

This Programme Memorandum has been prepared in accordance with the CBN Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on September 11, 2019, the CBN circular to all deposit money banks and discount houses dated July 11, 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 Securities Exchange Limited in force as at the date thereof. The 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 please consult his/her banker, stockbroker, accountant, solicitor, or any other professional adviser for guidance immediately.



HARTLEYS SUPERMARKET & STORES LIMITED

RC1352647

(INCORPORATED AS A PRIVATE LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

₦5,000,000,000.00

COMMERCIAL PAPER ISSUANCE PROGRAMME

Hartleys Supermarket & Stores Limited ("Hartleys", the "Issuer" or the "Company"), a private limited liability company incorporated in Nigeria, has established this ₦5,000,000,000.00 (Five Billion Naira) Commercial Paper Issuance Programme (the "**CP Programme**"), under which Hartleys may from time to time issue Commercial Paper notes ("**CP**" or "**Notes**"), denominated in Nigerian Naira or in such other currency as may be agreed between the Issuer and each relevant Dealer and or the Arranger (as defined in the section entitled, "Summary of the Programme"), in separate series or tranches subject to the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum.

Each Series or Tranche (as defined herein) will be issued in such amounts, and will have such discounts, period of maturity and other terms and conditions as set out in the Pricing Supplement applicable to such Series or Tranche (the "Applicable Pricing Supplement"). The maximum aggregate nominal amount of all CP Notes from time to time outstanding under the CP Programme shall not exceed ₦5,000,000,000.00 over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

This Programme Memorandum is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any Series or Tranche, together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

The Notes issued under this Programme shall be issued in dematerialised form, registered, quoted and traded via the FMDQ Securities Exchange Limited ("**FMDQ Exchange**" or the "**Exchange**") platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of commercial paper as may be prescribed by the Central Bank of Nigeria ("**CBN**") and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The Notes will settle via any Central Securities Depository recognised by the Securities and Exchange Commission, acting as Registrars 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 significant factor, material mistake 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.

ARRANGER/ISSUING AND PAYING AGENT



United Capital Plc
RC 444999

COLLECTING AND PAYING AGENT



UNION BANK OF NIGERIA PLC
RC 6262

SOLICITORS



TOKUNBO ORIMOBİ LEGAL GROUP
BN: 2231337

THIS PROGRAMME MEMORANDUM IS DATED FEBRUARY 15, 2023

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GLOSSARY OF DEFINED TERMS

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

Terms/Abbreviations	Description
"Agency Agreements"	The (i) issuing and placing agency agreement; and (ii) the collecting and paying agency agreement dated on or about the date of this Programme Memorandum executed by the Issuer and the Agents
"Agents"	The Collecting and Paying Agent and the Issuing and Placing Agent.
"Applicable Pricing Supplement"	The pricing supplement applicable to a particular Series or Tranche issued under the CP Programme
"Board" or "Directors"	Board of Directors of Hartleys Supermarket & Stores Limited
"Business Day"	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for general banking business in Nigeria
"CBN"	Central Bank of Nigeria
"CBN Guidelines"	CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11th September 2019, and the CBN Circular of 12th July 2016 on Mandatory Registration and Listing of Commercial Papers as amended or supplemented from time to time
"Central Securities Depository" or "CSD"	Central Securities Clearing System Plc or FMDQ Depository Limited (which expression shall include their successors) or any additional or alternative clearing system or any clearing system as may otherwise be specified in the Applicable Pricing Supplement
"CITA"	Companies Income Tax Act Cap C21, LFN 2004 (as amended by the Companies Income Tax Act No 11 of 2007, the Finance Act 2019, the Finance Act 2020 and the Finance Act 2021)
"Collecting and Paying Agent"	Union Bank of Nigeria Plc or any successor collecting and paying agent in respect of the Notes, appointed by the Issuer
"Commercial Paper", "CP", "CP Notes" or "Notes"	Quoted unsecured commercial papers to be issued by the Issuer under the CP Programme in form of short-term zero-coupon notes under the CP Programme
"Conditions" or "Terms and Conditions"	The terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes"
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦5,000,000,000.00 (Five Billion Naira).
"CSD Rules"	The rules governing transfer of title in securities held with the CSD
"Day Count Fraction"	The method of calculating the discount in respect of a Note as specified in the Applicable Pricing Supplement

GLOSSARY OF DEFINED TERMS

“Dealer”	United Capital Plc and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer’s right to terminate the appointment of any Dealer
“Dealing Member”	An FMDQ Exchange licenced member authorized to make market in securities admitted to trade on the FMDQ Exchange Platform
“Eligible Investor”	Means an investor that is not a QII as defined by the 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 by the Issuer as set out in Condition 6 of the “Terms and Conditions”
“Face Value”	The par value of the Notes
“FGN”	Federal Government of Nigeria
“FMDQ Depository” or “FMDQD”	FMDQ Depository Limited
“FIRS”	Federal Inland Revenue Service
“FMDQ Securities Exchange Limited” or “FMDQ Exchange”	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 debt securities.
“FMDQ Exchange Rules”	The FMDQ Exchange Commercial Paper Registration and Quotation Rules, April 2021 (as may be amended from time to time) and such other regulations (including but not limited to Market Bulletins) with respect to the issuance, registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
“Force Majeure”	Means any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, industrial unrest, lockout, plague, epidemic, pandemic and outbreak of infectious disease or any other public health crisis, including quarantine or other restrictions
“Government”	Any federal, state, or local government of the Federal Republic of Nigeria
“Holder” or “Noteholder”	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
“ISA”	The Investment and Securities Act, No 29 of 2007, as amended
“Issue Date”	The date on which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement
“Issue Price”	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
“Issuer” or “Hartleys” or the “Company”	Hartleys Supermarket & Stores Limited
“Arranger”	United Capital Plc
“LFN”	Laws of the Federation of Nigeria

GLOSSARY OF DEFINED TERMS

"Maturity Date"	The date as specified in each Applicable Pricing Supplement in which the Principal Amount is due
"Material Adverse Change"	A material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
"Naira", "NGN", or "₦"	The Nigerian Naira
"NIBOR"	Nigerian Inter-Bank Offered Rate
"PITA"	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011, the Finance Act 2019, the Finance Act 2020 and the Finance Act 2021).
"Principal Amount"	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
"Pricing Supplement" or "Applicable Pricing Supplement"	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
"Programme"	The ₦5,000,000,000.00 (Five Billion Naira) commercial paper issuance programme established by the Issuer which allows for multiple issuances of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦5,000,000,000.00 (Five Billion Naira).
"Programme Memorandum"	This information memorandum dated February 15, 2023 which sets out the aggregate size and broad terms and conditions of the CP Programme
"Qualified Institutional Investors"	Includes 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, custodians, stockbroking firms and any other category of investors as may be determined by the Securities and Exchange Commission 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
"Redemption Date"	In relation to any Series, the date on which redemption monies are due and payable in respect of the Notes as specified in the Applicable Pricing Supplement
"Register"	A register of Noteholders, maintained by the Issuing and Paying Agent
"Relevant Currency"	The currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made as indicated in the Applicable Pricing Supplement
"Relevant Date"	The payment date of any obligation due on the Notes
"Relevant Last Date"	The date stipulated by the CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
"SEC"	The Securities and Exchange Commission
"SEC Rules"	The Consolidated Rules and Regulations of the Securities and Exchange Commission 2013 (as amended) made pursuant to the ISA
"Series"	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated

GLOSSARY OF DEFINED TERMS

	and form a single series and (ii) are identical in all respects except for their respective Issue Dates, and/or Issue Prices
“Tranche”	Notes which are identical in all respects
“VAT”	Value Added Tax as provided for in the Value/Added Tax Act, CAP VI, LFN 2004 (as amended by the Value Added Tax Act No 12 of 2007, the Finance Act 2019, the Finance Act 2020 and the Finance Act 2021)
“Zero Coupon Note”	A Note which will be offered and sold at a discount to its Face Value, and which will not bear interest, other than in the case of late payment

IMPORTANT NOTICES

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 ₦5,000,000,000.00 (Five Billion Naira). 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, information, and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained or incorporated in this Programme Memorandum is correct and does not omit any material fact that is likely to affect the import of such information.

The directors are responsible for the preparation of the summary financial statements in accordance with the FMDQ Exchange Rules.

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

No person has been 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.

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, the Dealers, or the Arranger that any recipient of this Programme Memorandum should purchase any Notes.

To the fullest extent permitted by law, neither the Arranger /Dealer, nor the other professional advisers accept any responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Arranger or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and other professional advisers accordingly refuse all and any liability whether arising in tort or contract or otherwise (save to the extent precluded by law) which they might otherwise have in respect of this Programme Memorandum or any such statement.

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

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

IMPORTANT NOTICES

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

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

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

INCORPORATION OF DOCUMENTS BY REFERENCE

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

1. Each Applicable Pricing Supplement relating to any Series or Tranche issued under the Programme.
2. The audited annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme; and
3. Any supplements and/or amendments to this Programme Memorandum circulated by the Issuer from time to time in accordance with the Programme Memorandum,

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

The Issuer may for so long as any Note remains outstanding, publish an amended and restated Programme Memorandum or a further supplement to the Programme Memorandum on the occasion 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 the programme materially inaccurate or misleading.

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

The audited financial statements and documents incorporated by reference shall be available on demand. Requests for such documents shall be directed to the Issuer or Arranger at their specified offices as set out in this Programme Memorandum.

SUMMARY OF THE PROGRAMME

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

TERMS	DESCRIPTION
Issuer:	Hartleys Supermarket & Stores Limited
Dealer:	United Capital Plc and any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of any Dealer.
Arranger:	United Capital Plc
Collecting and Paying Agent:	Union Bank of Nigeria Plc
Auditors:	WYZE Concepts & Associates
Registrars/Custodian:	FMDQ Depository Limited
Solicitors:	Tokunbo Orimobi Legal Group
Programme:	The Commercial Paper Issuance Programme established by the Issuer which allows for the multiple issuances of Notes from time to time under a standardized documentation framework
Programme Size:	₦ 5,000,000,000.00 (Five Billion Naira)
Issuance in Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue rate:	The Discount Rate at Issuance
Issue Size:	As specified in the Applicable Pricing Supplement
Use of Proceeds:	Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its general corporate purposes
Interest Payments:	Notes shall be issued at a discount and in the form of Zero-Coupon Notes. Thus, the Notes will not bear interest, other than in the case of late payment
Source of Repayment:	The repayment of all obligations under the Programme will be funded from the cash flow of Hartleys Supermarket & Stores Limited
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or Issue Rate + 5% per annum (whichever is higher)
Currency of Issue:	Nigerian Naira

SUMMARY OF THE PROGRAMME

TERMS	DESCRIPTION
Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines
Issuer Rating:	The Issuer has been assigned an ' BBB+ ' rating from DataPro. (BBB+ 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)
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. As a general principle, the maturity date of all outstanding Notes shall fall within the validity period of the Issuer/CP Programme rating filed with the Exchange at the commencement of the registration of the CP Programme
Restriction of the Issuance/Sale and Transfer of the CP Notes:	The issuance, sale and transfer of clean CPs issued under the CP Programme shall be restricted to Qualified Institutional Investors ("QIIs") as outlined in the FMDQ Exchange Rules
Status of Notes:	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Quotation:	The Notes shall be quoted on the FMDQ Securities Exchange Limited, or other securities exchange authorised by the CBN and the Securities and Exchange Commission
Secondary Market:	All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation and trading of any Series or Tranche of Notes quoted on the CBN-authorized trading platform
Taxation:	The Notes issued under the Programme will be Zero Coupon Notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law
Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")

DESCRIPTION OF HARTLEYS SUPERMARKET & STORES LIMITED

OVERVIEW OF HARTLEYS SUPERMARKET & STORES LIMITED

Hartleys Supermarket & Stores Limited ("Hartleys" or "the Company") is a leading supermarket chain that has built a solid reputation for delivering a wide assortment of high-quality products to its customers, with exceptional service. Hartleys currently has 3 outlets located in Victoria Island (1) and Ikoyi (2) with ongoing plans to open two (2) more locations within Lagos this year.

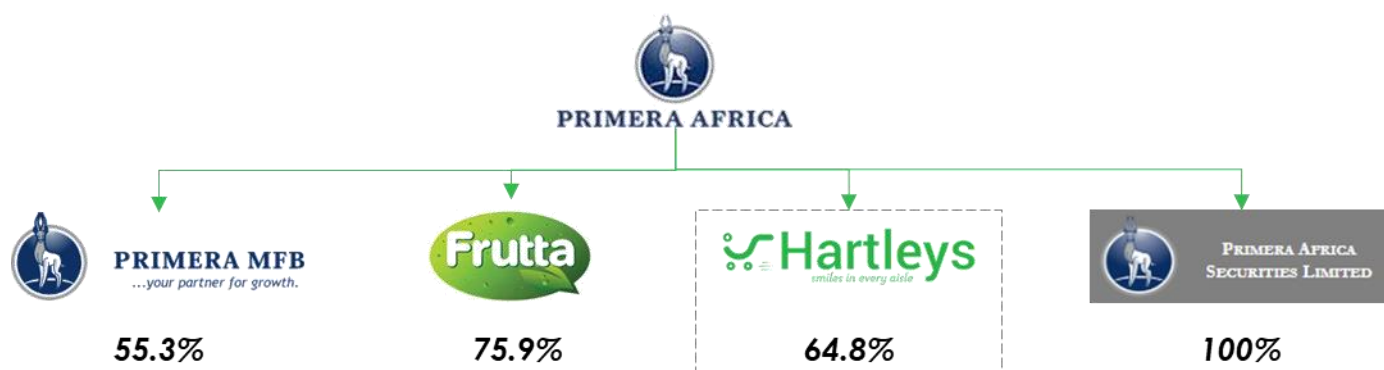
In September 2017, Primera Africa Group ("PAG") acquired a significant stake in Winners Supermarket and Catering Limited ("Winners") in line with its long-term strategic principal investment business plans, and effectively assumed control of the company's management. This was followed by a series of strategic turnaround initiatives to reposition the company for growth including fresh working capital injection and optimization, recruitment of qualified management team, amongst others. In September 2018, having gone through significant transformation and with performance steadily improving, a Company identity and brand overhaul was embarked upon to bring a fresh breath of life to the business and further influence its visibility in the market. The Company's name was formally changed from Winners Supermarket and Catering Limited to Hartleys Supermarket & Stores Limited in October 2018.

Today, Hartleys boasts of an experienced management team, strong supplier network and a loyal customer base. Furthermore, the strategic location of its store outlets in affluent business and residential areas affords it an advantageous accessibility to a prime market.

ABOUT PRIMERA AFRICA GROUP

Primera Africa Group ("PAG" or the "Group") is the holding company for a consumer focused, diversified group of companies with businesses in consumer/small business finance (licensed microfinance institution), non-alcoholic beverages (juice and other carbonated drinks) and formal retail. The Group is designed to benefit from secular consumer growth and its cash generative ability is underscored by its defensive product offering – essential requirements of daily life.

In recent years, the Group went through a restructuring with the setup of a microfinance institution, the acquisition of Hartleys Supermarket & Stores Limited – a fast growing formal retailer and Frutta Juice & Services Limited (non-alcoholic drinks producer), and the divestment of its securities brokerage business to EFG-Hermes ("EFG") a leading financial services corporation in frontier and emerging markets. This repositioning of PAG places it in a strategic position to take advantage of growth associated with increased consumer spending power primarily in Nigeria and the rest of West Africa (Frutta exports its product within the region).



DESCRIPTION OF HARTLEYS SUPERMARKET & STORES LIMITED

PROFILE OF THE BOARD OF DIRECTORS

Yewande Zacchaeus – Chairman

Yewande is a lawyer, banker, entrepreneur with over two decades of experience across different industries. She has a law degree from University of Lagos, Masters in Law from Cambridge University and AMP from IESE Business School, Barcelona. Yewande started her career as a practicing lawyer with R.I Kuku & Co, then as a bank executive with Ecobank Nigeria Plc, after which she went on to establish Eventful Limited in 2002, a pioneer in the field of events planning and consulting.

She is the convener of Fiesta of Flavours an annual, world class food and beverage fair established in 2015, The Beauty Souk, a niche fair for beauty enthusiasts in 2017 and The Fashion Souk, a fair to promote emerging entrepreneurs in the fashion business, which held in May 2018. Yewande currently serves as a Director on the boards of several other companies including Zacchi & Krome Limited, Corporate Leisure Limited, and Dataguard Management Co. Limited.

Boye R. Olawoye – Director

Boye is an accomplished business leader with broad domestic and international experience spanning over 20 years. He is the founder and current Group Managing Director of Primera Africa Group ("PAG"), where he provides overall fiscal, strategic and operations leadership to all the businesses within the Group.

Prior to setting up PAG, Boye worked at Afrinvest West Africa Limited where he held several roles including Chief Strategy Officer of the firm and Co-head of its Investment Banking group. Before Afrinvest, he worked in the Mergers & Acquisitions (M&A) group at UBS Investment Bank and the Debt and Equity Capital Markets desk at Merrill Lynch, both in New York, USA. Boye holds a B.B.A. Finance degree from Howard University, Washington, D.C. USA.

Mahmoud H. Tabaja – Director

Mahmoud Tabaja is a seasoned entrepreneur with very rich business management experience spanning over four decades. He is a Director at Hartleys Supermarket & Stores Limited where he currently provides valuable leadership to the company. Prior to Hartleys, Mahmoud Tabaja was also a Director at the former Goodies Supermarket & Restaurants Limited, a well-known retail/hospitality business in Nigeria. He was also a Director at Rofico Limited, makers of Milcow, a popular brand of milk and chocolate drink produced in Nigeria and was a Director at United Fisheries Limited, a fishing company operating a fleet of about 30 fishing trawlers and also involved in the importation of frozen fish and export of shrimps from Nigeria abroad.

Mahmoud Tabaja holds an MBA from the Federal University of Technology, Owerri. He is the current Vice Chairman, of the National Association of Supermarket Operators in Nigeria and is a Board Member of the Governing Council, Retail Council of Nigeria

Subu Giwa – Amu – Director

Subu is the founder and CEO of Brookstones Investments and Properties ("Brookstones"), a real estate investment and advisory services company with a growing portfolio of residential and commercial real estate assets. She has over 27 years of experience and an excellent track record in corporate & commercial banking, real estate financing, treasury and change management.

Prior to founding Brookstones, she was the Managing Director FBN Ghana where she successfully led the transition and takeover of International Commercial Bank Ghana ("ICB Bank") by First Bank Plc. She was also the Managing Director at FBN Mortgages, where she spearheaded the turnaround and return to profitability of the subsidiary. Subu holds both an LL. B (Hons) degree in Law and an MBA from the University of Warwick, UK.

DESCRIPTION OF HARTLEYS SUPERMARKET & STORES LIMITED

Roland Moubarak – Director

Roland Moubarak is an expert in FMCG manufacturing and marketing. He has an extensive proficiency in sourcing, marketing, and distribution, with 20 years' experience in the field within the Middle East and Africa. He has successfully launched various FMCG lines covering food, beverage, and regional cosmetics ranges, and has set up long term strategies for the brands.

He relocated to Nigeria to launch his own businesses in Third Party Logistics ("3PL") and Trading. He is presently the Managing Director of Supply Chain Logistics Limited where he optimized the logistics procedure of most of the clients he deals with, by implementing effective route to market strategies while trimming costs at all levels.

Oluseyi Oladapo – Director

Seyi is an Executive Director at Libra Circle Limited, a fully owned Nigerian procurement and logistics service provider, that offers end to end logistics solutions to key industry leaders in Nigeria. Since joining the company in 2005, Seyi has successfully led its transformation from a local player to a world class logistic service provider with international coverage in over 130 countries. Prior to joining Libra Circle in 2005, Seyi served as a relationship manager at National Bank of Nigeria where he managed clients in the energy, food, and construction industry. He has carried out a plethora of banking and investment advisory services including privatization mandates, private placements, project financing, and capital restructuring. Seyi holds a BSC in Management Science and Economics from the University of Lancaster and an MBA specializing in Marketing from the University of Hull, United Kingdom

PROFILE OF THE MANAGEMENT TEAM

Rodney Le Roux – Chief Executive Officer

Rodney is an experienced business expert with a demonstrated history of working in the African retail market for over 3 decades skilled in negotiation, budgeting, business planning, operations management, logistics and imports into Africa. Prior to joining Hartleys, Rodney was the Group Commercial Leader at MANO AFRICA a retail tech start up after spending almost 20 years serving in different capacities across several African countries at Shoprite Holdings.

He holds a Bachelor of Commerce B Com focused in Accounting and Finance and Logistics from University of Stellenbosch.

Mahmoud H. Tabaja – Foreign Commercials

Mahmoud Tabaja is a seasoned entrepreneur with very rich business management experience spanning over four decades. He is a Director at Hartleys Supermarket & Stores Limited where he currently provides valuable leadership to the company. Prior to Hartleys, Mahmoud Tabaja was also a Director at the former Goodies Supermarket & Restaurants Limited, a well-known retail/hospitality business in Nigeria. He was also a Director at Rofico Limited, makers of Milcow, a popular brand of milk and chocolate drink produced in Nigeria and was a Director at United Fisheries Limited, a fishing company operating a fleet of about 30 fishing trawlers and also involved in the importation of frozen fish and export of shrimps from Nigeria abroad.

Mahmoud Tabaja holds an MBA from the Federal University of Technology, Owerri. He is the current Vice Chairman, of the National Association of Supermarket Operators in Nigeria and is a Board Member of the Governing Council, Retail Council of Nigeria

Lavvina Vermaa – Operations

Lavvina is a seasoned and versatile management professional with 20 years cross functional work experience with reputed stores/retail establishments including Park 'n' Shop, Grand Square Supermarket Stores amongst others. She has demonstrated competencies in repeatedly producing sustained revenue and turnaround growth over the years. She currently oversees retail operations, business development, team management, public relations at Hartleys.

DESCRIPTION OF HARTLEYS SUPERMARKET & STORES LIMITED

She holds an MBA (Retail Management), 2002 from MGKVP, B A (Hons Eng 1999 from Delhi University).

Tobi Olubiyi – Chief Financial Officer

Tobi is a dynamic, integrative and value driven finance professional with 15 years progressive experience in financial and business strategies, financial management, accounting, audit, tax management treasury operations. He is responsible for overseeing the financial operations at Hartleys and the execution of its strategic financial plans.

He is an associate member of the Institute of Chartered Accountants of Nigeria (ICAN) and Chartered Institute of Treasury Management of Nigeria.

Kunal Khilwani – Finance Manager

Kunal is an expert finance manager with 18 years of experience working with local and international supermarkets, restaurants, hotels and manufacturing firms. He currently handles day to day accounting and finance functions and supports the executive management team by offering insights and financial information that facilitates sound business decisions for the Company.

He holds B.Com & H.S.C from SMT. Chandibai Himatmal Mansukhani College (2004 & 2001 respectively).

Elizabeth Aku – Head, Purchasing & Category Management

Elizabeth is a knowledgeable and innovative inventory management professional with 10 years of experience in the retail industry with key roles in sales, store, showroom, and procurements. She is responsible for managing the daily purchasing activities at Hartleys including product sourcing, pricing contracts negotiations, and vendor relationships, database management amongst others.

She holds a bachelors degree from the University of Lagos.

Tamim Alfadel – Head, Store Operations

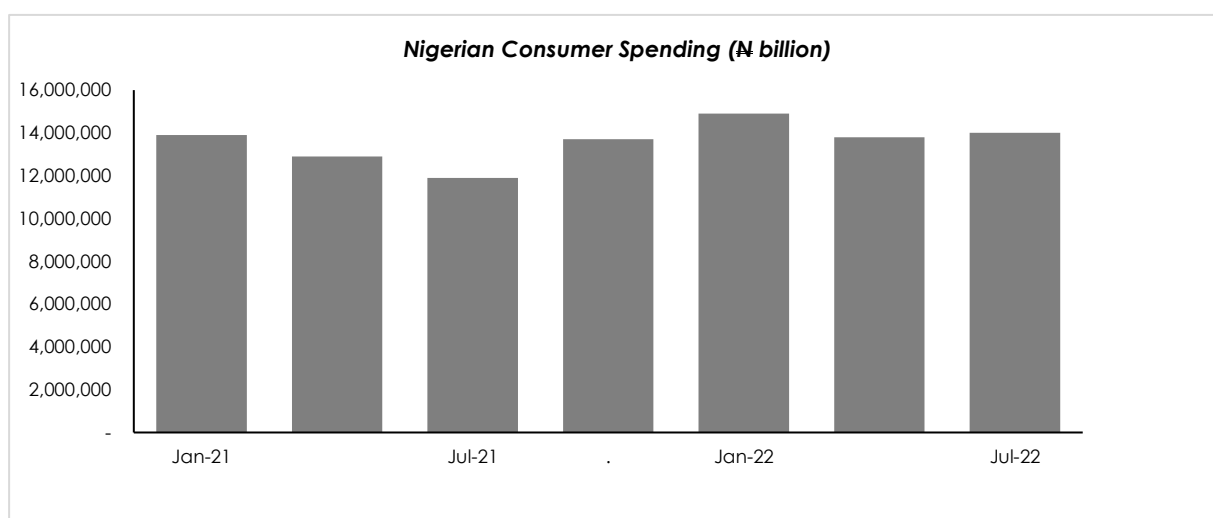
Tamim has 7+ years of experience in retail operations with a deep passion for delivering exceptional customer service levels. He is responsible for coordinating all in store operations at Hartleys in executing the best possible customer experience which is crucial to supporting the sales and profit goals of the Company.

He holds a degree in Information Technology from SVU Syria.

INDUSTRY OVERVIEW

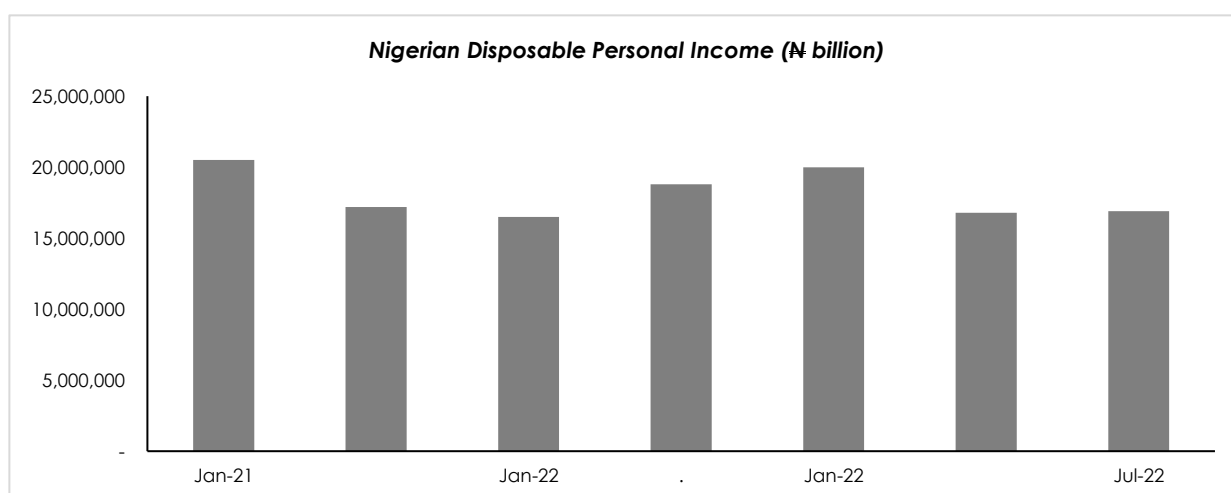
INDUSTRY OVERVIEW ON RETAIL

After the covid-19 pandemic the retailing economy in Nigeria gradually recovered. The Nigerian retail market remains fragmented and is dependent on informal sales channels such as neighbourhood markets and kiosks which account for 90% of retail activity. As in most markets, the bulk of household expenditure in Nigeria is directed towards food. But with traditional in-person shopping limited by lockdowns, and many households facing tighter budgets, the sector contracted by 8.49% over the course of 2020. Nonetheless, retail activity showed signs of recovery by the end of that year. Nigeria remains attractive for investors and retailers that apply growth strategies tailored to specific consumer preferences. While macroeconomic headwinds and currency volatility have weighed on consumer spending power in recent years, price sensitivity is leading to new opportunities for smaller packaging, localized retail developments and the sale of essential goods.



Source: Trading Economics

The above graph shows how consumer spending has changed over the years. Consumer spending declined in July 2020 and saw a continuous rise in spending from late 2020 to early 2021. This coincided with a rise in consumer disposable income from late 2020 to early 2021. This trend continued with a rise in consumer spending between late 2021 and early 2022 which coincided with a rise in consumer disposable income between that period.



Source: Trading Economics

INDUSTRY OVERVIEW

Alongside metrics like employment and the level of disposable household income, inflation is a useful indicator of purchasing power in Nigeria and can be an important determinant of consumer confidence and behavior. The consumer price index registered a 16.47% y-o-y increase in January 2021, according to the NBS, up from 15.75% in December 2020. In rural areas it was slightly lower, at 15.92%, compared to 17.03% in urban areas. This puts Nigeria's inflation above the average for sub-Saharan Africa and on a par with the level of inflation witnessed after the recession in 2016.

Despite the most recent high-profile exits of formal retailers from Nigeria, the continent's largest consumer market continues to offer attractive opportunities for investors with niche strategies. For example, FMCGs producers with successful records in established sachet economies such as India could bring their experience to Nigeria, where low household incomes and macroeconomic volatility are likely to keep many consumers focused on affordability. At the same time, smaller, localized retail developments geared towards essentials like groceries could prove successful in the post-pandemic landscape, alongside e-commerce platforms looking to cement a foothold among increasingly mobile-savvy segments of society.

Retail Industry Competition in Nigeria

SHOPRITE

Shoprite is one of the largest food retailers in Nigeria and Africa. It has massive bulk buying power which allows customers to buy products in bulk at a cheaper rate. Shoprite's attention to lower prices has been part of what helped them grow into one of the largest food retailers in Nigeria. They have a wide range of products such as raw food products, beverages, home appliances etc. Shoprite has opened twenty-five (25) stores since their first opening in 2005.

SPAR

Since the license was granted to Artee group in 2009, Spar has since grown and established itself in Nigeria. Spar connects with the general masses (consumers) and local entrepreneurs to receive Nigerian products from manufacturers and suppliers to an organized retail network. Spar have opened 14 stores in Lagos and provide a wide range of products at a reasonable price.

PRINCE EBANO SUPERMARKET

Since Prince Ebeano Supermarket was founded in 2009, they have provided wide varieties of products such as food, beverages, electronics and more. They have five outlets located in Abuja and Lagos and are known for providing a seamless shopping experience for customers.

ADDIDE

Addide started operations in 2008 and offers a wide variety of grocery items such as alcoholic and non-alcoholic drinks, cosmetics, and food items. With over 40 stores open across Nigeria, it has become a neighbourhood favourite.

INDUSTRY OVERVIEW

HUBMART

Since launching in 2015 Hubmart has been known for combining international retail standards with quality Nigerian products. With four different locations in Nigeria, the brand is well known for its excellent customer care and engagement. The Hubmart brand has different departments under it, like Hubcare which specializes in health and beauty of the customer, Hubcafe, which is a spot for relaxation and a Fresh Hubmart Segment where customers can find fresh meat, fish, and beverages. There is also Hubdeli which is a restaurant where you can find freshly cooked meals.

USE OF PROCEEDS

USE OF PROCEEDS

Unless otherwise stated in the applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Company for its general corporate purposes.

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

TERMS AND CONDITIONS OF THE NOTES

3.1 Status of the Notes

- 3.1.1 Each Note constitutes a direct, unconditional, unsubordinated and unsecured obligation 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 unsecured and unsubordinated obligations of the Issuer outstanding from time to time.
- 3.1.2 The aggregate Principal Amount of the Notes shall be a sum, up to ₦5,000,000,000 (Five Billion Naira). The Notes shall have a par value of ₦1,000 (One Thousand Naira) each as specified in the Applicable Pricing Supplement.
- 3.1.3 The tenor of the Notes shall be from the Allotment Date to the Maturity Date.

3.2 Constitution of the Notes

The Issuer hereby constitutes the Notes and covenants in favour of each Noteholder that it will duly perform and comply with the obligations expressed to be undertaken by it in the Programme Memorandum and the Applicable Pricing Supplement in respect of the Notes by it at such prices and upon such terms as the relevant Dealer may agree with such purchaser.

2. DEPOSIT OF THE DEED OF COVENANT

This Deed shall be deposited with and held by the Agents until the date on which all the obligations of the Issuer under or in respect of the Notes, (including, without limitation, its obligations under this Deed), have been discharged in full. The Issuer acknowledges the right of every Noteholder to the production of this original Deed or the issuing of copies thereof.

3. STAMP DUTIES AND SIMILAR TAXES

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery and performance of this Deed, and shall indemnify each Noteholder against any claim, demand, action, liability, damage, cost, loss or expense, (including, without limitation, any properly incurred legal fees and any applicable value added tax), which it incurs as a result of or arising out of or in relation to any failure to pay or delay in paying any such taxes.

4. COVENANTS OF THE ISSUER

The Issuer hereby covenants with the Noteholders and undertakes that as long as any of the Notes remain outstanding and at all times during the continuance of this Deed (except as may otherwise be agreed in writing by the Noteholders):

TERMS AND CONDITIONS OF THE NOTES

- 6.1 it shall not without the express written consent of the Noteholders, create or permit to subsist, or agree or purport to permit to subsist any encumbrances on the Notes established under the Programme Memorandum and any Applicable Pricing Supplement;
- 6.2 it shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein and in any Transaction Documents; and
- 6.3 each Noteholder shall have the benefit of the terms and conditions of the Notes which are stated in the Programme Memorandum as if they had been incorporated mutatis mutandis into this Deed.

7. BENEFIT OF THE DEED

- 7.1 This Deed shall take effect as a deed poll for the benefit of the Noteholders from time to time and shall ensure for the benefit of each Noteholder and its successors and assigns, each of which shall be entitled severally to enforce this Deed against the Issuer.
- 7.2 Nothing in this Deed or in the Notes, express or implied, shall give to any person, other than the Noteholders hereto and their successors and assigns hereunder and, where specified herein, the beneficial owners of the Notes, any benefit or any legal or equitable right, remedy or claim under this Deed.

8. TITLE TO ENTRIES

- 8.1 Any Noteholder may protect and enforce its rights arising out of this Deed in respect of any Note held by such Noteholder without the necessity of using the name of or obtaining any authority from any predecessor in title.
- 8.2 A Noteholder will be entitled to receive payment of all amounts due to it with respect to each Note held by it to the exclusion of any other person and payment in full by the Issuer to a Noteholder shall discharge the Issuer from all obligations in respect of such Note.

9. EVIDENCE OF OWNERSHIP

Statements issued by the CSD as to the name of the Noteholder and aggregate number of Notes standing to the CSD Account of any person shall be conclusive and binding for all purposes, (save in the case of manifest error), and such person shall be treated by the Issuer and the Agents as the legal and beneficial owner of such aggregate number of Notes for all purposes.

10. PAYMENTS

- 10.1 All sums payable under this Deed shall be paid:
- 10.1.1 free of any restriction or condition; and

TERMS AND CONDITIONS OF THE NOTES

10.1.2 free and clear of and (except to the extent required by law) without any deduction or withholding for or on account of any tax imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria.

11. NOTICES

11.1 Notices to the Noteholders

11.1.1 All notices to the Noteholders will be valid if mailed to them at their respective addresses of record stated in the relevant Register of Noteholders maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the CBN, the CSD or such other regulatory authority as may be applicable to the Notes.

11.1.2 Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

11.2 Notices from the Noteholders

11.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging the same with the Agents.

11.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and subsequently, the Register of Noteholders shall be altered accordingly following notifications to the CSD.

12. SEVERABILITY

Any term or provision of this Deed or the application thereof to any circumstance that is prohibited or unenforceable, (to any extent), in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity, prohibition or unenforceability without invalidating or rendering unenforceable the remaining terms or provisions hereof or the application of such term or provision to circumstances other than those to which it is held invalid or unenforceable. Any such illegality, invalidity, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable laws, the parties hereto waive any provision of law that renders any term or provision of this Deed illegal, invalid, prohibited or unenforceable in any respect.

13. GOVERNING LAW AND JURISDICTION

This Deed shall be governed by and construed in all respects in accordance with the laws of the Federal Republic of Nigeria and the Courts of the Federal Republic of Nigeria shall have jurisdiction to determine any dispute arising out of or in connection with this Deed.

TERMS AND CONDITIONS OF THE NOTES

14. DISPUTE RESOLUTION

- 14.1 The Issuer agrees for the benefit of the Noteholders that the courts of the Federal Republic of Nigeria shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes, which may arise out of or in connection with this Deed (respectively, “**Proceedings**” and “**Disputes**”) and for such purposes, irrevocably submits to the jurisdiction of such courts.
- 14.2 The Issuer irrevocably waives any objection, which it might now or hereafter have to the courts of Nigeria being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.
- 14.3 The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever of any order or judgment which is made or given in such Proceedings.
- 14.4 To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.
- 14.5 This clause shall be severable from the rest of this Deed and shall remain effective if this Deed is cancelled or terminated.

TAX CONSIDERATIONS

The tax consequences of investments in the Notes are broadly summarised below. The summary is not intended and should not be construed, to be tax advice to any particular subscriber. Any prospective investor who is in any doubt as to his/her tax position or who is subject to taxation in any jurisdiction other than Nigeria should consult his/her own professional advisers without delay as to the consequences of an investment in the Notes in view of his/her own personal circumstances. Neither the Issuer nor its advisers shall be liable to any subscriber in any manner for placing reliance upon the contents of this section.

The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at discount to Face Value. The discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.

The foregoing summary does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective purchaser of Notes issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any actual or prospective purchaser of the Notes who intends to ascertain his/her 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.

RISK FACTORS

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.**

BUSINESS AND OPERATIONAL RISK

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Issuer's operational processes capture the following major types of losses: fraud (internal and external); fines, penalties or expenses incurred as a result of settlement delays and regulatory infractions; losses arising from litigation processes including out of court settlements; losses incurred as a result of damage to the Issuer's assets; and losses incurred as a result of system downtime, malfunction or disruption. The Issuer recognises the significance of operational risk which is inherent in all areas of the Issuer's business. Any lapse due to operational risk that results in severe losses could affect the Issuer's ability to perform its obligations under the Programme.

LIQUIDITY RISK

Liquidity risk arises when there is a mismatch between the inflows and outflows of the Issuer. It is the risk that Hartleys Supermarket & Stores Limited may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. This may be due to the inability of the Issuer to liquidate certain assets at short notice due to market illiquidity and inability to access sufficient funds to payment obligations in a timely manner. The management of liquidity risk is critical to the ongoing viability of the Issuer.

MARKET AND INTEREST RATE RISK

Market risk is the risk of loss from unfavourable changes in the fair values of financial instruments (or portfolio of assets) caused by adverse changes in market variables, such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and implied volatilities of the market rates.

The Issuer's exposure to market risks is categorized as follows:

- Interest rate risk on the balance sheet: this refers to risks inherent in the different repricing characteristics of balance sheet assets and liabilities. These may include repricing risk or yield curve risk.
- Equity investments on the balance sheet: this refers to risks resulting from price changes in listed and unlisted equity investments carried on the Company's balance sheet.
- Foreign currency risk: The Company may be exposed to foreign currency risk as a result of foreign-denominated cash exposures and accruals.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that changes in foreign exchange rates and controls would affect the value of the financial assets and liabilities as well as off-balance sheet items of the Issuer. Financial instruments that are exposed to this risk include foreign currency denominated loans and advances, foreign currency denominated securities, and future cash flows in foreign currencies arising from foreign exchange transactions. Movement in exchange rates could result in further devaluation/depreciation of the Naira which could have a material adverse effect on the Company's financial condition.

RISK FACTORS

RISKS RELATING TO THE COMMERCIAL PAPERS

Change in interest rates may affect the price of the Commercial Papers

Commercial papers are offered at a fixed discount to the pre-determined face value and as a result, they are subject to price risk. Consequently, price of the commercial papers may vary inversely with changes in prevailing interest rates. That is, a rise in interest Will cause the price of the commercial paper notes to fall and when interest rates fall, the price increases. Accordingly, the extent of the fall or rise in the prices is a function of the existing yield, 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 Commercial Papers. However, these effects are only in the short-term as the CPs are short-term instruments, to the extent that there are no extended roll-overs.

Liquidity risk for the Commercial Paper

There is the risk that there may not be an active two-way quote trading market for the Commercial Papers.

Consequently, investors may not be able to readily sell their Commercial Papers at prices that will enable them to realize a yield comparable to that of similar instruments, if any, with a developed secondary market. The short-term nature of the CP notes means that investors will typically hold the securities till maturity.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility Which may have an adverse effect on the price of the Commercial Papers.

Tax risk

Adverse changes in applicable tax legislations and regulations may operate to diminish the value of taxable or tax-exempt interest income accruing to the prospective investors. The nature of such possible changes in tax laws cannot be predicted immediately but may ultimately make the Instruments less profitable for investors.

Exchange rate risks

Payments of principal and interest on the Commercial papers will be made in Naira. This presents certain risks relating to Currency conversions if an investor's financial activities are denominated principally in a currency Other than the Naira. These include the risk that exchange rates may significantly change (including changes due to devaluation of Naira or revaluation of the investor's currency. An appreciation in the value of the Investor's Currency relative to Naira would decrease (1) the Investors Currency, equivalent yield on the Commercial Papers; (2) the Investor's Currency equivalent value Of the Principe payable on the Commercial Papers; and (3) the Investor's Currency equivalent market value of the Commercial papers. The government may impose (as have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest principal than expected, or no interest or principal.

RISK FACTORS

Legality of Purchase

Neither the Issuer, the Arranger(s) and Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Change of Law

The terms and conditions of the Commercial Papers are based on Nigerian law in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after date of this Programme Memorandum.

Credit ratings may not reflect all risks

The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Commercial papers. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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.

Registration

- i. The under-listed authorized participants shall register with the CSD, where CP custody and depository services are required.
 - a. Collecting and Paying Agent ("Union Bank of Nigeria Plc") / Dealer and Dealing Members ("Authorised Participants") shall complete forms from CSD. These Authorized Participants shall be required to submit proof of the appropriate FMDQ membership along with the completed form.
 - b. Investors are required to route their account opening applications and transactions through any of the above-mentioned Authorized Participants (of their choice), who will officially notify the CSD to create sub-accounts for these clients and also attach clients' mandates to this effect.
- ii. The CSD will assign a Trade Member Code to the authorized participant and also provide the account number (and sub-accounts numbers for clients) after creation as requested by the Authorized Participant to enable them to trade the CPs.
- iii. FMDQ Securities Exchange Limited (the Exchange) shall request for the CP to be registered with the CSD, who in turn shall furnish the Exchange and CPA / Dealer with the unique identifier for the registered CP, subject to receipt of CP registration fees from the CPA/ Dealer.
- iv. The CSD will re-open the existing unique identifier for all tranches with same maturity dates, however new unique identifiers will be issued for tranches with different maturity dates.

Lodgement

- i. The Authorized Participant will electronically lodge CPs with the CSD and advise the CSD after lodgement to transfer the CPs to the sub-accounts, individual accounts, or custodians accounts of the beneficial owners of the Notes.
- ii. The CSD shall process same within 24 hours of receipt.

Redemption

- i. Register closes two (2) working days before maturity date (MD - 2).
- ii. The CPA/Dealer will submit a letter to THE CSD confirming the intention of the Issuer to repay the holders of the CP on the maturity date by 12 noon on MD - 2.
- iii. The CPA/Dealer will also provide the Exchange an acceptance/approval letter for redemption.
- iv. The CSD shall expunge (knock-off) matured CP(s) on the maturity/redemption date of the CP.
- v. Maturity must be on a business day, however if the maturity date of a CP falls on a public holiday, the ensuing working day shall be the maturity date of the CP.
- vi. In the event of default of inability to fulfil its obligation at meeting item (ii) stated above, the

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

CPA shall notify the CSD no later than two (2) working days before maturity date and make public the default status to the market.

- vii. In the event of item (vi) crystallising, the Note holdings must remain with the CSD until the CPA pays off the holders of the Notes. The CPA shall notify the CSD of the payments and provide evidence of pay-off. Thereafter, the CSD will expunge the Notes accordingly.

Roll-Over

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

Default

- i. Where the Issuer is unable to repay the CP investors and the CP will be in default status, the authorised participants shall notify the CSD, FMDQ Exchange, as well as the investors, latest two (2) working days before the maturity date (MD - 2), latest by 3.00pm.
- ii. The Exchange shall make public the default status to the market latest by MD - 1.
- iii. In case of (i) above, the CP holdings must remain with the CSD until the CPA pays off the CP holders and notifies THE CSD and the Exchange with evidence.
- iv. The IPA shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 4:00PM on the Maturity Date, failing which the Issuer shall be deemed to be in default
- v. Thereafter, the CSD will notify the public and expunge the CP from the Depository accordingly.

Secondary Market Trading (OTC) Guidelines

- i. Standard settlement cycle is T + 2.
- ii. The Exchange shall submit Authorized Participants' confirmed CP trade details on trade day in the specified format via the CSD authorized platform, based on the following settlement timelines:
 - Same Day Settlement - 12.30pm
 - T+1 or T+2 Settlements - 3.00pm
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD authorized platform by 2pm on settlement day to the exchange and Nigeria Inter-Bank Settlement System (NIBSS) simultaneously. Authorized participants shall state the particular account number where the CP(s) will be settled.
- iv. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the Exchange and the CSD simultaneously.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

- v. Transactions for standard settlement (T + 2) shall stop five (5) working days before maturity date (MD – 5), therefore the last applicable settlement shall be before close of business on MD - 3.

Reporting

- i. The CSD shall effect the transfer of CPs on the settlement date as advised by the exchange and also keep records for each transaction.
- ii. The CSD will advise the Authorised Participants of the FMDQ Securities Exchange Limited of successful and failed transactions on each settlement day for onward communication to Dealing Members.
- iii. Dealing Members can also visit the CSD website to ascertain their CP balances after each day's trade. This is available to only the institutions that subscribe to the CSD online service.

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

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



HARTLEYS SUPERMARKET & STORES LIMITED

RC1352647

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

₦5,000,000,000.00

COMMERCIAL PAPER ISSUANCE PROGRAMME

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, originally dated **15th February 2023** prepared by United Capital Plc on behalf of Hartleys Supermarket & Stores Limited in connection with its ₦5,000,000,000.00 (Five Billion Naira) Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the "Programme Memorandum").

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

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

This document has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on 11th September 2019 and the FMDQ Exchange Rules in force therein.

The CP Notes will be issued in dematerialised form, registered, quoted, and traded over the counter ("OTC") via the FMDQ Securities Exchange Limited ("FMDQ Exchange" or the "Exchange") Platform in accordance with the rules, guidelines and such other regulation as prescribed by the Central Bank of Nigeria ("CBN") and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. Securities will be settled via any Central Securities Depository recognised by the Securities and Exchange Commission, acting as Registrars and Clearing Agent for the Notes.

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.

ARRANGER/ISSUING AND PAYING AGENT



United Capital Plc
RC 444999

COLLECTING AND PAYING AGENT



UNION BANK OF NIGERIA PLC
RC 6262

SOLICITORS



TOKUNBO ORIMOBİ LEGAL GROUP
BN: 2231337

THIS PRICING SUPPLEMENT IS DATED [•]

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Terms	Description
Issuer	Hartleys Supermarket & Stores Limited
ISSUNG AND PLACING AGENT	United Capital Plc
COLLECTING AND PAYING AGENT	Union Bank of Nigeria Plc
Sponsor to the Quotation on FMDQ Exchange	United Capital Plc
Solicitor	Tokunbo Orimobi Legal Group
Auditor	WYZE Concepts & Associates
Custodian	[●]
Series Number	1
Programme Size	₦5,000,000,000.00 (Five Billion Naira)
Aggregate Nominal Amount	₦ [●]
Face Value	₦ [●]
Discounted Value	[●]
Nominal Amount Per Note	₦1,000.00 (One Thousand Naira)
Issue Price	[●]
Tenor	[●]
Maturity Date	[●]
Final Redemption Amount	[●]
Minimum Subscription	₦10,000,000.00 (Ten Million Naira) and multiples of ₦5,000,000.00 (five Million Naira) thereafter
Specified Currency	Nigerian Naira (₦)
Restriction of the Issuance/Sale and Transfer of the CP Notes	The issuance, sale and transfer of the CP has been restricted to Qualified Institutional Investors ("QIIs") as outlined in the FMDQ Exchange Rules

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Status of Notes	Each Note constitutes a senior unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, and with other present and future senior unsecured obligations of the Issuer outstanding from time to time
Form of Notes	Uncertificated
Quotation	Notes may be quoted on the FMDQ Exchange platform or any other recognized exchange
Issuer Rating	BBB+ (DataPro)
Method of Offer	Fixed Price Offer
Taxation	Please refer to the 'Tax Considerations' section in the Programme Memorandum
Book Closed Period	The Register will be closed from [●] to [●] until the Maturity Date
Implied Yield	[●]%
Discount Rate	[●]%
Any Other Formula or basis for Determining Amount(S) Payable	[●]
Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
Redemption/Payment Basis	[Redemption at par] [other (specify)]
Issuer's Early Redemption	[Applicable/Not Applicable]54f
Issuer's Optional Redemption	[Applicable/Not Applicable]
Other Terms Applicable on Redemption	[●]
Offer Opens	[●]
Offer Closes	[●]
Allotment Date	[●]
Issue Date	[●]

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Notification of Allotment	All applicants will be notified through an email and/or telephone of their allotment by no later than [●]
Payment Date	[●]
Details of Bank Account(s) To Which Payments Are to Be Made in Respect of The Notes	Bank: Union Bank of Nigeria Plc Account Name: [●] Account Number [●] Sort Code: [●]
Settlement Procedures and Settlement Instructions	[●]
Delivery Date	[●]

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no material adverse change in the financial position or prospects of the Issuer since the 31st of December 2022.

RESPONSIBILITY

The Issuer and its Executive Management accept responsibility for the information contained in this Pricing Supplement, which when read together with the Programme Memorandum, contains all information that is material in the context of the issue of the Notes.

Signed at _____ on this **15th** day of **February** 2023.

**For and on behalf of
Hartleys Supermarket & Stores Limited**

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

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

AUDITOR'S COMFORT LETTER



WYZE CONCEPTS & ASSOCIATES
Chartered Accountants and Tax Consultants
BN:2102585

1st Floor, 64 Adetokunbo Ademola Street,
Victoria Island, Lagos.
+234 908 0000 357
+234 1 632 1435
info@wyze-ng.com
www.wyzea-ng.com

17 December 2022

The Managing Director
FMDQ Securities Exchange Limited
35 Idowu Taylor Street,
Victoria Island,
Lagos.

Dear Sir,

**AUDITOR'S COMFORT LETTER – HARTLEYS SUPERMARKET & STORES LIMITED
MANAGEMENT ACCOUNT FOR THE PERIOD ENDED 30TH NOVEMBER 2022.**

At the instance of our above-named client, we have been requested to issue a comfort letter on the financial performance and position of Hartleys Supermarket & Stores Limited (our client).

Our last audit of Hartleys Supermarket & Stores Limited Managements financials was for the year ended 31 December 2021 and we expressed an unmodified audit opinion on the financial position, performance, and cash flows for the year then ended. Our audit was conducted in accordance with the International Standards on Auditing and the financial statements were prepared in line with the International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act (CAMA).

This comfort letter is intended solely for the purpose of registration of a commercial paper and should not be distributed to or used by parties other than the FMDQ Securities Exchange Limited. We have exercised due care in expressing our opinion based on evidence and records provided to us by the Company. WYZE **shall not be liable** in damages or otherwise to the Company or any third party who relies on this letter of comfort or for any misinterpretation which may arise from the report thus provided.

Yours faithfully,

WYZE Concepts & Associates
Femi Wright
Managing Partner

AUDIT REPORT AND SUMMARY FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2019 N'000	2020 N'000	2021 N'000
Revenue	1,651,148	3,121,485	5,477,172
Cost of Sales	(1,239,759)	(2,284,395)	(4,022,021)
Gross Profit	411,389	837,090	1,455,151
Other Operating Income	48,642	61,016	58,100
Other Operating gains (Losses)	(631)	(27)	(4,014)
Movement in credit loss allowances	(2,223)	(4,003)	(1,243)
Other operating expenses	(492,064)	(682,442)	(1,121,543)
Operating profit (Loss)	(34,887)	211,634	386,451
Finance costs	(37,504)	(41,777)	(63,480)
Profit (loss) before taxation	(72,391)	169,857	322,971
Taxation	64,121	(54,205)	(94,019)
Profit (loss) for the year	(8,270)	115,652	228,952
Other comprehensive Income			
Total comprehensive income (loss) for the year	(8,270)	115,652	228,952

AUDIT REPORT AND SUMMARY FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	2019 N'000	2020 N'000	2021 N'000
Non-Current Assets			
Property, Plant and Equipment	236,825	510,665	522,427
Right-of-use assets	32,750	129,837	102,974
Intangible Assets	6,583	5,583	4,583
Deferred tax	64,121	23,554	-
Total Non-Current Assets	340,279	669,639	653,538
Current Assets			
Inventories	392,107	601,930	856,766
Trade and Other Receivables	110,535	66,467	266,268
Prepayments	5,162	50,989	43,388
Cash and Cash Equivalent	21,956	16,448	68,278
Total Current Asset	529,760	735,834	1,234,700
Total Assets	870,039	1,405,473	1,864,684
Current Liabilities			
Trade and Other Payables	483,403	690,978	740,851
Deferred Income	-	8,676	10,591
Current tax payable	-	13,638	61,571
Short term loan	182,617	287,627	176,784
Bank Overdraft	60,557	21,340	-
Total Current Liabilities	726,577	1,022,259	989,797
Non-Current Liabilities			
Finance lease liabilities	-	95,851	79,346
Deferred tax	-	-	8,894
Total Liabilities	726,577	1,118,110	1,078,037
Equity			
Share capital	29,022	29,022	29,022

AUDIT REPORT AND SUMMARY FINANCIAL STATEMENTS

Share premium	523,836	552,085	552,092
Deposit for shares			270,322
Retained Income	(409,396)	(293,744)	(64,789)
Total Equity	143,462	287,363	786,647
Total Equity & Liabilities	870,039	1,405,473	1,864,684

STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS	2019 N'000	2020 N'000	2021 N'000
Cash Flows from Operating Activities			
Cash generated from operations	85,411	313,246	422,101
Tax paid	-	-	(13,638)
Finance costs	(37,504)	(41,777)	(63,480)
Net Cash from Operating Activities	47,907	271,469	344,983
Cash flows from investing Activities			
Purchase of property, plant and equipment	(108,252)	(334,768)	(140,451)
Sale of property, plant and equipment	260	-	-
Additions to right-of-use assets	(85,500)	(132,076)	-
Net cash from investing activities	(193,492)	(466,844)	(140,451)
Cash flows from financing activities			
Proceeds on share issue	30,000	28,249	-
Movement in short term loan	137,117	105,010	(110,843)
Repayments of shareholders loan	(20,000)	-	-
Additions to lease liabilities	-	95,851	(16,505)
Net cash from financing activities	147,117	229,110	(127,348)
Total cash movement for the year	1,532	33,735	77,184
Effect of exchange rate movement on cash balances	69	(27)	(4,014)
Cash at the beginning of the year	(40,202)	(38,600)	(4,892)
Total cash at end of the year	(38,601)	(4,892)	68,278

HARTLEYS SUPERMARKET AND STORES LIMITED

Long-Term Rating:

BBB⁺

Short Term Rating: A2

Rating Outlook: Stable

Trend: UP

Currency: Naira

Date Issued: 19 Sept., 2022

Valid Till: 18 Sept., 2023

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

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

EXECUTIVE SUMMARY

	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Turnover	5,477,172	3,121,485	1,651,148	1,080,561
Pre-tax-Profit	322,971	169,858	-72,391	-51,572
Equity	786,642	287,366	143,462	121,732
Non-Current Assets	629,984	669,639	340,279	175,665
Total Asset	1,864,683	1,393,502	849,863	627,736
Long-term Debt	88,240	95,851	0	20,000

Rating Explanation

The Short-Term Rating of **A2** indicates *Fair Credit Quality* and adequate capacity for timely payment of financial commitments.

The Long-Term Rating of **BBB⁺** indicates *Slight Risk*. It shows Fair Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Company, in our opinion, has an ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

RATING SYNOPSIS

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

The qualitative information used were based on industry and market intelligence including public information. The quantitative information was obtained from the Company's Audited and Management Accounts.

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

Overall, the following were observed:

Strengths:

- Experienced Board and Management Team
- Strong Revenue Growth Profile
- Good Niche Player

Weakness:

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

MEMORANDUM

FROM: TOLG ADVISORS

TO: THE MANAGING DIRECTOR / CEO, UNITED CAPITAL PLC

DATE: JANUARY 6, 2023

RE: ESTABLISHMENT OF A ₦5,000,000,000.00 (FIVE BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME BY HARTLEYS SUPERMARKET AND STORES LIMITED

TRANSACTION DYNAMICS

We have acted as Transaction Counsel in relation to the above-captioned transaction (the **“Transaction”**) under which Hartleys Supermarket and Stores Limited (the **“Issuer”**) may from time to time issue Commercial Paper (**“CP”** or **“Notes”**), denominated in Nigerian Naira, in separate series or tranches subject to the terms and conditions (the **“Terms and Conditions”**) contained in the programme memorandum (the **“Programme Memorandum”**) and the applicable Pricing Supplement; and in connection with the review, negotiation, execution and delivery of the Transaction Documents listed in Clause 1.1 below, and all the transactions contemplated therein (the **“Contemplated Transactions”**).

This Transaction Legal Opinion (this **“Opinion”**) is rendered pursuant to the Dealer Agreement (the **“Dealer Agreement”**) dated 15th February, 2023 between the Issuer and United Capital PLC (the **“Dealer”**).

The Notes issued will be constituted by, subject to, and have the benefit of, a Deed of Covenant dated 15th February, 2023 which shall take effect as a deed poll (the **“Deed of Covenant”**), for the benefit of the holders of the Notes.

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

This Opinion is rendered in relation to the Transaction and at the request of the Issuer and the Dealer.

1. DOCUMENTS REVIEWED

- 1.1 In rendering this Opinion, we have reviewed such documents as we have considered necessary for the opinions expressed in this Opinion and principally, the following documents:

- (a) the Deed of Covenant dated 15th February, 2023;
- (b) the Dealer Agreement dated 15th February, 2023;
- (c) the Issuing and Placing Agency Agreement dated 15th February, 2023;
- (d) the Collecting and Paying Agency Agreement dated 15th February, 2023;
- (e) a copy of the Certificate of Incorporation of the Issuer dated 5th August, 2016¹;
- (f) a copy of the Memorandum and Articles of Association of the Issuer certified by the Corporate Affairs Commission 5th August, 2016;
- (g) a copy of the resolution of the meeting of the Board of Directors and Shareholders of the Issuer passed on 14th December, 2022, authorising the establishment of the Programme;
- (h) a copy of the Form CAC 7A Notice of Change of Directors, or in the Name, Residential Address or Postal Address of Director certified by the Corporate Affairs Commission on 7th August, 2019; and
- (i) a copy of the Form CAC 2A Return of Allotment (Post Incorporation) certified by the Corporate Affairs Commission on 20th October, 2022.

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

1.2 Assumptions

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

- (a) the authenticity of all signatures on all Transaction Documents and the completeness and conformity to original documents, of all copies made available to us by courier or e-mail and that any document so submitted to us continues to be in full force and effect;
- (b) the absence of fraud, coercion, duress, undue influence or other vitiating factor on the part of any party to the Transaction Documents, including their respective representatives, directors, employees, agents and advisers;

¹ The Issuer was incorporated on 5th August, 2016 as **“Winners Shopping Center and Catering Limited”** and subsequently changed its name. We were also provided with a Certificate of Change of Name issued by the Corporate Affairs Commission dated 15th October, 2018.

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

2. OUR OPINION

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

2.1 Status, Power and Authority, Legal Validity

- 2.1.1 the Issuer (i) is a private liability company duly incorporated and validly existing under the laws of the Federal Republic of Nigeria; (ii) has perpetual corporate existence and the capacity to sue or be sued in its own name; (iii) has the corporate power and authority to enter into and perform the obligations expressed and assumed by it under the Transaction Documents to which it is a party and any Notes; (iv) has taken all necessary corporate and other action to authorise the entry into, execution of and performance of its obligations under the Transaction Documents to which it is a party and the Notes; and (v) has duly complied with all extant laws, regulations, circulars and guidelines;
- 2.1.2 the Transaction Documents have been duly executed and delivered, and the Transaction Documents and the Notes have been duly authorised by the Issuer in accordance with the laws of the Federal Republic of Nigeria and the Constitutional Documents of the Issuer;

- 2.1.3 the Transaction Documents constitute valid, legal, binding and enforceable obligations of the Issuer and are enforceable against it in accordance with their terms;
- 2.1.4 the holders of the Notes shall be entitled, severally, to enforce the Deed of Covenant against the Issuer;
- 2.1.5 the Notes, when issued, would constitute valid, legal, binding and enforceable obligations of the Issuer; and
- 2.1.6 the issuance of the Notes in dematerialised form is valid and legal under Nigerian law.

2.2 Consents, Filings and Form

- 2.2.1 No consent, approval, registration or filing with any court or governmental authority in the Federal Republic of Nigeria (including the Central Bank of Nigeria and the Securities and Exchange Commission of Nigeria) is required in connection with the execution, delivery and performance of the Transaction Documents, including the issue of the Notes.
- 2.2.2 the Notes, when issued, would be issued in compliance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the Central Bank of Nigeria.
- 2.2.3 the Transaction Documents are in the proper form for their admissibility in evidence and their enforcement (save for payment of stamp duty as described in paragraph 2.8 below) against the Issuer in the courts of the Federal Republic of Nigeria.

2.3 Non conflict with laws

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

2.4 Insolvency

To the best of our knowledge, no procedure has been commenced in the Federal Republic of Nigeria with a view to the winding up, reorganisation, or dissolution (or similar procedure) of the Issuer or with a view to the appointment of a liquidator, receiver, receiver/manager or similar officer in respect of the Issuer or any of its properties, assets or interest.

2.5 Immunity

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

2.6 Licensing and Qualifications etc.

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

2.6.2 The performance by any party of any of its rights, duties, obligations or representations under the Transaction Documents (including the Notes) will not violate any existing applicable law or regulation in the Federal Republic of Nigeria.

2.7 Taxes and Stamp Duty/Registration

2.7.1 The provisions of the Stamp Duties Act² require any instrument executed in the Federal Republic of Nigeria, or relating, wheresoever executed, to any property situated or any matter or thing done or to be done in the Federal Republic of Nigeria to be stamped and the appropriate stamp duty paid in respect of the said instrument. Unstamped or insufficiently stamped instruments are not admissible in evidence (except in criminal proceedings) in the courts of the Federal Republic of Nigeria.

2.7.2 Stamp duty is payable in the Federal Republic of Nigeria either at a flat rate or an ad valorem rate. Based on the Stamp Duties Act, the rate of stamp duty payable in the Federal Republic of Nigeria in respect of the Note is 0.1% levied on an ad valorem basis on the value of the underlying transaction.

2.7.3 Prior to the amendment of the Stamp Duties Act by the Finance Act 2019, dematerialised Notes were not subject to stamp duty as the Notes being in uncertificated form did not qualify as “instruments” as was previously defined under the Stamp Duties Act.

² Cap S8 Laws of the Federation of Nigeria 2004

- 2.7.4 The Finance Act amends the definition of “instruments” in the Stamp Duties Act to include electronic instruments, as such, it is not clear whether the electronic form of the dematerialised Notes would qualify the Notes as an electronic instrument which would be subject to stamp duty.
- 2.7.5 Where the Federal Inland Revenue Service takes the view that the dematerialised Notes qualify as “electronic instruments”, the Notes would be subject to stamp duty as stated in Paragraph 2.7.2 above.
- 2.7.6 It is unclear whether the Deed of Covenant, the Dealer Agreement the Collecting and Paying Agency Agreement and the Issuing and Placing Agency Agreement will be assessed for stamp duties at a flat rate or an ad valorem rate. Historically, the Deed of Covenant, the Collecting and Paying Agency Agreement, the Dealer Agreement. and the Issuing and Placing Agency Agreement have each attracted a nominal stamp duty of N500.00 (Five Hundred Naira) for an original copy and N50.00 (Fifty Naira) for each counterpart. The Deed of Covenant, the Issuing and Placing Agency Agreement, the Dealer Agreement, and the Collecting and Paying Agency Agreement will be assessed and stamped at the prevailing stamp duties rate as of the time of stamping. No other stamp, registration fees or other tax is payable, and no filing or registration is required in connection with the execution, delivery, performance or enforcement of any of the foregoing documents.
- 2.7.7 Each of the Transaction Documents are required to be stamped in Nigeria within a period of 30 (thirty) days after their execution (where they are executed in the Federal Republic of Nigeria) or within a period of 40 (forty) days after they are first brought into the Federal Republic of Nigeria (in the event that they are executed outside the Federal Republic of Nigeria).
- 2.7.8 No other stamp duty is payable, and no filing or registration is required in connection with the execution, delivery, issue, performance and enforcement of the Transaction Documents and the Notes.
- 2.7.9 The Issuer is not required to make any withholding or deduction from any payment due to the Noteholders on the Notes. However, the discount on any of the Notes may be taxed in accordance with applicable Nigerian tax laws.

2.8 Forum of Dispute Resolution

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

permitted to choose the seat and governing rules of the arbitration.

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

2.9 **Pari Passu**

2.9.1 The obligations of the Issuer under the Transaction Documents and the Notes will rank at least pari passu as to priority of payment with the claims of all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.

3. **QUALIFICATIONS**

This Opinion is subject to the following qualifications:

- (a) this Opinion is limited in all respects to the laws of the Federal Republic of Nigeria, as at the date hereof. We have not made any investigations of, and we do not express any opinion as to the laws of any other jurisdiction;
- (b) this Opinion is expressed as of the date hereof and we assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective;
- (c) our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which the courts in the Federal Republic of Nigeria will enforce. It does not mean that the obligation or document can necessarily be enforced in all circumstances as the validity, enforceability and/or binding nature of such obligations or documents under the laws of the Federal Republic of Nigeria will be subject to, amongst other things, the laws of bankruptcy, insolvency, receivership, reorganisation, liquidation, moratorium and other like laws. In particular, equitable remedies such as injunctions and specific performance are discretionary and are not generally available in circumstances where damages are considered by the courts in the Federal Republic of Nigeria to be an adequate remedy;

- (d) save for paragraph 2.7 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein; and
- (e) where any obligation is to be performed or observed in a jurisdiction outside the Federal Republic of Nigeria, it may not be enforceable under Nigerian law if and to the extent that such performance or observance would be unlawful, unenforceable or contrary to public policy of the Federal Republic of Nigeria or under the laws of such jurisdiction.

4. RELIANCE

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

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

Signed –



TOLG Advisors

GENERAL INFORMATION

AUTHORISATION

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of Hartleys Supermarket & Stores Limited and the Shareholders, both dated 14th December 2022

AUDITORS

WYZE Concepts & Associates acted as the Auditor of the annual financial statements of the Issuer for the financial year ended December 2021, and was responsible for the audit, and issued unqualified reports.

COMMERCIAL PAPER OUTSTANDING

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

GOING CONCERN

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 Condition 8.

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

LITIGATION

The Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings, the result of which might have or have had a material effect on the financial position or the operations of the Issuer, nor is the Issuer aware of any such proceedings being threatened or pending.

MATERIAL CONTRACTS

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

- i. the Deed of Covenant dated **15th February 2023** executed by the Issuer as a deed poll in favour of the Noteholders.
- ii. the Dealer Agreement dated **15th February 2023** executed by the Arranger and the Issuer;
- iii. the Issuing and Placing Agency Agreement dated **15th February 2023** executed by the Issuer and the Issuing and Placing Agent and
- iv. the Collecting and Paying Agency Agreement dated **15th February 2023** executed by the Issuer and the Collecting and Paying Agent.

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

ULTIMATE BORROWER

The Issuer is the borrower in respect of the Notes.

PARTIES TO THE TRANSACTION

ISSUER

HARTLEYS SUPERMARKET AND STORES
237 Kofu Abayomi Street,
Victoria Island,
Lagos.

[Signature]
MUTUWU E. ZINCHENG

ARRANGER

UNITED CAPITAL PLC
3rd & 4th Floors,
Afriland Towers,
97/105 Broad Street,
Lagos.

[Signature]
LEDOKATOR

SOLICITOR TO THE ISSUE

TOKUNBO ORIMOBİ LEGAL GROUP
15A Remi Olowude Street,
Lekki Phase I,
Lekki,
Lagos.

MICHAEL ORIMOBİ
[Signature]

COLLECTING AND PAYING AGENT

UNION BANK OF NIGERIA PLC
36 Marina Road,
Lagos Island,
Lagos.

[Signature]
JOE MBULU
Executive Director

AUDITOR

WYZE CONCEPTS & ASSOCIATES
1st Floor,
64 Adetokunbo Ademola Street,
Victoria Island,
Lagos.

[Signature]
Femi Wright