commercial Paper Registration and Quotation Rules, April 2021, as may be amended or supplemented from time to time.

DEFINITIONS AND INTERPRETATIONS

"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, lockout, national emergency, pandemic, epidemic, riot, war, civil commotion, unrest or disturbances, embargo, legislation, acts of God, acts of terrorism, and industrial unrest.
"Government"	Any federal, state or local government of the Federal Republic of Nigeria.
"Group"	Dufil Prima Foods PLC and its subsidiaries.
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement.
"ISIN"	International Securities Identification Number.
"Issuer", "Dufil" or the "Company"	Dufil Prima Foods PLC, a public limited company incorporated under the laws of the Federal Republic of Nigeria with RC No 438802 and having its registered office at 44, Jimoh Odutola Street, Off Eric Moore Road, Surulere, Lagos.
"Issue Date"	The date on which the relevant Series or Tranche of the Notes is issued as specified in the Applicable Pricing Supplement.
"Issue Price"	The price at which the relevant Series or Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement.
"Issue Rate"	The discount rate at which the relevant Series or Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement.
"LFN 2004"	The Laws of the Federation of Nigeria 2004.
"Maturity Date" or "Redemption date"	In relation to any Series or Tranche, the date on which the Principal Amount are due and payable in respect of the Notes as specified in these Conditions and the Pricing Supplement.
"Naira" or "₦"	Nigerian Naira, the official currency of the Federal Republic of Nigeria.
"NIBOR"	The Nigerian Inter-Bank Offered Rate.
"Nigeria"	The Federal Republic of Nigeria. "Nigerian" shall be construed accordingly.
"Noteholder" or "Holder"	The holder of a Note issued under this Programme as recorded in the Register in accordance with the Terms and Conditions.

DEFINITIONS AND INTERPRETATIONS

"Outstanding"	in relation to the Notes, all the Notes issued, other than: (i) those Notes which have been redeemed pursuant to the provisions of the Terms and Conditions; (ii) 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 the Terms and Conditions; and (iii) those Notes which have become void under the provisions of the Terms and Conditions.
"PITA"	Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act of 2011, the Finance Act 2019, the Finance Act 2020, and the Finance Act 2021).
"Principal Amount"	The Face Value of each Note, as specified in the Applicable Pricing Supplement.
"Pricing Supplement"	The document(s) to be issued pursuant to the Programme Memorandum, which shall provide the final terms and conditions of a specific issue of a Series or Tranche of the Notes under the Programme.
"Programme Memorandum"	This information memorandum in respect of the Programme dated 31 October 2022 providing detailed particulars of the Programme and includes any supplementary programme memorandum issued by the Issuer from time to time in respect of the Notes.
"Qualified Institutional Investor" or "QII"	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 determined by SEC from time to time.
"Redemption Amount"	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note on the Redemption Date.
"Register"	The register to be maintained by the Registrar in respect of the Notes and the Noteholders.
"Registrar"	The CSD or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme.
"Rollover"	A CP issue which is raised for the repayment of an existing CP issue on its maturity date.
"SEC"	The Securities and Exchange Commission, Nigeria.
"Series"	A series of Notes issued by the Issuer comprising one or more Tranches, having identical terms on issue and expressed to have the same series number but may not have the same Issue Date and issue price.
"Special Resolution"	A resolution passed by at least three fourths (3/4) majority of the total number of Noteholders at any point in time.
"Tranche"	In relation to a Series, those Notes of that Series that are issued on the same date and at the same issue price.

DEFINITIONS AND INTERPRETATIONS

"Unique Identifier"	A code specifically designated/assigned to identify a CP.
"VAT"	Value Added Tax as provided for in the VAT Act.
"VAT Act"	Value Added Tax Act (Chapter V1) LFN, 2004 (as amended by the Value Added Tax (Amendment) Act No. 12 of 2007, the Finance Act 2019, the Finance Act 2020, and the Finance Act 2021).
"WHT"	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA.
"Zero Coupon Note"	Notes which will be offered and sold at a discount to their Principal Amount and will not bear interest, save for default interest payable on late payments.

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time Notes up to a maximum aggregate amount of ₦50,000,000,000. 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.

The Issuer accepts responsibility for the information contained in this Programme Memorandum. 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, 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.

To the fullest extent permitted by law, the Issuing and Placing Agents and other professional advisers make no representation, warranty or undertaking, express or implied and accept no responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Issuing and Placing Agents, and other professional advisers or on their behalf in connection with the Issuer or the issue and offering of the Notes. The Issuing and Placing Agents and other professional advisers accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save to the extent permitted by law) which it might otherwise have in respect of this Programme Memorandum or any such statement.

No person has been authorised 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 authorised by the Issuer, unless explicitly delivered 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 Issuing and Placing Agents, that any recipient of this Programme Memorandum or any other information supplied in connection with the CP Programme should purchase any Notes.

Each person contemplating the purchase of any Notes 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 financial statements of the Issuer prior to taking any investment decision.

Notes issued under the Programme shall be restricted to Qualified Institutional Investors and Eligible Investors who meet the qualification criteria prescribed by FMDQ Exchange from time to time.

All currency risks assumed by investors upon purchase of the Notes are borne by the individual investors.

The Issuing and Placing Agents and CPA are under no obligation to seek recovery or initiate any action against the Issuer.

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.

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

1. each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
2. the audited annual financial statements (and notes thereto) and any unaudited interim financial statements published subsequent to such annual financial statements of the Issuer for the financial years/periods 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, complete and/or 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 in respect of 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 Memorandum; or
- (b) any modification of the terms of the Programme, which would then make this Programme Memorandum materially inaccurate or misleading.

Any such new 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 Issuer will provide free of charge to each prospective investor upon request, a copy (which includes an electronic copy at the Issuer's option) of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents shall be directed to the Issuer at its specified office(s) 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 and the Applicable Pricing Supplement. The information below is a brief summary of the key features and summarised terms and conditions of the proposed CP Programme:

1.	Issuer:	Dufil Prima Foods PLC.
2.	Programme Description:	Domestic Commercial Paper Issuance Programme.
3.	Programme Size:	₦50,000,000,000 (Fifty Billion Naira).
4.	Issuance in Series:	The Notes will be issued in Series and each Series may comprise one or more Tranches issued on different dates. The Notes in each Tranche of each Series 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.
5.	Lead Arranger:	Stanbic IBTC Capital Limited.
6.	Joint Lead Arranger:	Rand Merchant Bank Nigeria Limited.
7.	Collecting and Paying Agent:	Stanbic IBTC Bank PLC or any other Agent that may be appointed under the Programme.
8.	Auditor:	Deloitte & Touche.
9.	Central Securities Depository:	Central Securities Depository specified in the Applicable Pricing Supplement.
10.	Solicitor to the Transaction:	G. Elias.
11.	Use of Proceeds:	The net proceeds from each issue of Notes under the Programme will be used for the purpose of supporting the short-term working capital and funding requirements of the Issuer or as may otherwise be described in the Applicable Pricing Supplement.
12.	Source of Repayment:	The repayment of all obligations under the Programme will be funded from the cash flows of the Issuer, unless otherwise specified in the Applicable Pricing Supplement.
13.	Method of Issue:	The Notes may be offered and sold to Qualified Institutional Investors and/or Eligible Investors 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.
14.	Maturity Date:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum tenor of 270 days (including rollover, from date of issue).
15.	Interest Payments:	Notes issued will be in the form of Zero-Coupon Notes or as specified in the Applicable Pricing Supplement.

16.	Default Rate:	Interest rate equivalent to the daily overnight Nigerian Inter-bank Offered Rate (NIBOR) + 5% per annum or issue rate + 5% per annum (whichever is higher).
17.	Issue Price:	The price at which the relevant Series or Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement.
18.	Issue Size:	As specified in the Applicable Pricing Supplement.
19.	Currency of Issue:	The Notes issued under this Programme will be denominated in Naira.
20.	Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules.
21.	Ratings:	<p>The Issuer has been assigned A- from Global Credit Rating Co.</p> <p>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.</p>
22.	Status of the 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 debt obligations mandatorily 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.
23.	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.
24.	Quotation:	The Issuer will quote all Series or Tranches issued on the FMDQ Exchange's platform or any other recognised trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation or listing of any Series or Tranche of notes quoted or listed on the relevant trading platform.
25.	Taxation:	Refer to the section of this Programme Memorandum headed " <i>Tax Considerations</i> ".
26.	Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law.
27.	Settlement Procedures:	The Notes will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment ("NIP"), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS") and in accordance with the guidelines and procedures of the CSD.

1. HISTORY AND OVERVIEW OF DUFIL PRIMA FOODS PLC

Dufil Prima Foods PLC is Nigeria's pioneer, foremost and largest producer within the noodles segment of the consumer goods industry. Dufil engages in the manufacturing of other complimentary products for its noodle product, such as flour (wheat and cassava based), seasoning, edible oil and flexible wrappers. Apart from this, the Group also manufactures other food products like, pasta and snacks like chinchin. The Group as it is known today started with the incorporation of Dufil as a private company in 2001 and owned the first noodles manufacturing plant in Nigeria and the largest in West Africa at the time. Upon completion of a restructuring exercise the company was converted to public limited company and became the holding company of the Group in year 2008. Dufil is currently listed on the NASD OTC Securities Exchange.

Dufil, via its flagship noodle product Indomie, has grown to be a household name in Nigeria and in West Africa due to its consumer centric culture and extensive distribution network (through its sister company, Multipro Consumer Products Company. The Group's expansion has been marked by significant milestones such as the production of one million cartons of noodles per month in 2004, just eight years after production commenced as well as the production of the one billionth pack of noodles in 2009.

Dufil has been in operations for over 25 years and is headquartered in Lagos, Nigeria. Over the years, Dufil has embarked on fruitful asset acquisitions in conjunction with its visible growth trajectory and brand value with the Group. Dufil has an established track record of consistent and sustainable growth and has contributed significantly to the growth and development of the Nigerian economy through its contribution towards job creation and gross domestic product. Dufil currently has over 1,650 full time employees in various locations across Nigeria.

2. BUSINESS OVERVIEW

Dufil is a joint venture between Tolaram Africa Foods Pte Ltd ("Tolaram Group") and Platinum Streams Profits Limited ("Platinum Group"), two international business groups with corporate headquarters in Asia. Tolaram Group is based in Singapore with diversified activities ranging from its core business of manufacturing consumer products and textiles to trading and Infrastructure development.

Dufil is engaged in the production and marketing of Instant Noodles, and has fully backward integrated into flour, edible oil, seasoning and flexible packaging to become cost efficient and reduce reliance on external parties for critical supplies. Through its instant noodles brands, which has a market share of c.72%.80%, Dufil has become one of the most recognised consumer goods company in Nigeria and supports its established brands by a customer centric culture in addition to an extensive distribution network. Other consumer goods brands produced and marketed by Dufil includes Power Oil, Emperor Oil, Pure Flour, Minimie Chinchin, Minimie Instant Noodles, Mimee Instant Noodles, Minimie Pasta and Power Pasta.

Dufil operates five noodles factories, the first in Ota commenced operations in 1996 and has a total production capacity of c. 110,000MT per annum. This was followed by the second factory in Port Harcourt which was set up in 2004 and has a total production capacity of c. 116,000MT per annum. The third is a state-of-the-art automation noodle manufacturing factory was set up in Kaduna in 2011 which has a total production capacity of c. 125,000MT per annum. In 2019, a new manufacturing factory has been set up in Ghana with a capacity to produce c. 40,000MT per annum. Lastly, in 2021 the Group set up another noodle factory in Aba with a capacity of c.18,000MT per annum. The Group also operates ten other factories producing goods to complement the Group's key product (Indomie) as well as other products such as Power Oil, Power Pasta and Minimie Chinchin.

I. Brand Portfolio

Dufil has a diverse product offering for its customers. The Group's portfolio includes its iconic and market leading flagship brand – Indomie Instant Noodles, which was first imported into Nigeria in 1988 while local production commenced in 1996. There are currently six variations

of Indomie Instant Noodles: Chicken, Onion Chicken, Pepper Chicken, Oriental Fried Noodles, Cray Fish and Relish which appeal to all demographics within Nigeria.

In 2012, the Group launched two new product lines to appeal to existing and new customers; these included Power Pasta and Pure Flour. Dufil also produces seasoning and flexible packaging to complement its noodle brand as well as Power Oil which was introduced into the market in 2013. Dufil also launched Minimie Chinchin as a new product category in 2014. In Noodles category, Dufil launched Minimie Instant Noodles in 2015 and acquired Dangote and Mimee Instant Noodles in the year 2017 and 2018 respectively. In 2019, Dufil commenced operations of its noodle factory in Ghana and later acquired Yum-mie noodles in Ghana in 2020.

II. Quality Control Procedures

Dufil has a reputation for producing high quality food products in Nigeria. This is brought on by a robust production process which includes quality control procedures at each major step, including mixing, dough preparation and packing and sealing. The Group's production plants operate to the highest level of hygiene and efficiency with strict adherence to good manufacturing practices and good laboratory practices to ensure consistency of product quality.

All the Group's products are registered with the National Agency for Food and Drug Administration and Control ("NAFDAC"), attesting to their suitability and safety for human consumption. In 2008, NAFDAC awarded Dufil with an award of excellence for being one of the most regulatory compliant organisations in Nigeria. Dufil was also awarded the National Productivity Order of Merit award by the President of the Federal Republic of Nigeria in 2019. All the Group's products are certified by the Mandatory Conformity Assessment Programme put in place by the Standards Organisation of Nigeria, this demonstrates Dufil's regulatory compliance and conformity with Nigerian industrial standards respectively.

Dufil obtained the internationally recognised Quality Management System ISO 9001:2000 certification in 2007. As an organisation that believes in continual improvement, the Issuer also obtained the ISO 22000:2005 certification which is based on the Hazard Analysis & Critical Control Point System (HACCP) principles of food safety risk management and includes the use of pre-requisite programmes to make a safe food supply.

This unwavering commitment to strict quality control systems and procedures has resulted in an enduring favourable customer perception of the "Indomie" brand of instant noodles in Nigeria.

3. SHAREHOLDING STRUCTURE

Shareholder	Number of shares held	Percentage Holding (%)
Tolaram Africa Foods Pte. Ltd.	3,308,700,056	48.994
Platinum Stream Profits Limited	3,308,700,056	48.994
Others	135,933,222	2.012
Total	6,753,333,334	100.00

As at 30 June 2022

4. SUBSIDIARIES

Dufil was reorganised into a holding company structure in 2008 and currently has five wholly owned subsidiaries (together "the Group") as follows:

I. Insignia Print Technology LFTZ Enterprise ("Insignia")

Insignia commenced operations in 2008 at Lagos Free Zone, Lekki, Lagos and represents Dufil's first initiative towards backward integration. Insignia produces and provides flexible packaging solutions to products manufactured by Dufil. Insignia Print also provides flexible packaging solutions for Group companies including TG Arla and Kellogg's Tolaram JV and external clients such as Unilever, Bua, Promasidor, TGI and Chi limited. Insignia's goal is to provide customers with flexible solutions that will protect and extend shelf life in an attractive consumer design manufactured with international quality standards.

II. Raffles Oil LFTZ Enterprise (“Raffles Oil”)

Raffles Oil, another backward integration initiative, commenced operations in 2013 at the Lagos Free Zone. The company caters to the vegetable oil needs of the Group as well as the Nigerian retail market. Raffles Oil engages in the manufacturing and marketing of Power Oil, Emperor Oil, RBDPO (Refined, Bleached, and Deodorized Palm Olein) and by-products. Power Oil was launched to provide Nigerians with a healthy, hygienic value-for-money product which ultimately helps lower cholesterol.

III. De United Foods Industries Ghana Limited (“De United Foods Ghana”)

De United Foods Ghana started in 2013. The company was set up to market and distribute Dufil’s noodle products and Minimie brand of pasta in Ghana. In 2019, it commenced commercial production of Indomie noodles. The establishment of the subsidiary in Ghana provides the opportunity for Dufil to expand its geographical footprint, diversify the Group’s customer base and further mitigate against FX challenges in Nigeria due to enhanced foreign exchange revenue.

IV. Enriched Pte Limited (“Enriched Pte”)

Enriched Pte was incorporated in 2017. The company engages in the procurement of goods, services, or works for the Group.

V. Infinity FZCO (“Infinity”)

Infinity FZCO was incorporated in 2019. The company engages in the procurement of goods, services, or works for the Group.

5. BOARD OF DIRECTORS’ PROFILES

The Board of Directors of Dufil consists of six non-executive directors and one executive director. The board formulates the broad policies and takes decisions for the management and operations of Dufil with a view to attaining the company’s objectives. A brief profile of the directors is presented below:

Mr. Haresh G. Aswani serves as the Chairman of the Board of Directors and was appointed to the Board in 2002. Mr. Aswani has been with Tolaram Group since 1984 and has in the past successfully established trading, industrial and manufacturing companies including key joint ventures with Asian companies. Mr. Aswani has been an Honorary Consul-General for Singapore in Nigeria since 2006 and he was also conferred the prestigious National Honour of MFR (Member of the Order of Federal Republic of Nigeria) in 2006. Mr. Aswani holds a Bachelor’s degree in Business Administration from University of Houston, Texas.

Mr. Adhi Narto serves as the Chief-Executive Director at Dufil. He joined the Group in 2001 as a Project Manager and later became Factory Manager of the Port Harcourt Plant. He was appointed Head of Manufacturing in 2005 and later became the Chief Operating Officer in 2007 before being appointed as CEO in 2020. He was elevated to the Board of Directors in 2008. He previously worked as a Construction Engineer and Project Coordinator at Indofoods. Mr. Narto has over 25 years of professional experience in various segments of the food businesses value chain including operations, project management, quality assurance and supply chain management. Mr Narto holds a Bachelor’s Degree in Civil Engineering and a Master’s Degree in Industrial Management from Bandung Institute of Technology, Indonesia.

Dr. Joseph Oladele Sanusi, CON serves as a Non-Executive Director and was appointed to the Board in 2008. He previously served as Managing Director and Chief Executive of United Bank for Africa Plc, from 1990 to 1992. Dr. Sanusi also served as Deputy Manager of CBN from 1966 where he rose to the post of a Departmental Director in 1977, after which he served as first Chief Executive of SEC in 1978. Dr. Sanusi has held top-level management and directorship positions in the financial services sector including First Bank of Nigeria Limited (formerly First Bank of Nigeria Plc), United Bank for Africa Plc, FBN (Merchant Bankers) Limited and Kakawa Discount House. He has been a Director of Lafarge Africa Plc since October 7, 2004, and also served as the Chairman of CBN and as the apex bank’s Governor between 1999 and 2004. Sanusi is an alumnus of South-West London College and Kingston College of Technology, England and is also a qualified Chartered Accountant. In 1969, he became a member of the

Institute of Chartered Accountants of Nigeria (ICAN) and became a fellow of the Nigerian Institute of Bankers in 1987.

Mr. Amit Banati serves as a Non-Executive Director at Dufil and was appointed to the Board in 2018. He is the SVP, CFO and Principal Financial Officer of Kellogg company and serves on the boards of the Kellogg-Wilmar Joint Venture in China and the Kellogg-Tolaram Joint Venture in Nigeria'. He is also a member of the company's Global Leadership Team. Prior to joining Kellogg Company, Mr. Banati served in a variety of board and leadership roles at Kraft Foods, Cadbury Schweppes and Procter & Gamble. He has worked extensively across the Asia Pacific region, particularly in Australia, India, China, Japan, Korea, Taiwan, Hong Kong, and Singapore. He is a member of the governing council of Food Industry Asia (FIA) and has served as president of FIA from 2014 to 2016. He is a member of the Young Presidents' Organisation (YPO) Singapore. He received a bachelor's degree in commerce from Calcutta University and a Master of Business Administration degree from the Indian Institute of Management in Lucknow.

Mr. Axton Salim serves as a Non-Executive Director at Dufil and was appointed to the Board in 2006. He began his career with Credit Suisse Singapore in the Investment Banking Division and later joined Indofood in 2004. He has been a Non-Executive Director of Indofood Agri Resources Limited since 2007 and served as a director since January 23, 2007. Mr. Salim received a Bachelor of Science in Business Administration from the University of Colorado, USA in 2002.

Mr. Rusmin Kasim serves as a Non-Executive Director at Dufil and was appointed to the Board of Directors in 2013. He has been the Head of the Corporate Treasury Division of PT Indofood CBP Sukses Makmur Tbk since 2012. Prior to joining PT Indofood, Mr. Kasim was Director and Head of Corporate Finance of PT DBS Vickers Securities Indonesia from 2005 to 2009 and was Director and Head of Corporate Finance of PT ING Securities Indonesia until 2004. Mr. Kasim holds a Master's degree in Business Administration from the University of Portland in Oregon, United State of America and a Bachelor's degree in Finance from the Oregon State University in Oregon, United State of America.

Mr. Deepak Singhal serves as a Non-Executive Director at Dufil. He was appointed to the Board of Directors in 2008. He has worked for Tolaram Group of Companies for over 22 years and grew through the ranks within the organization. In his career, he has held various senior positions including, Chief Operating Officer (COO) of Tolaram Group and Multipro Enterprises Limited. He is also the Africa CEO of Tolaram Group of Companies FMCG business. Prior to his appointment at Tolaram Group, he worked for Unilever, India. He graduated from St. Xavier's College, Calcutta University, India in 1997 and holds a Chartered Accountant Degree. He is also an Associate Member of the Institute of Company Secretaries of India.

6. MANAGEMENT TEAM

In addition to its Board of Directors, Dufil has an experienced management team that guides its various units of operation:

Mr. Adesh Jain serves as the Chief Operating Officer of Dufil. He joined the Tolaram Group in year 2003 as Finance manager in Lucky Fibers PLC. He played instrumental role in implementing ERP in Lucky Fibers. He headed Multipro North branch from year 2005 to 2007 where he grew the Indomie business significantly and groomed the team under him. Before being appointed as COO, he was heading cooking oil business for the Tolaram Group which he grew more than double in his tenure. Prior to this role, he headed the flour business for Dufil and industrial sales of palm oil. Mr. Adesh also headed commodity buying in Dufil. Mr. Adesh is a Chartered Accountant, Company Secretary and MBA from SP Jain Center of Management, Singapore and Dubai. He started his career with J P cement as assistant accounts manager.

Mr. Vivek Kasera serves as the Chief Finance Officer of Dufil. He joined the Tolaram Group in 2009 as Finance Executive in the Group's Seasoning division and subsequently worked as Finance Head/CFO for Hypo, TG Arla, Multipro and Dufil. He has over 13 years of experience in the spheres of Finance & Treasury, Supply Chain and Strategic management. He is an Associate member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India).

Mr. Waheed 'Bayo Adiamo is the Director of Tax, Legal and Corporate Affairs at Dufil. He joined the Group in 1995. With over 30 years of experience, he spearheads the Tax, Legal and Corporate Affairs department of the Group. Prior to joining Dufil, he completed his Audit training with Deloitte Adetona Isichei & Co., thereafter he worked with TAAL Associates Limited and later Joined Bakare Abiola & Co. Mr. Adiamo holds a B.Sc in Sociology from University of Ife and is a fellow of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria; an associate member of Institute of Chartered Secretaries and Administrators of Nigeria and the Nigerian Institute of Management.

Chief. Kolawole Hassan serves as the Director of Human Resources and External Relations at Dufil. He joined the group in 2006 and he spearheads the human resource and industrial relations department of the group. Mr. Hasan has over 35 years of experience. Prior to joining Dufil he worked with Nigeria Machine Tools Limited, Seven-up Bottling Company, Carnaud Metal Box and Nigeria Biscuits. He holds a B.Sc in Political Science from University of Ife and a Master's degree in Industrial and Labour Relations from University of Lagos. He is a fellow of the Chartered Institute of Personnel Management of Nigeria.

7. PREMISES

The registered office address of the Company is **44, Jimoh Odutola Street, off Eric Moore Road, Surulere, Lagos.**

Use of Proceeds

The net proceeds from each issue of Notes will be used to support the Issuer's short-term working capital and funding requirements, or as may otherwise be described in the Applicable Pricing Supplement.

The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Programme. The provisions of the Applicable Pricing Supplement to be issued in respect of any Series are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of those Notes. The Applicable Pricing Supplement in relation to any Series may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such Series of Notes.

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 ₦50,000,000,000 (Fifty Billion Naira). Each 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 and serially numbered.
- 2.1.2 The Notes issued under this Programme shall be denominated in Nigerian Naira in a minimum amount of ₦5,000,000 and integral multiples of ₦1,000 thereafter.
- 2.1.3 The Notes will be issued at a discount. The rate of discount will be calculated on the basis of such Day Count Fraction specified in the Applicable Pricing Supplement.
- 2.1.4 Notes will be issued through book-entry deposit by crediting the CSD account of applicants.
- 2.1.5 The Notes issued under the Programme will be in form of short-term Zero-Coupon Notes and will not bear interest, other than in the case of late payment.
- 2.1.6 Registers shall be maintained by the CSD and the Issuing and Placing Agent.

2.2 **Title**

Title to the Notes will pass upon credit to the CSD account of the Noteholder. Transfer of title to Notes shall be effected in accordance with the rules governing transfer of title in securities held by CSD. The Issuer shall deem and treat the registered Noteholder as reflected in the records of CSD and the Register as the absolute owner thereof for all purposes, including but not limited to the payment of outstanding obligation in respect of the Notes.

3. **STATUS OF THE NOTES**

The Notes constitute direct, unconditional, senior, unsubordinated and unsecured obligations of the Issuer and the Notes rank *pari passu* among themselves and, save for certain debts preferred by law, *pari passu* with all other present and future senior unsecured obligations of the Issuer outstanding from time to time.

4. **REDEMPTION**

The Notes are only redeemable at maturity at the face value specified in the Applicable Pricing Supplement.

5. PAYMENTS

The face value of the Notes will be paid to the Noteholders shown on the Register at the close of business on the Maturity Date. The registered Noteholders shall be the only persons entitled to receive payments in respect of the Notes and the Issuer will be discharged upon payment to, or to the order of, the registered Noteholders in respect of any amount so paid.

5.1 Method of Payments

5.1.1 All payment obligations in respect of the Notes will be made by electronic funds transfer, in the currency of the Notes specified in the Applicable Pricing Supplement.

5.1.2 All monies payable in respect of the Notes shall be paid to the Noteholders by the Collecting and Paying Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Collecting and Paying Agent.

5.1.3 In the case of joint Noteholders, payment by electronic transfers will be made to 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 held by the joint Noteholders.

5.1.4 In the case of nominees, the nominee shall be paid as the registered Noteholder, which payee shall in turn transfer such funds to the holders of the beneficial interests. The Issuer shall not be under an obligation to enquire as to whether such funds are actually transferred to the holders of the beneficial interests.

5.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note. Neither the Issuer nor its agents shall be under an obligation to enquire as to whether such funds are actually transferred to the holders of the beneficial interests.

5.1.6 If the Collecting and Paying Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, lockout, fire explosion, floods, riot, war, accident, 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 Collecting and Paying 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). Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register.

5.1.7 Cheques may be posted by registered mail, provided that the Collecting and Paying Agent shall be responsible for any loss in transmission where such loss arose from the wilful, fraudulent or grossly negligent act of the Collecting and Paying Agent. In any case, the Collecting and Paying Agent shall not be liable for any loss in transmission where such loss did not directly arise from the fraud or gross negligence of the Collecting and Paying Agent. The relevant postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.

5.2 Payment Day

Any payment in respect of the Notes shall be made on a Business Day. If the due date for payment of any amount in respect of the Notes is not a Business Day then the Noteholder thereof shall not be entitled to payment of the amount due until the next Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case the payment shall be made or that even shall occur on or by the immediate preceding Business Day. The Noteholder shall not be entitled to any further interest or other payment in respect of such delay.

6. EVENTS OF DEFAULT

6.1 Events of Default

An Event of Default in relation to the Notes shall arise if any one or more of the following events shall have occurred and be continuing:

- 6.1.1 subject to conditions 5.1.6 and 5.2 above, if the Issuer fails to make payment by the due date of any amount due on the Notes;
- 6.1.2 other than in relation to condition 6.1.1, if the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for a period of five (5) Business Days following the service on the Issuer by the Issuing and Placing Agent and the Collecting and Paying Agent of a written notice requiring that breach to be remedied;
- 6.1.3 if an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer initiates insolvency proceedings or becomes insolvent, or is provisionally or finally sequestered, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors;
- 6.1.4 should the shareholders or directors of the Issuer pass a resolution for the winding up of the Issuer;
- 6.1.5 if the Issuer acts in any way which may have a material adverse effect on the Issuer's business, financial condition or assets, or its ability to perform its obligations under the Programme;
- 6.1.6 the withdrawal by the relevant regulatory agency of the Issuer's operational licence or the failure of the Issuer to renew its licence resulting in its inability to carry on its business;
- 6.1.7 if an attachment, execution or other legal process is levied, enforced upon, issued or sued against a material or substantial part of any assets of the Issuer and is not discharged or stayed within sixty (60) days of service by the relevant officer of the court of such attachment, execution or other legal process;
- 6.1.8 if a writ of execution is issued by any competent court attaching any material or substantial part of assets belonging to the Issuer and such remains unsatisfied for more than seven (7) days after the date on which it is issued; or
- 6.1.9 the breach of any representation relating to the violation of Sanctions (any sanctions administered by the Nigerian government, His Majesty's Treasury, the Office of Foreign Assets Control of the United States of America ("US"), the US Department of Treasury, the US State Department, any other agency of the US government, the United Nations, the European Union or the African Union) in any agreements with the Issuing and Placing Agents and the Collecting and Paying Agent.

6.2 Action upon Event of Default

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 registered office, 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 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.

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 obligation to the Noteholders have been settled in full.

In addition, the Noteholders shall have the right to exercise all other remedies available to them under the laws of Nigeria.

7. REGISTER

- 7.1 The Register shall be maintained by the Registrar. The Register shall reflect 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 amount of the Notes issued to each Noteholder and the date of issue.
- 7.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any Noteholder shall be conclusive and binding for all purposes save in the case of manifest error, and such person shall be treated by the Issuer as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3 The Register shall be open for inspection during the normal Business Hours of the Registrar to any Noteholder or any person authorised by the Noteholder.
- 7.4 The Registrar shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. NOTICES

- 8.1 Notices to Noteholders shall be sent by the Registrar by registered mail or delivered by hand to the address appearing in respect of each Noteholder in the Register.
- 8.2 Any notice shall be deemed to have been given on the seventh (7th) day after the day on which it is mailed by pre-paid registered mail and on the day of delivery, if delivered by hand.
- 8.3 Any notice to be issued in accordance with this Condition 8 shall:
 - 8.3.1 be addressed to each of the Noteholders in the Register, provided that a notice may also be sent to the person entitled to any Notes in consequence of the death, insolvency, winding-up or dissolution of a Noteholder by sending it by registered mail addressed to him by name or by the title of the representative of the deceased or assignee of the insolvent or by any like description at the address (if any) supplied for that purpose by the person claiming to be so entitled, or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death, insolvency, winding-up or dissolution had not occurred;
 - 8.3.2 specify the date, place and time of the meeting to be held which place shall be in Nigeria; and
 - 8.3.3 contain a statement of the business to be transacted and the terms of every resolution to be proposed thereat.
- 8.4 Notices to Noteholders shall also be published in a daily newspaper with nationwide circulation in Nigeria, and any such notices shall be deemed to have been given and received on the date of first publication. A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice with the Issuer at its registered office.

9. MODIFICATION

- 9.1 The Issuing and Placing Agents 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 mandatory provisions of the law of Nigeria and which is not prejudicial to the interest of the Noteholders.
- 9.2 Save as provided in condition 9.1 above, no amendment of the Terms and Conditions may be effected unless;
 - 9.2.1 such amendment is in writing and signed by or on behalf of the Issuer; and

9.2.2 such amendment:

9.2.2.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is approved in writing by or on behalf of Noteholders, holding not less than seventy-five *per cent* (75%) of the outstanding Principal Amount of all the Notes; or

9.2.2.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is approved in writing by or on behalf of the Noteholders in that group (or groups) holding not less than seventy-five *per cent* (75%) of the outstanding Principal Amount of all the Notes held by that group.

9.3 Any such modification shall be binding on the affected Noteholders and shall be notified to the Noteholders in accordance with Condition 8 (Notices) within seven (7) Business Days.

10. MEETING OF NOTEHOLDERS

10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least twenty-one (21) days prior written notice to such Noteholders. The notice is required to be given in accordance with Condition 8 (Notices).

10.2 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.

10.3 Noteholders holding not less than ten *per cent* (10%) of the aggregate amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to, for no just cause, requisition such a meeting within ten (10) days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.

10.4 Notices of meeting convened by the Noteholders in condition 10.3 above shall be sent to the Issuer at the same time it is dispatched to other Noteholders.

10.5 A Noteholder may by an instrument in writing (a “form of proxy”) signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (“a proxy”) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.

10.6 Any Noteholder, which is a corporation, 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.

10.7 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.

10.8 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 fails to call such a meeting within ten (10) days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a majority of Noteholders present in person or proxy.

10.9 At any such meeting one or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of Notes shall form a quorum. 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.

10.10 If within thirty (30) 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 three (3) days nor more than ten (10) days thereafter and at the same time and place. At such adjourned meeting one or more Noteholders present or represented by proxy shall form a quorum and shall have power to pass any Special Resolution or other 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. FURTHER ISSUES

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

12. GOVERNING LAW

The provisions of the Programme Memorandum and the Notes are governed by and shall be construed in accordance with the laws of the Federal Republic of Nigeria.

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, however, in the case of a late payment, interest will accrue on the redemption monies to be paid to the Noteholders. The discount on the Notes, and/or any accrued interest on the redemption monies to be paid to Noteholders may be taxed in accordance with applicable Nigerian tax laws.

The foregoing 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 tax position should seek professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Notes, bearing in mind his/her 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.

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 COMPANY

The following is a description of the risk factors that are material in respect of the financial situation of the Issuer. The risks described below are not the only risks that affect the Company. Additional risks and uncertainties not currently known to the Issuer or that the Issuer considers immaterial may also materially and adversely affect the Issuer. Any of the following risks could result in a material adverse effect on the Issuer's financial condition, results of operations and ability to service debt including the CP Notes.

The sequence in which they are listed is not an indication of their likelihood of occurrence or the extent of their commercial consequences. The following statements are complete but not exhaustive, thus prospective investors must consider all the information provided in this Programme Memorandum.

a. *Source of raw materials*

Dufil imports a significant amount of its raw materials which are not easily available within the country. The quality and availability of raw materials, as well as security to supply chains remain a risk. Imported raw materials could be subject to arbitrary increases in taxes and duties. Volatility and sudden increase in input costs due to shortages may not be easily passed to consumers which may affect the Group's margins. Changes in foreign exchange rates and controls may also affect the Group's ability to source some of its raw materials.

b. *Lower consumer discretionary spending poses a threat to the Group's revenue*

Sales in the Nigerian consumer goods sector could be impacted by the expected reduction in consumers' disposable income due to expectations of rise in fuel costs leading to higher cost of living as well as the subsequent rise in inflation from increases in fuel costs and wage costs (as a result of the minimum wage policy) which may be passed on to consumers. Consequently, Dufil could experience sales decline in the short and long term due to decreasing discretionary consumer expenditure.

c. *Underdeveloped power and transport infrastructure continue to add to the cost of doing business*

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

In addition, poor rail and road networks limit land-based transport, further increasing the overall business costs for manufacturers.

d. *Legal Risks*

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, results, operations, reputation and financial position. The Company is

also exposed to investigation risks from government agencies. Where such an investigation has criminal elements, it may lead to criminal prosecution or imposition of fines.

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

e. Macroeconomic Risk

There is a general macroeconomic risk related to operating a business in Nigeria. Nigeria's high dependence on importation of various commodities, products and services as well as dependence on crude oil export as the major foreign exchange earner, makes the economy highly vulnerable to global economic turmoil. Following the global economic recession in 2020, precipitated by the Covid-19 pandemic, there were disruptions in global supply chains and acute scarcity in foreign exchange supply which have impacted business operations in the country. The Russia – Ukraine crisis which started in February 2022, has further exacerbated global economic upheaval. This has ultimately led to the disruption in the supply of commodities and prices soaring for essential building materials like steel, sand and wood and increased price of energy and operating costs which have direct impact on the Company's business.

f. Environmental and Political Risks

Environmental risks are those inherent in environmental events e.g., global warming and its associated hazards. Political risks are innate in the political culture or terrain of a country e.g., electoral violence. Sectarian conflicts in the Middle Belt, Eastern and Northern Nigeria continue to pose a threat to Nigeria's political stability. Incidents of kidnapping and other violent crimes have been reported frequently in recent times, contributing to the environment's security challenges.

g. Credit Risk Management

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

h. Interest Rate Risk

This is the risk of loss arising from fluctuations in the future cash flow or fair values of assets and liabilities because of a change in the market interest rate. Interest rate risk occurs when there is a mismatch between interest rate sensitive assets and liabilities. Interest rates are highly sensitive to many factors beyond the Company's control, including increased regulation of the financial sector, monetary policies, domestic and international economic and political conditions and other factors.

i. Pandemic, Health Crisis and Other Risks

A local, regional, national or international outbreak of a contagious disease, including but not limited to, COVID-19 pandemic, could result in supply shortages, increased government regulations, mobility restrictions and ultimately a general or acute decline in economic activity which may impact the revenue or profitability of the Company. The Company is equally exposed to other forms of instability, such as natural disasters, acts of God, terrorist attacks and other events beyond its control that may adversely affect local economies, infrastructure, and livelihoods and could impact the revenue of the Company.

2. RISK 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 operating results, adverse business developments, changes in the regulatory environment in which the Company operates, changes in financial estimates by securities analysts and the actual or expected sale or purchase of a large number of Notes.

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

b. *Currency (Exchange Rate) Risk*

The Company will make payment in respect of the Notes in Naira. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency unit other than the Naira. These include the risk that exchange rates may significantly change (including changes due to depreciation of the Naira or appreciation/revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation/revaluation in the value of the investor's currency relative to the Naira may decrease the investor's currency equivalent:

- i. yield on the Notes;
- ii. value of the principal payable on the Notes; and
- iii. market value of the Notes.

c. *Interest Rate Risk*

The Notes could be offered at a fixed rate benchmarked against treasury bills; Noteholders will be exposed to potential risks as the Notes may vary inversely with changes in prevailing interest rates. That is, where the interest rates rise, the prices of fixed rate securities fall and when interest rates drop, the prices increase. Accordingly, 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.

d. *Notes Issued at a Discount*

The Notes are discounted; the market value of securities issued at a discount from their principal amount tend to fluctuate more in relation to general changes in interest rates than to prices for conventional interest-bearing securities. Generally, the longer the remaining term of the security, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

e. *Amendment to Prevailing Laws*

This Programme Memorandum, the Notes and the Terms and Conditions, are governed by, and will be construed in accordance with, the laws of the Federal Republic of Nigeria. No assurance can be given as to the impact of any possible judicial decision or amendment and, or review of the laws of the Federal Republic of Nigeria or administrative practice in the Federal Republic of Nigeria after the issue.

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 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 will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through authorised participants who will follow the electronic settlement procedures prescribed by the CSD.

AUTHORISED PARTICIPANTS

The CSD will maintain a central securities account for Dealing Members (the "Authorised Participants") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participant is Stanbic IBTC Bank PLC and any other bank appointed by the Issuer to act as CPA.

REGISTRATION

- i. The Authorised Participant is required to register with the CSD before dealing in CPs.
- ii. Noteholders without sub-accounts are required to route their account opening applications and transactions through the Authorised Participant who would then notify the CSD to create a relevant sub-account for the Noteholder.
- iii. The CSD will assign a unique identification number (the "Trade Member Code") to the Authorised Participant and also open the account(s) requested by the Authorised Participant.
- iv. FMDQ Exchange will request for the CP to be registered with the CSD, who in turn will furnish FMDQ Exchange and the Authorised Participant with the unique identifier for the registered CP.
- v. The CSD will re-open the existing unique identifier for all Tranches with same maturity dates, however new unique identifier will be issued for Tranches with different maturity dates.

LODGEMENT

The Authorised Participant will electronically lodge CPs within 10 Business days after receiving the approval for quotation of the CPs on the Exchange and advise the CSD after lodgement to transfer the CPs to the sub-accounts of the beneficial owners of the Notes and the CSD shall process same.

REDEMPTION

- i. No transactions or trades may be effected for any CP fifteen (15) Business days prior to its maturity date.
- ii. The Authorised participant shall obtain the statement of investors' accounts/holdings from the CSD one (1) business day before the maturity of the CP.
- iii. The Authorised Participant shall effect repayment to the designated accounts of all registered holders of the CP.
- iv. The Issuer shall ensure that there are sufficient funds in its funding account with the CPA to pay all investors (i.e., including investors that have indicated interest to participate in another CP

issuance (which is not a Rollover) within the Programme) by 12:00 Noon on the maturity date of the CP, failing which the Issuer shall be in violation of FMDQ Exchange Rules.

- v. The CPA shall ensure that funds have been transferred to all CP holders by 3:00 PM on 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 Rollover 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 Authorised Participant with the new unique identifier, subject to receipt of CP rollover fees from the Authorised Participant.
- iv. The CSD shall expunge the existing CP unique identifier from the system and replace with new codes.

DEFAULT

- i. The IPAs shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 4:00 PM on the maturity date of the CP, failing which, the Issuer shall be deemed to be in default.
- ii. In the case of a Rollover, if any investor objects to a Rollover, the Issuer shall effect the payment of the value of the investor's CP holding on the maturity date, based on the initial terms of the Issue. Failure by the Issuer to effect such payment shall result in a default.
- iii. The FMDQ Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The IPAs shall provide reasons for the default or imminent default e.g., the investors may not be paid due to CPA experiencing technical issues such as a market disruption or insufficient funds in the funding account to meet payment obligations on maturity date or as the case may be.

Note: In the event of default, the IPAs are under no obligation to seek recovery or initiate any action against the Issuer either on its own or on behalf of the investors.

SECONDARY MARKET TRADING (OTC) GUIDELINES

- i. The Authorised Participant will submit CP transaction instructions/details to the CSD via the authorised data-exchange platform.
- ii. CP transactions are to be submitted to the CSD by the applicable cut off time on the settlement date and the Authorised Participant is to state the particular account number where the CP(s) should be traded from or deposited into.
- iii. The CSD shall deliver securities and send confirmation of transfers via the authorised platform by 2.00p.m. on the settlement date to the Nigeria Inter-Bank Settlement System ("NIBSS") and to the FMDQ Exchange simultaneously.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the CSD, and the Authorised 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 Business Days before the Maturity Date.

REPORTING

- i. The CSD will effect the transfer of CPs on the settlement date as advised by the buyer and seller ("Trading Parties") and also keep records of consideration for each transaction.

- ii. The CSD will advise the Authorised Participant or the FMDQ Exchange for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- iii. The Authorised Participant and Noteholders can ascertain their CP balances after each day's trade via the CSD's website (if applicable).

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

Trading Parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement, NIBBS Electronic Funds Transfer or any other transfer mode agreed by the Trading Parties and recognised by the CBN.



Dufil Prima Foods PLC
RC 438802

Issue of [Aggregate Nominal Amount of Series/Tranche] [Title of Notes]
Under its ₦50,000,000,000
Commercial Paper Issuance Programme

This Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 31 October 2022 issued by Dufil Prima Foods PLC in connection with its ₦50,000,000,000 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 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 (the "CBN") Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019, the CBN letter 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 Commercial Paper Registration and Quotation Rules (the "Rules") of FMDQ Exchange in force as at the date thereof.

The document is not required to be registered with The Nigerian Exchange Limited or the Securities and Exchange Commission. 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.

LEAD ARRANGER / ISSUING AND PLACING AGENT
<div> Stanbic IBTC Capital Limited RC 1031358</div>
JOINT LEAD ARRANGER / ISSUING AND PLACING AGENT
<div> Rand Merchant Bank Nigeria Limited RC 1031371</div>
COLLECTING AND PAYING AGENT
<div> Stanbic IBTC Bank PLC RC 125097</div>

THIS PRICING SUPPLEMENT IS DATED [●]

PARTIES		
1.	ISSUER	Dufil Prima Foods PLC
2.	LEAD ARRANGER	Stanbic IBTC Capital Limited
3.	JOINT LEAD ARRANGER	Rand Merchant Bank Nigeria Limited
4.	COLLECTING AND PAYING AGENT	Stanbic IBTC Bank PLC
5.	SPONSOR TO THE QUOTATION ON FMDQ EXCHANGE	[●]
6.	AUDITOR	Deloitte & Touche
7.	CENTRAL SECURITIES DEPOSITORY	[CSCS / FMDQ Depository]
8.	SOLICITOR TO THE TRANSACTION	G. Elias
PROVISIONS RELATING TO THE NOTES		
9.	SERIES NUMBER	[●]
10.	TRANCHE NUMBER	[●]
11.	PROGRAMME SIZE	₦50,000,000,000
12.	ISSUED AND OUTSTANDING NOTES AT THE DATE OF THE PRICING SUPPLEMENT	
	(a)	[●]
13.	AGGREGATE NOMINAL AMOUNT	[●]
14.	FACE VALUE	[●]
15.	DISCOUNTED VALUE	[●]
16.	NOMINAL AMOUNT PER NOTE	₦1,000
17.	ISSUE PRICE	[●]
18.	TENOR	[●]
19.	MATURITY DATE	[●]
20.	FINAL REDEMPTION AMOUNT	[●]
21.	MINIMUM SUBSCRIPTION	[●]
22.	SPECIFIED DENOMINATION / CURRENCY	Nigerian Naira (₦)
23.	STATUS OF NOTES	Senior Unsecured
24.	FORM OF NOTES	Dematerialised
25.	SOURCE(S) OF REPAYMENT	[●]
26.	QUOTATION	[FMDQ Securities Exchange]

27.	TAXATION	[Please refer to the 'Tax Considerations' section of the Programme Memorandum]
28.	METHOD OF OFFER	[●]
29.	BOOK CLOSED PERIOD	The Register will be closed from [●] until the Maturity Date

ZERO COUPON NOTES

30.	(a) DISCOUNT RATE ("DR")	[●]
	(b) IMPLIED YIELD	[●]
	(c) ANY OTHER FORMULA OR BASIS FOR DETERMINING AMOUNT(S) PAYABLE	[●]
31.	DAY COUNT FRACTION	[●]
32.	BUSINESS DAY CONVENTION	[●]

PROVISIONS REGARDING REDEMPTION

33.	REDEMPTION/PAYMENT BASIS	[Redemption at par] [other (specify)].
34.	ISSUER'S EARLY REDEMPTION	[Applicable/Not applicable].
35.	ISSUER'S OPTIONAL REDEMPTION	[Applicable/Not applicable].
36.	OTHER TERMS APPLICABLE ON REDEMPTION	[●]

GENERAL

37.	OFFER OPENS	[●]
38.	OFFER CLOSES	[●]
39.	ALLOTMENT DATE	[●]
40.	NOTIFICATION OF ALLOTMENT	All applicants will be notified through an email and/or telephone of their allotment by no later than [●].
41.	ISSUE DATE	[●]
42.	PAYMENT DATE	[●]
43.	DETAILS OF BANK ACCOUNT(S) TO WHICH PAYMENTS ARE TO BE MADE IN RESPECT OF THE NOTES	[●]
44.	SETTLEMENT PROCEDURES AND SETTLEMENT INSTRUCTIONS	[●]
45.	DELIVERY DATE	[●]
46.	ISSUER RATING	[●]

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no significant change in the financial position of the Issuer since [date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since [date of last published annual accounts.]

RESPONSIBILITY

The Issuer and its Board of Directors accept responsibility for the information contained in this Pricing Supplement, which 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
Dufil Prima Foods PLC**

Name
Capacity: Director

Who warrants his/her authority hereto

Name
Capacity: Director / Company
Secretary

Who warrants his/her authority hereto



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www.deloitte.com.ng

5 October 2022

The Directors
Dufil Prima Foods Plc
44, Eric Moore Road
Iganmu, Surulere
Lagos

The Directors
Stanbic IBTC Capital Limited
IBTC Place
Walter Carrington Crescent
Lagos

Dear Sirs,

CONFIRMATION OF GOING CONCERN STATUS OF DUFIL PRIMA FOODS PLC

Dufil Prima Foods Plc (the "Company") is in the process of issuing N50,000,000,000 (Fifty Billion Naira) Commercial Paper in dematerialised form to be registered, quoted and traded via the FMDQ Securities Exchange Limited ("FMDQ Exchange") platform in accordance with the Rules, Guidelines and such other regulations with respect to the issuance, registration and quotation of Commercial Paper as may be prescribed by the Central Bank of Nigeria ("CBN") and FMDQ Exchange from time to time, or any other recognised trading platform as approved by the CBN.

We confirm that we served as Auditors to Dufil Prima Foods Plc for the years ended 31 December 2019, 2020, and 2021. We issued unmodified audit opinion on each of the financial statements for the three years.

Based on our audit of the financial statements of the Company for the year ended 31 December 2021, we have reasonable expectation that the Company has adequate resources to continue as a going concern in the near future as it concerns discharge of the principal amount and relevant coupons under the Commercial Paper Issuance Programme.

This letter has been prepared for the purposes of compliance with FMDQ Commercial Paper Registration and Quotation Rules.

Yours faithfully,

For and on behalf of Dufil Prima Foods Plc:



Folorunso Hunga
Partner



The list of Partners and Partner equivalents is available in our office
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

HISTORICAL FINANCIAL INFORMATION

The financial information set out on pages 37 to 39 of this Programme Memorandum has been extracted from the audited annual financial statements of the Issuer and is available at the specified office(s) and website of the Issuer. This section should be read and construed in conjunction with any audited interim financial statements published subsequently, for the financial years prior to each issue of Notes under this Programme.

STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED 31 DECEMBER 2019, 2020, AND 2021

	Group 2021 N'000	Company 2021 N'000	Group 2020 N'000	Company 2020 N'000	Group 2019 N'000	Company 2019 N'000
Revenue	306,757,285	73,590,625	225,274,616	53,116,530	208,113,028	48,744,157
Cost of sales	(252,428,745)	(67,191,045)	(180,552,685)	(45,734,165)	(170,674,032)	(42,708,522)
Gross profit	54,328,540	6,399,580	44,721,931	7,382,365	37,438,996	6,035,635
Investment income	-	-	-	7,229,977	598	3,789,979
Marketing expenses	(17,516,628)	(4,507,465)	(12,818,590)	(3,287,767)	(10,975,408)	(3,900,642)
Administrative expenses	(9,790,962)	(2,450,815)	(8,443,381)	(2,624,119)	(7,432,071)	(1,374,731)
Operating profit	27,020,951	(558,700)	23,459,960	8,700,456	19,032,115	4,550,241
Other gains and losses	1,812,479	455,032	(6,096,649)	(543,439)	1,022,399	294,344
Finance expenses	(15,073,869)	(3,049,817)	(12,790,616)	(2,747,309)	(11,114,879)	(2,200,057)
Finance income	1,548,048	3,829,592	2,148,801	2,502,986	208,370	1,573,480
Profit before tax	15,307,609	676,107	6,721,496	7,912,694	9,148,005	4,218,008
Income tax expense	(2,184,672)	(573,835)	(1,247,160)	(599,342)	(171,721)	(122,926)
Profit for the year	13,122,937	102,272	5,474,336	7,313,352	8,976,284	4,095,082
Other comprehensive income						
Remeasurement gains on defined benefit obligation	(79,050)	(27,183)	(2,829)	34,642	(4,485)	(4,233)
Exchange differences on translating foreign operations	196,579	-	156,756	-	(582,798)	-
Other comprehensive (loss)/income, net of income tax	117,529	(27,183)	153,927	34,642	(587,283)	(4,233)
Total comprehensive income for the year	13,240,466	75,089	5,628,263	7,347,994	8,389,001	4,090,849

HISTORICAL FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019, 2020, AND 2021

	Group	Company	Group	Company	Group	Company
	2021	2021	2020	2020	2019	2019
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Non-current assets						
Property, plant and equipment	63,466,227	3,710,685	57,710,532	3,064,868	50,529,215	3,384,642
Investment in subsidiaries	-	5,441,942	-	5,441,942	-	5,441,942
Goodwill	608,910	-	608,910	-	608,910	-
Right-of-use assets	1,005,153	217,125	972,978	6,878	1,313,427	20,632
Other assets	-	-	5,983	-	1,249,854	6,867
Total non-current assets	65,080,290	9,369,752	59,298,403	8,513,688	53,701,406	8,854,083
Current assets						
Inventories	82,858,491	2,767,410	52,353,476	1,746,329	41,434,008	1,771,235
Trade and other receivables	36,406,187	34,331,493	22,048,386	26,022,201	35,357,871	5,592,137
Other assets	24,130,545	9,060,956	22,471,205	51,421	4,425,300	35,269
Cash and cash equivalents	45,590,566	218,268	22,950,939	658,109	18,541,410	3,082,401
Total current assets	188,985,789	46,378,127	119,824,006	28,478,060	99,758,589	10,481,042
Total assets	254,066,079	55,747,879	179,122,409	36,991,748	153,459,995	19,335,125
Equity						
Share capital	3,376,667	3,376,667	3,376,667	3,376,667	3,376,667	3,376,667
Other reserves	(649,610)	-	(846,189)	-	(1,002,945)	-
Shareholder's loan	8,900,000	8,900,000	8,100,000	8,100,000	-	-
Retained earnings	44,570,360	2,891,483	31,526,478	2,816,394	33,281,040	2,694,467
Equity attributable to the owners	56,197,417	15,168,150	42,156,956	14,293,061	35,654,762	6,071,134
Non-controlling interest	33	-	28	-	26	-
Total equity	56,197,450	15,168,150	42,156,984	14,293,061	35,654,788	6,071,134
Non-current liabilities						
Borrowings	43,619,629	7,182,464	36,369,825	10,000,000	30,234,938	10,000,000
Deferred income	9,654,362	2,177,319	4,697,287	-	3,054,398	-
Retirement benefit obligation	1,527,091	523,839	1,476,337	488,000	1,270,111	421,597
Lease liability	281,457	-	288,915	-	387,049	-
Deferred tax liabilities	1,185,531	719,166	954,527	619,664	961,003	684,261
Total non-current liabilities	56,268,070	10,602,788	43,786,891	11,107,664	35,907,499	11,105,858
Current liabilities						
Trade and other payables	33,995,530	12,241,338	27,861,082	10,462,565	28,327,259	2,064,677
Borrowings	104,705,214	16,875,484	63,816,199	626,615	52,961,469	24,696
Deferred income	1,268,868	440,217	384,177	-	199,156	-
Lease liability	116,792	10,075	93,327	-	232,045	-
Current tax payable	1,514,155	409,827	1,023,749	501,843	177,779	68,760
Total current liabilities	141,600,559	29,976,941	93,178,534	11,591,023	81,897,708	2,158,133
Total liabilities	197,868,629	40,579,729	136,965,425	22,698,687	117,805,207	13,263,991
Total equity and liabilities	254,066,079	55,747,879	179,122,409	36,991,748	153,459,995	19,335,125

HISTORICAL FINANCIAL INFORMATION

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2019, 2020, AND 2021

	Group 2021 ₦'000	Company 2021 ₦'000	Group 2020 ₦'000	Company 2020 ₦'000	Group 2019 ₦'000	Company 2019 ₦'000
Profit for the year	13,122,937	102,272	5,474,336	7,313,352	8,976,284	4,095,082
Adjustments for:						
Depreciation and amortization of property, plant and equipment	5,057,268	537,545	4,398,852	407,627	5,564,437	415,376
Finance cost recognised in profit or loss	13,947,942	2,989,660	11,950,771	2,747,309	6,674,287	2,200,057
Interest on government grant	1,125,927	60,157	839,845	-	426,921	-
Amortization of right-of-use-asset	367,435	56,024	303,135	13,754	349,656	-
Finance income recognised in profit or loss	(1,533,285)	(3,826,875)	(2,137,837)	(2,499,877)	(208,370)	(3,236,668)
Loss/(gain) on disposal of property, plant and equipment	47,777	35,990	(13,132)	-	17,431	-
Investment income	-	-	-	(7,229,977)	(598)	(3,789,979)
Exchange difference on translating foreign operation	196,579	-	156,756	-	(582,798)	-
Remeasurement of defined benefit obligation	(79,050)	(27,183)	(2,829)	34,642	(4,485)	(4,233)
Operating cashflows before movements in working capital	32,253,528	(72,411)	20,969,896	786,830	21,212,765	(320,365)
Movements in working capital:						
Right-of-use asset	21,341	-	69,631	-	-	-
Inventories	(30,505,015)	(1,021,081)	(10,919,468)	24,906	12,554,759	406,055
Trade and other receivables	(14,357,801)	(8,309,292)	13,309,485	(20,430,064)	(9,889,583)	8,704,002
Trade and other payables	6,644,035	1,796,892	(2,854,319)	1,925,603	12,919,534	(501,824)
Other assets	(1,653,357)	(9,009,535)	(16,802,034)	(9,285)	1,153,236	225,099
Retirement benefit obligation	50,754	35,839	206,226	66,403	232,303	81,806
Lease liability	16,007	10,075	(236,852)	-	619,094	-
Deferred income not charged to profit or loss	79,092	2,617,535	(2,771,981)	-	-	-
Current tax expenses in profit and loss	1,819,334	480,605	1,213,517	655,945	-	-
Deferred tax	231,004	99,502	(6,476)	(64,597)	21,954	52,352
Income tax paid	(1,328,928)	(572,621)	(367,547)	(222,862)	(318,725)	(261,129)
Net cash generated by / (used in) operating activities	(6,730,005)	(13,944,492)	1,810,079	(17,267,120)	38,505,337	8,385,996
Cash flows from investing activities						
Payments for property, plant and equipment	(11,071,624)	(1,222,703)	(12,423,154)	(97,664)	(18,994,120)	(918,486)
Payments for right-of-use asset	(420,950)	(266,270)	(32,317)	-	(1,663,083)	(34,386)
Investments in Subsidiaries	-	-	-	-	-	(3,612,275)
Proceeds from disposal of property, plant and equipment	210,885	3,352	856,117	9,811	8,486,786	-
Other income	947,109	3,804,044	1,613,256	2,499,877	24,891	1,573,480
Dividend received	-	-	-	7,229,977	-	3,789,979
Net cash (used in) / generated by investing activities	(10,334,580)	2,318,423	(9,986,098)	9,642,001	(12,145,526)	798,312
Cash flows from financing activities						
Finance costs	(13,947,943)	(2,989,660)	(11,950,771)	(2,747,309)	(10,687,958)	(2,200,057)
Proceeds from borrowings	225,553,222	15,993,423	169,981,234	15,795,294	113,981,988	-
Repayment of borrowings	(172,701,067)	-	(152,955,823)	(15,777,012)	(109,427,860)	-
Dividends paid	-	-	(145,449)	(145,449)	(3,916,954)	(3,916,933)
Shareholder's loan	800,000	800,000	8,100,000	8,100,000	-	-
Net cash used in financing activities	39,704,212	11,186,227	13,029,191	5,225,524	(10,050,784)	(6,116,990)
Net increase /(decrease) in cash and cash equivalents	22,639,627	(439,842)	4,853,172	(2,399,595)	16,309,027	3,067,318
Cash and cash equivalents at beginning of the year	22,950,939	658,110	18,097,767	3,057,705	22,32,383	15,083
Cash and cash equivalents at 31 December	45,590,565	218,268	22,950,939	658,110	18,541,410	3,082,401



Credit Rating Announcement

GCR affirms Dufil Prima Foods Plc's national scale Issuer ratings of A_(NG) / A2_(NG), Outlook Stable.

Rating Action

Lagos, Nigeria, 31 August 2022 – GCR Ratings ("GCR") has affirmed the national scale long-term and short-term Issuer ratings of A_(NG) and A2_(NG) respectively assigned to Dufil Prima Foods Plc, with the Outlook accorded as Stable. Concurrently, GCR has affirmed the long-term Issue rating of A_(NG) accorded to Dufil Prima Foods Plc's Series 1 Bond. The Outlook on the ratings is Stable.

Rated Entity / Issue	Rating class	Rating scale	Rating	Outlook / Watch
Dufil Prima Foods Plc	Long Term Issuer	National	A _(NG)	Stable
	Short Term Issuer	National	A2 _(NG)	
N10bn Series 1 Bond	Long Term Issue	National	A _(NG)	Stable

Rating Rationale

The ratings accorded to Dufil Prima Foods Plc ("Dufil" or "the Company" or "the Issuer") reflect its leading position in the Nigerian noodles industry, with a long operational track records and strong earnings growth. However, this is counterbalanced by weak leverage and capital structure due to rising debt amidst weak cashflows.

Dufil's strong competitive position is a key rating support factor. The long operational track record and dominant market share of over 80% in the noodles category is balanced against product concentration. However, the backward integration into cassava and palm oil plantations, as well as the expansion of the soya oil plant have provided increasing product diversification. Moreover, they support Dufil's import substitution strategy aimed at reducing the pressure from lingering foreign exchange shortages.

GCR takes cognisance of significant revenue growth in FY21, to a high of N306.8bn. This was underpinned by upward price adjustments and higher traded volumes, demonstrating the essential nature of its products. Despite having three upwards price reviews during the five-month period to May 2022 ("5M FY22") on account of heightened inflationary pressure, revenue only increased by 7.6% on an annualised basis as volumes remained relatively stable. Furthermore, the ongoing disruption in the global wheat supply chain induced by Russian-Ukraine war and depreciation in Naira resulted into rising input cost pressure, curtailing the EBITDA margin to 10.6% and 10.2% in FY21 and 5M FY22 respectively (FY20: 12.6%). However, GCR expects the backward integration initiatives to cushion rising input cost pressure over the outlook period, which should see the EBITDA margin improve slightly to around 11% over the outlook period.

High leverage remains a key rating constraint. Gross debt escalated to N148bn in FY21 (FY20: N100bn) to finance its working capital requirements and capex spend, before reducing slightly to N141bn in 5M FY22. Dufil has reported large working capital absorptions over the last two years due to elevated inventory levels to support its expanding operation and because of the high trade receivables which relates to sister company, Multipro Consumer Product Limited ("Multipro"). Accordingly, despite the stronger EBITDA, net debt to EBITDA deteriorated to 3.2x in FY21 (FY20: 2.7x) and 3.3x in 5M FY22. Similarly, at 2.4x in FY21 and 2x in 5M FY22, net interest coverage is around its historical low of 2.7x given an increase in finance costs, whilst operating cash flow coverage of debt has remained negative over the period.



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District, Wuse II, Abuja, Nigeria
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October 31, 2022

The Directors
Dufil Prima Foods Plc
44 Jimoh Odutola Street
Off Eric Moore, Surulere
Lagos
Nigeria

Dear Sirs,

Re: Legal Opinion with respect to the ₦50,000,000,000 (Fifty Billion Naira) Commercial Paper Issuance
Programme by Dufil Prima Foods Plc

1. INTRODUCTION

1.1 We have acted as legal counsel in respect of the ₦50,000,000,000 (Commercial Paper Issuance
Programme by Dufil Prima Foods Plc (the "Issuer") (the "Programme").

1.2 In this Legal Opinion (this "Opinion"), unless otherwise defined or the context otherwise
requires, the following capitalised terms shall have the following meanings:

1.2.1 "Agents" means Stanbic IBTC Capital Limited ("Stanbic") and Rand Merchant Bank
Nigeria Limited ("RMBN") (together "Joint Issuing and Placing Agents") in their capacity
as the issuing and placing agents and Stanbic I.B.T.C Bank Plc. in its capacity as the
collecting and paying agent respectively in connection with the Programme;

1.2.2 "CAC" means Corporate Affairs Commission;

1.2.3 "CBN" means the Central Bank of Nigeria;

1.2.4 "Collecting and Paying Agency Agreement" means the agreement of the same name
dated October 31, 2022 and executed by the collecting and paying agent and the Issuer;

1.2.5 "Deed of Covenant" means the deed of the same name dated October 31, 2022 and
executed by the Issuer as a deed poll in favour of the Noteholders;

1.2.6 "FMDQ Exchange Rules" means the FMDQ Exchange Commercial Paper Registration and
Quotation Rules issued in April 2021 as may be amended or supplemented from time to
time;

1.2.7 "Guidelines" means the CBN guidelines on the issuance and treatment of bankers
acceptances and commercial papers dated September 11, 2019 as amended or
supplemented from time to time and the circular issued to all deposit money banks and
discount houses by the CBN on July 12, 2016 titled "Mandatory Registration and Listing
of Commercial Papers";

G. ELIAS

- 1.2.8 “Issuing and Placing Agency Agreement” means an agreement of the same name dated October 31, 2022 and executed by the Agents and the Issuer;
- 1.2.9 “Nigerian Courts” means the Supreme Court of Nigeria, the Court of Appeal, the Federal High Court and the various State High Courts;
- 1.2.10 “Nigerian Law” includes without limitation any statutes or regulations made or imposed by any Nigerian authority and any treaty or international convention, which the Federal Republic of Nigeria has ratified and incorporated into domestic law;
- 1.2.11 “Notes” means the debt instruments issued by the Issuer under the Programme;
- 1.2.12 “Noteholders” means the persons who have invested in the Notes and “Noteholder” shall be construed accordingly;
- 1.2.13 “Programme Memorandum” means the memorandum dated on or about the date hereof disclosing details of the Programme for the issuance by the Issuer of Notes for tenors not exceeding 270 days;
- 1.2.14 “SEC” means the Securities and Exchange Commission established pursuant to the Investments and Securities Act, 2007 (as amended); and
- 1.2.15 “Transaction Documents” means the Programme Memorandum, the applicable pricing supplement to be issued under the Programme, the Deed of Covenant, Collecting and Paying Agency Agreement and the Issuing and Placing Agency Agreement.

2. DOCUMENTS

In our capacity as solicitors to the Programme, we have reviewed the various documents and matters of law as we have deemed necessary, including the following documents:

- 2.1 a copy of the certificate of incorporation of the Issuer;
- 2.2 a copy of the Memorandum and Articles of Association of the Issuer;
- 2.3 copy of the rating report issued by GCR Ratings dated August 31, 2022 in respect of the Issuer;
- 2.4 the resolution of the Board of Directors of the Issuer passed on September 15, 2022 approving the Programme, authorizing the management of the Issuer to apply for and obtain all necessary approvals and sign all documents required to execute the Programme; and
- 2.5 the Transaction Documents.

3. SCOPE

- 3.1 This Opinion is confined to Nigerian Law as interpreted and applied by Nigerian Courts and we neither express nor imply any opinion on any matter insofar as it may be affected by the law of a country other than Nigerian Law, or as to matters of fact. We express no opinion nor make any comment on the content, adequacy or sufficiency of the commercial terms negotiated by the parties to the Transaction Documents.



- 3.2 Except for the enquiries at the CAC conducted on September 12, 2022, on the Issuer's file, we have not assisted in the investigation or verification of the facts, or the reasonableness of any assumption or statement of opinion (including, without limitation, as to the solvency of any other person expressed to be a party to the Transaction Documents or any other person), contained in the Transaction Documents or in determining whether any material fact has been omitted therefrom.

4 EXTENT OF REVIEW AND EXAMINATION

- 4.1 For the purpose of providing this Opinion, we have examined only the Transaction Documents but not any document or agreement cross-referenced in any of the Transaction Documents save for such other documents we have considered necessary, for purposes of giving this Opinion.
- 4.2 We have made no searches or enquiries concerning any person (other than the Issuer) or on any corporate records of a person (other than the Issuer's) nor have we examined any documents, other than the documents referred to in clause 2 (*Documents*) of this Opinion.

5 ASSUMPTIONS

The Opinion set out herein is based upon the following assumptions:

5.1 Genuineness and Authenticity

- 5.1.1 the genuineness of all signatures and seals on all and any document reviewed by us;
- 5.1.2 the completeness and conformity to the originals of all Transaction Documents and other documents supplied to us as certified, electronic, faxed or photocopies;
- 5.1.3 the genuineness and authenticity of all approval letters, consents and authorizations sighted;
- 5.1.4 the genuineness and authenticity of all documents in the files of the Issuer at the CAC;
- 5.1.5 the accuracy and completeness of all corporate minutes, resolutions, certificates and records which we have seen;
- 5.1.6 the accuracy of all representations of facts expressed in or implied by the documents we have examined;
- 5.1.7 the documents in the file of the Issuer held at the CAC on September 12, 2022 are the most recent records of the Issuer;
- 5.1.8 the absence of any amendments or variations to the terms of the Transaction Documents and the authenticity of the originals of such Transaction Documents;
- 5.1.9 that each of the Transaction Documents has been duly authorised, and duly executed, by or on behalf of the parties thereto and that the performance thereof is within the capacity and powers of the parties thereto;



5.1.10 that the terms of the Transaction Documents are or will be observed and performed by the Issuer;

5.1.11 the absence of any other contractual or similar arrangements between any of the parties to the Transaction Documents which modify or supersede any of the terms of the Transaction Documents.

5.2 Completeness

All statements as to matters of fact contained in the Transaction Documents are correct, save to the extent that they relate to matters specifically opined upon herein.

5.3 Good Faith, etc.

The lack of bad faith and absence of fraud, coercion, duress or undue influence on the part of any of the parties to the Transaction Documents, their respective directors, officers, employees, agents and advisers.

5.4 Consents

All necessary consents, authorizations and licences for the execution, delivery and performance of the Transaction Documents have been obtained and have not been withdrawn as at the date hereof.

5.5 Restrictions

There are no agreements, letters or other arrangements having contractual effect which render a party to the Transaction Documents incapable of performing its obligations under such documents and there are no contractual or similar restrictions contained in any agreement or arrangement (other than those in the Transaction Documents) that are binding on any party to such Transaction Document which would affect the conclusions made in this Opinion.

6. OUR OPINION

Based on the foregoing assumptions and subject to the qualifications set out below, we are of the following opinion:

6.1 Enforceability

6.1.1 There is no provision in the Issuer's constitutional documents and no Nigerian Law which will be contravened by:

- (i) any provision in any Transaction Document; or
- (ii) the carrying out of any relevant transaction contemplated by the Transaction Documents.

6.1.2 There has been obtained and there is in full force and effect every consent, approval or authorization by any Nigerian authority which is either necessary or desirable in connection with:

G. ELIAS

- (i) the execution by the Issuer of any of the Transaction Documents; or
- (ii) the validity or enforceability of any of the Transaction Documents.

6.1.3 All the Transaction Documents are governed by Nigerian Law and constitute obligations of the parties thereto that are legal, valid, and binding upon the parties and enforceable against the parties in accordance with their terms.

6.1.4 Without prejudice to Clause 6.1.3 above, all the Transaction Documents are in a proper form to be enforced under Nigerian Law and would be recognised by a Nigerian Court as constituting legal, valid, and binding obligations of the parties thereto, enforceable against the parties thereto in accordance with their terms.

6.1.5 Each Note when issued by the Issuer will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with its terms.

6.1.6 It is not necessary in order for any Noteholder to exercise or enforce any of its rights under the Transaction Documents that it should be licensed, registered, resident or otherwise authorized to carry on any business in Nigeria.

6.2 Legal Status of the Issuer

6.2.1 The Issuer is duly incorporated and validly exists under Nigerian Law. To the best of our knowledge, no steps have been taken to wind up the Issuer, to terminate its existence or to appoint a receiver in respect of it or otherwise to place its business or any of its assets outside the control of its directors¹.

6.2.2 The Issuer is empowered to issue the Notes in compliance with the CBN Guidelines and the FMDQ Exchange Rules and perform its obligations under the Transaction Documents.

6.2.3 The Issuer holds all licences, approvals and authorizations from all governmental authorities in Nigeria necessary for the conduct of its business as set out in the Programme Memorandum.

6.3 Authorisation

6.3.1 The Issuer has the full power, authority and capacity to execute, deliver, perform and observe the terms and conditions of the Transaction Documents.

6.3.2 All corporate and other actions that are necessary or advisable to authorise the Issuer to enter into, execute, deliver, perform and observe the terms and conditions of the Transaction Documents have been taken.

¹ We say to the best of our knowledge because winding-up petitions (including other analogous steps) are filed and heard before the courts and there are no systematic records of court filings to allow for such a check. Public notice of such events only occurs when such an order is published in the newspapers or filed at the CAC. However, based on our recent search carried out at the CAC on the Issuer on September 12, 2022, no order or resolution for any administration, suspension of payments, receivership, winding-up or similar insolvency proceedings has been registered in relation to the Issuer nor has there been registered any notice of the appointment of an administrator, receiver, liquidator or similar insolvency representative over any part of the assets, business or undertaking of the Issuer, or notice of any application for such an appointment.

G. ELIAS

6.3.3 The resolution referred to under Clause 2 (*Documents*) is valid under the Issuer's constitutional documents and Nigerian Law. The resolution is sufficient corporate authorization for the Issuer to execute the Transaction Documents and to carry out all relevant transactions; and the resolution need not be filed, recorded nor registered with any authority in Nigeria.

6.4 SEC Matters

It is permissible for the Issuer to issue the Notes and invite investors to invest in the Notes without requiring SEC approval or registration with the SEC.

6.5 CBN and FMDQ Exchange Compliance

6.5.1 The Notes have been issued in compliance with the Guidelines and the FMDQ Exchange Rules.

6.5.2 The Issuer has been rated as required by and in compliance with the Guidelines and the FMDQ Exchange Rules.

6.6 Exchange Control Compliance

6.6.1 The issuance of the Notes in Nigerian Naira is permitted by law.

6.6.2 Residents and non-residents of Nigeria may deal in, invest in, acquire or dispose of the Notes.

6.6.3 Non-residents of Nigeria who have brought funds into Nigeria for subscription to the Notes through approved and lawful channels may upon liquidating their investment in the Notes repatriate the proceeds of their investment upon presentation of certificates of capital importation issued in respect of the funds brought into Nigeria.

6.6.4 Nigerian Courts will give judgment in foreign currency.

6.7 Registration

6.7.1 Other than the stamping of the Transaction Documents at the Stamp Duties Office of the Federal Inland Revenue Service, it is not necessary or desirable for any further action to be taken in the future (including the making of any registrations or filings) in order to preserve as a matter of law, the interests of the Noteholders.

6.7.2 Save for the stamping of the Transaction Documents, no consent, licence, authorization or similar approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body is required in Nigeria for the due execution, delivery and performance by the Issuer of the Transaction Documents.



6.8 Insolvency

- 6.8.1 Subject to bankruptcy and insolvency laws generally applicable in bankruptcy or insolvency proceedings involving the Issuer, the obligations of the Issuer under the Transaction Documents will remain valid, binding and enforceable.
- 6.8.2 Subject to bankruptcy and insolvency laws generally applicable to Nigerian companies and banks in particular, upon the maturity of the Notes, in the event that the Issuer is unable to discharge any of its obligations to the Noteholders, the unsatisfied Noteholders as creditors of the Issuer are entitled to apply for the winding up of the Issuer on the ground of the Issuer's inability to pay its debts.
- 6.8.3 The Notes are unsecured, and no security interests have been created in favour of the Noteholders by any Transaction Documents.
- 6.8.4 Upon the insolvency of the Issuer, Nigerian Law would treat the Noteholders as unsecured creditors of the Issuer for all purposes.

6.9 Tax Matters

- 6.9.1 The Issuer may be entitled or required to withhold tax on payments to any Noteholder on the zero-coupon Notes.
- 6.9.2 The Noteholders may be required to pay income taxes on the discount enjoyed on the Notes.²
- 6.9.3 On buying or selling the Notes, investors will pay no value added tax.³
- 6.9.4 A sale of a Note by a Noteholder will not give rise to a charge to capital gains tax.
- 6.9.5 Value Added Tax will be payable on the commission payable to the Central Securities Clearing System Plc.⁴

6.10 *Pari passu* ranking

The obligations of the Issuer under the Transaction Documents to which it is a party and the Notes (when issued) will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, other than those claims which are preferred by any bankruptcy, insolvency, liquidation, or other similar laws of general application.

² Order 1(iv) of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 and Personal Income Tax (Amendment) Act, 2011 (Amendment to the Third Schedule) exempt interest earned by holders of short term securities issued by corporate bodies from the imposition of companies income tax and personal income tax respectively. The exemption granted under the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 is for a period of 10 years commencing from January 2, 2012. With the expiration of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 on January 2, 2022, these exemptions are no longer applicable. Thus, where there is no extension, the Noteholders may be required to pay applicable income taxes.

³ Finance Act, 2020.

⁴ Order 1 of the Value Added Tax (Exemption of Commissions on Stock Exchange Transaction) Order, 2014 exempts the imposition of Value Added Tax on commissions payable to the Central Securities Clearing System Plc for a period of five (5) years from the date of commencement of the order. Order 1 of the Value Added Tax (Exemption of Commissions on Stock Exchange Transaction) Order, 2014 expired on July 24, 2019 and therefore the CSCS has commenced charging value added tax on commissions payable to it.



6.11 Choice of Law and Jurisdiction

The choice of Nigerian law as the governing law of the Transaction Documents is a valid choice of law and a Nigerian court or arbitral tribunal will apply the relevant governing law of a Transaction Document to give effect to the provisions contained therein.

6.12 Dispute Resolution

The submission to arbitration by the parties under the Issuing and Placing Agency Agreement and the Collecting and Paying Agency Agreement are permitted under the laws of Nigeria and an arbitral award rendered by a recognised arbitral tribunal would be enforced by the courts of Nigeria as a legal, valid, and binding submission to arbitration subject to the provisions of the Arbitration and Conciliation Act, Chapter A18, Laws of the Federation of Nigeria 2004.

6.13 Miscellaneous

6.13.1 The Issuer's assets are not entitled to any immunity from service of process, suit, judgment, execution or attachment (including pre-judgment attachment) in respect of any obligation under any of the Transaction Documents; and

6.13.2 The Transaction Documents do not contain any provision or provide for any transaction or other action which could have the consequence of making the Noteholders liable in Nigeria in respect of any debt, liability or obligation of the Issuer or in respect of any non-compliance by the Issuer with any Nigerian Law.

7. QUALIFICATIONS

This opinion is subject to the following qualifications:

- 7.1 our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which Nigerian Courts generally will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances and with regard to a final judgment or award, certain defences to its application or grounds for setting it aside may be accepted or applied, in spite of an agreement to the contrary;
- 7.2 a judgment given in any foreign currency may be satisfied by the payment of the Naira equivalent thereof at the time of payment;
- 7.3 the assessment of stamp duties on documents by the Stamp Duties Office is erratic and largely untested in Nigeria Courts;
- 7.4 upon the presentation of a winding-up petition against a Nigerian bank, proceedings commenced against it to enforce a liability may be stayed or restrained by a Nigerian Court;
- 7.5 no attachment or execution can be levied against the assets of a Nigerian bank after the commencement of its winding-up;

G. ELIAS

- 7.6 the enforcement of the rights of the parties under the Transaction Documents may with the passage of time become statute-barred under the limitation laws of the Federal Republic of Nigeria; and
- 7.7 the power of Nigerian Courts to order specific performance of an obligation or to order any other equitable remedy is discretionary and, accordingly, a Nigerian Court might make an award of damages where specific performance of an obligation or any other equitable remedy was sought.
8. **BENEFIT OF OPINION**

This Opinion is prepared exclusively for the purpose of the Programme and for the benefit of the Issuer, its advisers and persons seeking to invest in the Notes. Other than for the Programme and for the benefit of the persons to whom it is meant, it is not to be used by any other person or for other purposes or quoted or referred to in any public document or filed with anyone without our express written consent which shall not be unreasonably withheld or delayed. This Opinion is not to be distributed, in whole or in part, to any person other than as agreed between the Issuer and us and then only for purposes directly relating to the Programme; provided however that this Opinion may be disclosed without our consent to:

- (a) any person to whom disclosure is required to be made by applicable law or court order or arbitral award or pursuant to the rules or regulations of any supervisory or regulatory body, or the rules of any applicable stock exchange or any rating agency; or
- (b) to the officers, employees, auditors, regulators, and professional advisers of the Issuer on a strict need-to-know basis and only in relation to the Programme.

Where this Opinion is sought to be disclosed in connection with any potential or actual judicial proceedings, prior written notice of its intended disclosure must be given to us.

Yours faithfully,



For G. Elias.

Authorisation

The establishment of this CP Programme and the issuance of Notes thereunder was approved by the resolution of the Board of Directors Dufil Prima Foods PLC dated 15 September 2022.

Going Concern

The Directors have made an assessment of the Issuer's ability to continue as a going concern and have no reason to believe the Issuer will not remain a going concern in the year ahead. If any event occurs as a result of which the above statement is no longer true and accurate, the Issuer will give notice thereof to the Noteholders in accordance with the Conditions.

Auditor

Deloitte & Touche acted as auditors of the annual financial statements of the Issuer for the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019. Deloitte & Touche, has in respect of those years for which it was responsible for the audit, issued unqualified reports.

Litigation

The Solicitors reviewed the claims and litigation involving Dufil Prima Foods PLC as at 30 September 2022. From their audit as at 28 September 2022, the Issuer is involved in two (2) cases (the "Cases"). The value of the total amount claimed against the Issuer in the Cases is ₦133,000,000.00 (One Hundred and Thirty-Three Million Naira).

Based on their review of the Cases, the Solicitors are of the opinion that: (i) the monetary claims against the Issuer are highly exaggerated, and (ii) considering the details of the Cases as well as the general trends and patterns of Nigerian courts in granting claims of various types, realistically, only a portion of the monetary claims against the Issuer will crystalize, and this will not have an adverse effect on the Transaction.

Material Contracts

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

- i. The Issuing and Placing Agency Agreement dated 31 October 2022 executed by the Issuer, Stanbic IBTC Capital Limited, and Rand Merchant Bank Nigeria Limited;
- ii. The Collecting and Paying Agency Agreement dated 31 October 2022 executed by the Issuer and Stanbic IBTC Bank PLC
- iii. The Deed of Covenant dated 31 October 2022 executed by the Issuer as a deed poll in favour of the Note holders

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.

Issuer:

Dufil Prima Foods PLC
44 Jimoh Odutola Street
Off Eric Moore Road
Surulere
Lagos

ADHI NARTO



Lead Arranger / Issuing and Placing Agent:

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos



OYINDA AKINYEMI

Joint Lead Arranger / Issuing and Placing Agent:

Rand Merchant Bank Nigeria Limited
3rd Floor, East Tower
Wings Office Complex
17A Ozumba Mbadiwe Street
Victoria Island
Lagos

C. UALL.
DALU AJENE

Solicitor to the Transaction:

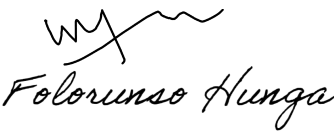
G. Elias
NCR Building, 6 Broad Street
Lagos



SEGUN OMOREGIE

Auditor to the Issuer:

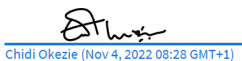
Deloitte & Touche
Civic Towers
Ozumba Mbadiwe Street
Victoria Island
Lagos



Folorunso Hunga

Collecting and Paying Agent:

Stanbic IBTC Bank PLC
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos



Chidi Okezie (Nov 4, 2022 08:28 GMT+1)