

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



RC 1597423

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

₦5,000,000,000 Commercial Paper Issuance Programme

A.R.N Foods Limited (“A.R.N Foods” or the “Issuer”) a private limited liability company incorporated in Nigeria, has established a ₦5,000,000,000 Commercial Paper Issuance Programme (the “CP Programme”) on 20th November 2024, under which A.R.N Foods may from time to time issue Commercial Paper Notes (“CP Notes” or the “Notes”), denominated in Nigerian Naira (“Naira” or ₦) as may be agreed between the Issuer and the Arranger (as defined in the section entitled, “Summary of the Programme”), in separate series or tranches subject to the terms and conditions (“Terms and Conditions”) contained in this Programme Memorandum.

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

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

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

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

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

ARRANGER/ ISSUING AND PLACING AGENT



COLLECTING AND PAYING AGENT



THIS PROGRAMME MEMORANDUM IS DATED 20th November, 2024

Table of Contents	
IMPORTANT NOTICE	2
DEFINITION	3
INCORPORATION OF DOCUMENTS BY REFERENCE	6
SUMMARY OF THE PROGRAMME	7
OVERVIEW OF A.R.N FOODS LIMITED.....	9
USE OF PROCEEDS	15
REVISED CBN GUIDELINES ON THE ISSUANCE OF CPs.....	16
TERMS AND CONDITIONS OF THE NOTES.....	18
TAX CONSIDERATION	26
RISK FACTORS.....	27
SETTLEMENT, CLEARING AND TRANSFER OF NOTES.....	30
PROFORMA APPLICABLE PRICING SUPPLEMENT.....	33
AUDITOR’S COMFORT LETTER.....	36
HISTORICAL FINANCIAL INFORMATION OF A.R.N FOODS	38
EXTRACT FROM ISSUER’S RATING REPORT	41
LEGAL OPINION ON THE NOTES.....	43
STATUTORY AND GENERAL INFORMATION	53
PARTIES TO THE PROGRAMME	54

IMPORTANT NOTICE

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 (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.

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

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is reasonably material in the context of the CP Programme and the offering of the Notes, that the information contained in this Programme Memorandum and the Applicable Pricing Supplement are true and accurate in all material respects and are 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 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 or the Arranger that any recipient of this Programme Memorandum should purchase any Notes.

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

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

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

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

DEFINITION

Abbreviation	Name/Explanation
"Agency Agreements"	Means (a) the Issuing, and Placing Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer and the Issuing and Placing Agent; and (b) the Collecting and Paying Agency Agreement dated on or about the date of this Programme Memorandum executed by the Issuer, and the Collecting and Paying Agent(s).
"Agents"	The Collecting and Paying Agent and the Issuing and Placing Agents
"Applicable Pricing Supplement"	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme.
"Arranger"	Pathway Advisors Limited
"Board" or "Board of Directors"	The Board of Directors of A.R.N Foods Limited
"Business Day"	Any day (excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria) on which banks are open for general business in Lagos, Nigeria.
"CBN"	The Central Bank of Nigeria
"CBN Guidelines"	The CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers, as amended or supplemented from time to time
"CITA"	The Companies Income Tax Act (Cap. C21) LFN, 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007) and the Finance Act 2019, Finance Act 2020, Finance Act 2021 and Finance Act 2023)
"Clean CP"	A CP not backed by a guarantee or such other credit enhancement
"Collecting and Paying Agent" or "CPA" or "Agent"	Providus Bank Limited as Collecting and Paying Agent and/or any successor Collecting and Paying Agent(s) appointed from time to time in accordance with the Agency Agreement
"CP"	Commercial Paper
"CP Notes" or "Notes"	Unsecured and unsubordinated commercial paper securities to be issued by the Issuer in the form of short-term zero-coupon Notes under the CP Programme
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes"
"CP Programme" or "Programme"	The commercial paper issuance 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 or its equivalent in any other specified currency.
"Clearing System"	The clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
"CSD" or the "Clearing System"	The Central Securities Clearing System, operated by the Central Securities Clearing System PLC or FMDQ Depository Limited (which expression shall include their successors) or any additional or alternative Central Securities Depository registered or recognized by the SEC and approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
"Day count Fraction"	Any such method of calculating the interest/discount in respect of a Note as specified in the Applicable Pricing Supplement.
"Default Rate"	Means interest rate equivalent to the daily overnight NIBOR + 5% per annum or Issue rate + 5% per annum (whichever is higher).
"Deed of Covenant"	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders

“Eligible Investors”	An investor that is not a Qualified Institutional Investor as defined in the FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules.
“Event of Default”	Means an event of default by the Issuer as set out in Condition 7 of the “Terms and Conditions of the Notes”
“Face Value”	The par value of the Notes
“FGN”	Federal Government of Nigeria
“Financial Advisers”	Pathway Advisors Limited
“FIRS”	Federal Inland Revenue Service
“FMDQ Depository Limited” or “FMDQ Depository”	A clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement
“FMDQ Exchange Rules” or the “CP Rules”	The FMDQ Commercial Paper Registration and Quotation Rules issued in October 2023 (as may be amended, from time to time) and such other regulations with respect to the registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
“FMDQ Exchange Limited” or “FMDQ Exchange” or the “Exchange”	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the SEC, to provide a platform for the listing, quotation, registration, and trading of securities inter alia
“Force Majeure”	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest
“Government”	Any federal, state, or local government of the Federal Republic of Nigeria
Holder or “Noteholder”	The holder of a Note as recorded in the Register kept by the CSD in accordance with the Terms and Conditions
“Implied Yield”	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
“Issuer” “A.R.N Foods” or the “Company”	A.R.N Foods Limited
“Issue Date”	The date upon which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
“Issue Price”	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
“Issuing and Placing Agent” or “IPA”	Pathway Advisors Limited or any successor Issuing and Placing Agent in respect of the Notes, appointed by the Issuer
“LFN”	Laws of the Federation of Nigeria
“Maturity Date”	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due
“Material Adverse Change”	A material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
“Naira”, “NGN” or “N”	The Nigerian Naira
“NIBBS”	Nigeria Inter-Bank Settlement System Plc
“NIBOR”	The Nigerian Inter-Bank Offered Rate
“Noteholders” or “Holder”	The several persons, for the time being, whose names are shown in the records of the CSD and/or entered in the Register of Noteholders as holders of the Notes and shall include the legal and personal representatives or successors of the Noteholders and those entered as joint Noteholders
“Notes”	The commercial paper issued by the Issuer from time to time pursuant to the Programme

	Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialised form by the Noteholders through the CSD.
“OTC”	Over the Counter
“Outstanding”	In relation to the Notes, all the Notes issued, other than: <ul style="list-style-type: none"> • those Notes which have been redeemed pursuant to the Conditions • those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption, in accordance with the relevant conditions, has occurred and the redemption moneys have been duly paid in accordance with the provisions of this Deed and those Notes which have become void under the provisions of this Deed
“PITA”	Personal Income Tax Act Cap P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No 20 of 2011)
“Pricing Supplement” or “Applicable Pricing Supplement”	The Pricing Supplement applicable to a particular Series or Tranche of Notes issued under the CP Programme
“Principal Amount”	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
“Programme”	The N5,000,000,000 (Five Billion Naira) commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time
“Programme Memorandum”	This Programme Memorandum dated 20 th November, 2024 which sets out the aggregate size and broad terms and conditions of the CP Programme
“Qualified Institutional Investors”	This include banks, fund/asset managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms, issuing houses and any other category of investors as may be determined by the FMDQ Exchange 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”	Means, in relation to any Tranche, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement
“Register”	A register or such registers as shall be maintained by the Registrar in which are recorded details of Noteholders
“Registrar”	The CSD or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme
“Relevant Date”	The payment date of any obligation due on the Notes
“SEC”	The Securities and Exchange Commission
“Series”	A Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except of their respective Issue Dates, and/or Issue Prices
“Tranche”	Notes which are identical in all respect
“Unique Identifier”	A code specifically designated/assigned to identify a CP
“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.

INCORPORATION OF DOCUMENTS BY REFERENCE

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

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

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

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

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

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

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

SUMMARY OF THE PROGRAMME

Programme Issuer:	A.R.N Foods Limited
Programme Description	Commercial Paper Issuance Programme
Arranger and Issuing and Placing Agent	Pathway Advisors Limited
Sponsor to the Registration on FMDQ Exchange	Pathway Advisors Limited
Collecting and Paying Agent:	Providus Bank Limited
Auditors:	Ferdinand Eze & Co (Chartered Accountants)
Registrars/Custodian:	FMDQ Depository Limited
Guarantor	CPs issued under the Programme may be backed by a Guarantor, as stated in the applicable Pricing Supplement
Solicitor:	Detail Commercial Solicitors
Programme:	The Commercial Paper Issuance Programme established by the Issuer allows for the multiple issuances of Notes from time to time under a standardized documentation framework
Programme Size:	N5,000,000,000 (Five Billion Naira) aggregate principal amount of Notes Outstanding at any point in time
Issuance In Series:	The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Price may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement
Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
Issue Size:	As specified in the Applicable Pricing Supplement
Use of Proceeds:	Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its on-going projects, general corporate purposes and working capital requirements.
Interest Payment:	Notes shall be issued at a discount and in the form of zero-coupon notes. Thus, the Notes will not bear interest, other than in the case of late payment
Source of Repayment:	The repayment of all obligations under the CP issuance will be funded from the operating cash flows of the Company
Method of Issue:	The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement
Maturity Date:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of fifteen (15) days and a maximum of two hundred and seventy (270) days (including rollover, from date of issue). The maturity date of all Outstanding CPs shall fall within the validity period of the most recent Issuer or Programme/Discrete Issue rating filed with the Exchange.
Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher)
Currency of Issue:	Nigerian Naira
Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules
Tenor:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of (15) days and a

	maximum of (270) days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall fall within the validity period of the most recent Issuer or Programme/Discrete Issue rating filed with the Exchange.		
Rating:	The Issuer has been assigned the following national scale rating:		
		Long-term	Short-term
	DataPro Limited	BBB+	A2
	Pursuant to the CBN Guidelines and FMDQ Exchange Rules, the Issuer or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the SEC. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency		
Status Of Notes:	Each Note constitutes a senior unsecured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves, and save for certain debts mandatorily preferred by law, with other present and future senior unsecured obligations of the Issuer outstanding from time to time		
Registration And Quotation:	In compliance with the CBN circular on Mandatory Registration and Listing of Commercial Papers issued on 12 July 2016, an application has been made to FMDQ Exchange for the Registration of the Programme. The Issuer may elect at its discretion to have any Series or Tranche of Notes quoted on the FMDQ Exchange platform or any other recognized trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation of any Series or Tranche of Notes quoted on the relevant trading platform		
Taxation:	The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws		
Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law		
Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS InstantPayment (NIP), NIBBS Electronic Funds Transfer ("NEFT"), or Real Time Gross Settlement ("RTGS")		

OVERVIEW OF A.R.N FOODS LIMITED

HISTORY AND OVERVIEW

A.R.N Foods Limited ("A.R.N Foods" "A.R.N" or "the Company"), originally incorporated as A.R.N Farms Limited, is a leading player in the Nigerian Agro Industry. A.R.N was incorporated as a private limited liability company in July 2019 and commenced operations same year, with office located at No.22 Kingsley Emu Street, Lekki Phase 1, Lagos State.

The principal activities of the Company include provision of brown rice, white rice, maize, sesame seeds, soya bean seeds, and sorghum. The company's commitment to innovation and quality is further exemplified by its landmark development project. A.R.N is currently constructing state-of-the-art, privately-owned rice mill factory within Itunu City, Lagos State. The facility is capable of processing 192 tonnes of paddy daily, is set to play a crucial role in the economy and advancing Itunu City's status as a thriving economic center. It is expected to create numerous job opportunities and boost future returns on investment for potential investors.

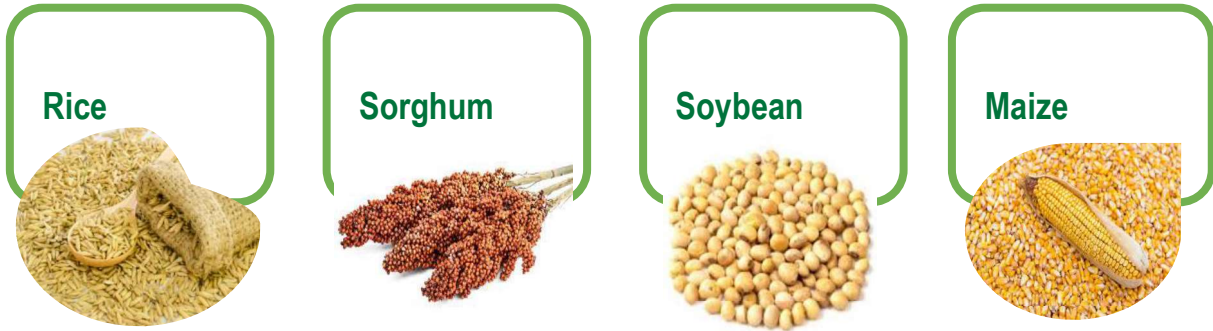
The company has established a robust business model that leverages its expertise in the agro-commodity sector while strategically expanding into food processing to drive growth and innovation.

A.R.N Foods has built a strong foundation in the agro-commodity sector, focusing on the trade of unprocessed grains, logistics, and seeds. This diversified portfolio has enabled the company to generate significant revenue streams and maintain a competitive edge in the market.

A.R.N Foods has an Issued and paid-up share capital of 100,000,000 ordinary shares of ₦1.00 each as at 1st October 2024.

Shareholders	No of shares held	% Shareholding
Asteric Asset Management Limited	50,000,000	50%
Nola Rilwan Adetola	25,000,000	25%
S & S Investment Advisory Limited	20,000,000	20%
Momoh Babatunde Ismail	5,000,000	5%
Total	100,000,000	100%

Some of A.R.N Foods Products



CORPORATE GOVERNANCE AND BOARD OF DIRECTORS OF THE ISSUER

As at 1st October 2024, A.R.N Foods has three Executive Director, four Non-Executive Directors. The Board formulates broad policies and takes decisions for the management and operations of the company to attain the company's objectives. Profiles of the Board Members are shown below:

Board of Directors as of October 1, 2024

Nola Rilwan Adetola – Chairman

Adetola Nola is the chairman of A.R.N Foods Limited. He is an enterprising and innovative entrepreneur, who has been instrumental in redefining business success in Nigeria. Currently serving as the Chief Executive Officer of Veritasi Homes and Properties Plc. He is responsible for the strategic management and growth of the Company.

Adetola Nola is a graduate of Chemical engineering from Obafemi Awolowo University. He pursued Real Estate Design, Finance, and Management studies at Harvard Business School in 2022. He furthered his expertise in Project and Infrastructure Finance at London Business School in 2020. Adetola also gained valuable insights into Managerial Finance and Management Techniques through his studies at the London School of Business and Finance in 2019. Additionally, he holds a Masters in Business Administration from the Metropolitan School of Business & Management, acquired between 2019 and 2020. Adetola honed his skills in Strategic Management and Leadership during his time at the Metropolitan School of Business & Management from 2018 to 2019. Lastly, he expanded his knowledge in Strategy and Innovation at Lagos Business School in 2018.

He has well-developed business advisory skills gained from his diverse work experience as an entrepreneur as well as a strong passion for building and mentoring start-up founders. He recently found Nola Business Incubator, one that mentors and funds startup businesses in Nigeria. Adetola Nola was recently featured as a 30 under 30 founder by Forbes Magazine and also, a youth ambassador with ECOWAS.

Through his educational pursuits at these esteemed institutions, Adetola has acquired a strong foundation in business and management principles. This educational background, coupled with his entrepreneurial acumen, has enabled him to excel in his role as an innovative leader, driving growth and creating long-term value for stakeholders within the Nigerian business landscape.

Muhydeen Giwa – Managing Director

Mr. Muhydeen is the Managing Director of A.R.N Foods Limited. A dynamic professional with over 12 years of comprehensive experience in the agriculture industry. His expertise spans sales & outreach operations, strategic planning, supply chain management, and leadership. He is driven by a passion for cultivating success in the agricultural sector.

Muhydeen is a high-achieving graduate of the University of Ibadan, where he earned a master's degree with distinction in crop protection. Additionally, he is currently pursuing his MBA in sustainability at Nexford University, demonstrating his commitment to advancing his knowledge and skills in sustainable practices within the agriculture sector. He is also an associate member of the Chartered Institute of Supply Chain Management, underscoring his dedication to excellence and professional development.

In addition, his unique blend of practical experience, academic excellence, professional affiliations, and outreach capabilities makes him a valuable asset in any agricultural venture.

Nnanna Alu – Executive Director

Nnanna is an accomplished business strategist and product operations specialist with over a decade of experience in driving growth and innovation. Currently serving as the Director of Strategy at A.R.N Foods Limited, Nnanna excels in crafting and executing strategic initiatives that enhance organizational performance and market position. Nnanna's career includes significant roles such as Director of strategies at A.R.N Foods, where he led impactful growth strategies, and Co-founder & Head of Operations at OfficeAjo, a FinTech startup.

His experience extends to Tata International Limited as a Global Management Associate, focusing on business development, and Autofit Energy as a Product Management Specialist. He has also held supervisory roles in production and quality control at Junac Table Water and gained early industry exposure as an Industrial Trainee at Weco Engineering & Construction Co. Limited. Nnanna holds an MBA from Lagos Business School, Pan-Atlantic University, where he graduated with High Scholastic Achievement and

was inducted into Beta Gamma Sigma. He also studied Operations Management Analytics at INCAE Business School and Management Communications at Harvard Business School Online.

Chinedu Okere – Non-Executive Director

Mr. Chinedu is a Non-Executive Director at A.R.N Foods Limited. He is a seasoned business leader with over 20 years of experience across manufacturing, agriculture, and agro-processing industries. He is currently the Managing Director of Coscharis Farms Ltd, where he oversees primary agriculture, food processing, and bulk grain storage. Chinedu has a strong track record of maximizing stakeholder value, building effective teams, and enhancing customer experiences.

His past experience includes serving as the CEO of Niyya Food & Drinks Company Ltd, where he managed juice and dairy processing operations. Prior to that, he was the Group Financial Controller at Niyya Farms Group Ltd and held various leadership roles at Nigerian Breweries Plc, including National Planning Manager and Brewery Financial Controller. Chinedu has demonstrated expertise in finance, operations planning, and process improvement, significantly contributing to cost-saving initiatives and operational excellence.

Chinedu holds a B.Sc. in Accounting from the University of Calabar and is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He has attended numerous training programs, including The Effective Director course at Lagos Business School and the Agribusiness Management Programme. His professional memberships include the Rice Processors Association of Nigeria (RIPAN) and the Rice Farmers Association of Nigeria (RIFAN), and he manages several key partnerships in his current role to support smallholder rice farmers.

Olusola Odusanya – Executive Director

Olusola Odusanya is the Executive Director and Head of Inventory and Logistics at A.R.N Foods Limited, bringing over 11 years of extensive experience in inventory management, logistics, and procurement. His professional journey showcases a consistent track record of leadership in logistics and administrative roles across multiple organizations.

Olusola's career commenced in 2013 at Doreo Partners Nigeria Ltd as an Admin Officer. He then progressed to Babban Gona Farmer Services Ltd, where he served in various capacities, including Regional Administrative Manager and Lead, Procurement and Admin. His tenure at Babban Gona spanned seven years, during which he honed his skills in procurement and regional operations. In 2021, Olusola joined ThriveAgric Limited as Manager of Inventory and Logistics, quickly rising to Head of the department by February 2022. His roles have consistently involved enhancing logistics operations, managing inventories, and streamlining administrative processes.

Olusola holds a degree in Aquaculture and Fisheries Management from FUNAAB and has specialized training in Farm Management and Extension from ABU, obtained in 2015. He is currently pursuing an MBA at the University of Lagos, expected to be completed in 2024. His educational background, combined with practical experience, underpins his strategic approach to inventory and logistics management, contributing to his effective leadership and operational success.

Mohmoh Babatunde – Non-Executive Director

Mr Babatunde is a Non-Executive Director at A.R.N Foods Limited. A seasoned project consultant with a strategic mindset, boasting over 15 years of global experience in executing medium to large-scale projects across telecommunications, ICT, construction, and the digital sector. His professional journey includes serving as an IT Support Specialist at LM Ericsson Nigeria since April 2017, where he provided technical support to over 1000 users across multiple countries. His role involved network setup, hardware support, vulnerability mitigation, incident resolution, and process automation using tools like UiPath, Excel, and Power BI.

Mr Babatunde also worked as a Cyber Security Analyst intern at Techeccentric Consulting, gaining hands-on experience in vulnerability assessments, penetration testing, and network security. Additionally, he served as a 2G/3G/Transmission Surveillance Engineer at Ericsson Nigeria and a Site Engineer/Transmission Engineer at Precise Financial Systems Ltd.

Mr Babatunde holds a Bachelor of Science degree in Computer Science from Lagos State University and a CCNA certification from New Horizon. His technical skills encompass server management, cybersecurity, data analysis, and automation, making him an accomplished senior IT Engineer. With over 15 years of professional experience, he has overseen the management of over 500 resources across the African region, driving client projects and attaining ambitious project objectives

Zainab Owolabi – Non-Executive Director

Mrs Owolabi is a dedicated and detail-oriented legal professional with a robust background in Nigerian Law. Adept at conducting legal research, drafting documents, and providing comprehensive case support. An excellent communicator and influencer with a high level of organization and efficiency, Ms. Owolabi combines her wide range of legal and administrative responsibilities with supporting the firm's strategic goal around service delivery and performance by driving, managing and executing process development initiatives in the firm.

She has worked in various companies such as Head; Legal Department, Legal Officer Legal Executive and currently she serves as the Non-Executive Director of A.R.N Foods Limited

She holds Barrister at Law (B.L); The Nigerian Law School, Lagos State and a Bachelor of Laws (LL.B); Obafemi Awolowo University Ile-Ife.

Management Team

Oluwatosin Adebayo – Head, Corporate Services

An accomplished finance professional with a robust educational foundation and extensive experience in the financial sector. She earned a Bachelor of Science degree in Accounting from Caleb University, Imota, Lagos, and later pursued an MBA in Business Administration from UNICAF University, Malawi. With over 7 years of industry experience, Tosin has developed a keen understanding of investment and financial analysis, honed her expertise while working with esteemed organizations such as Niger Insurance and the Ministry of Finance, Ogun State, before joining Post Assurance Brokers Limited.

Tosin's skill set spans a broad spectrum of financial disciplines, including financial reporting, market analysis, financial modelling, and more. Her commitment to continuous professional growth is evident through her pursuit of CPD Accreditation in Financial Modeling from the London School of Business and Finance, as well as CPD Accreditation in Accounting for Investment from the London School of Economics and Political Science.

In addition to her academic and professional achievements, Tosin is currently undertaking an MSc in Big Data Technology from East London University, where she is expanding her expertise in data analytics and technology. Concurrently, she is pursuing executive education in asset management at the London School of Economics, deepening her understanding of investment strategies and portfolio management.

Saka Babatunde – Chief Financial Officer

Mr Babatunde is the Chief Financial officer at A.R.N Foods Limited. A seasoned financial reporting accountant and well-respected reporting analyst on Investment decision, Portfolio Management, Mutual Funds, Treasury Management, Management Accounting, Funds valuation, Oil & Gas, Securities & Investment decision with over 19 years practical experience. He has been honored to work in such places as Mandilas Enterprises Limited, Lotus Capital Limited, MTN (MEMCOS), GT Group of companies (Abuja), Financial Controller at Protea Hotel/Marriott International, Fortune Global Shipping & Logistics, CFO at Cleanserve Energy.

Mr Saka Babatunde has worked in different industries like the energy, financial services, hospitality management, where he held various positions such as the Senior Accountant, Assistant Finance Manager, Finance and Operations Manager, Financial Controller, Group Financial Controller and Chief Financial Officer

He is a graduate of BSc in Accounting, MBA in Finance and Financial Management Services, Associate Chartered Institute of Stockbrokers of Nigeria, Associate of Chartered Institute of Taxation Nigeria and a Fellow of the Institute of Chartered Accountant of Nigeria (FCA).

He was a part-time lecturer at University of Lagos, Ogun state University (Lagos Chapter), Risk free Standard Associates and at Leverage Associates Limited as a lecturer/Director of finance.

Yetunde Akintoye – Head, Human Resources

Ms. Akintoye is a seasoned professional with a robust background in management, operations, and human resources, amassing approximately 12 years of experience. Currently, she holds the position of Head of Human Resources at A.R.N Foods Limited, where she plays a crucial role in managing the company’s human capital.

Yetunde's professional journey includes serving as the Human Resources Manager at Veritasi Homes and Properties since March 2024, and as the Senior HR/Admin Executive at Fortress Capital Limited from July 2022 to April 2024. She has also worked as the Lead HR Consultant at AROWOLO GROUP OF COMPANIES LTD and as the Administrative/Office Manager at the Academic Staff Union of Polytechnics. Her roles have consistently focused on enhancing human capital management, operations management, and implementing effective HR strategies.

Yetunde's educational credentials include a Higher National Diploma in Office Technology and Management from Yaba College of Technology, where she graduated with an Upper Credit. She is a member of the Chartered Institute of Personnel Management Nigeria (CIPMN), which underscores her commitment to professional excellence.

Her certifications, such as HR as a Business Partner and Recruiting Talent with social media from LinkedIn, further demonstrate her dedication to continuous professional development. Yetunde is also actively involved in volunteer work, including serving as the Director of Membership Services at HR Mentorship Nigeria.

Olaniyi Ibrahim - Head, Sales and Procurement

An experienced professional with 10 years in hatchery operations and agribusiness sales, currently serving as the Head of Sales and Procurement at A.R.N Foods Limited. Based in Ibadan, Oyo State, he excels in customer relationship management and logistics, ensuring timely product delivery. Passionate about sustainable agriculture, Olaniyi helps farmers achieve their goals and make a positive impact.

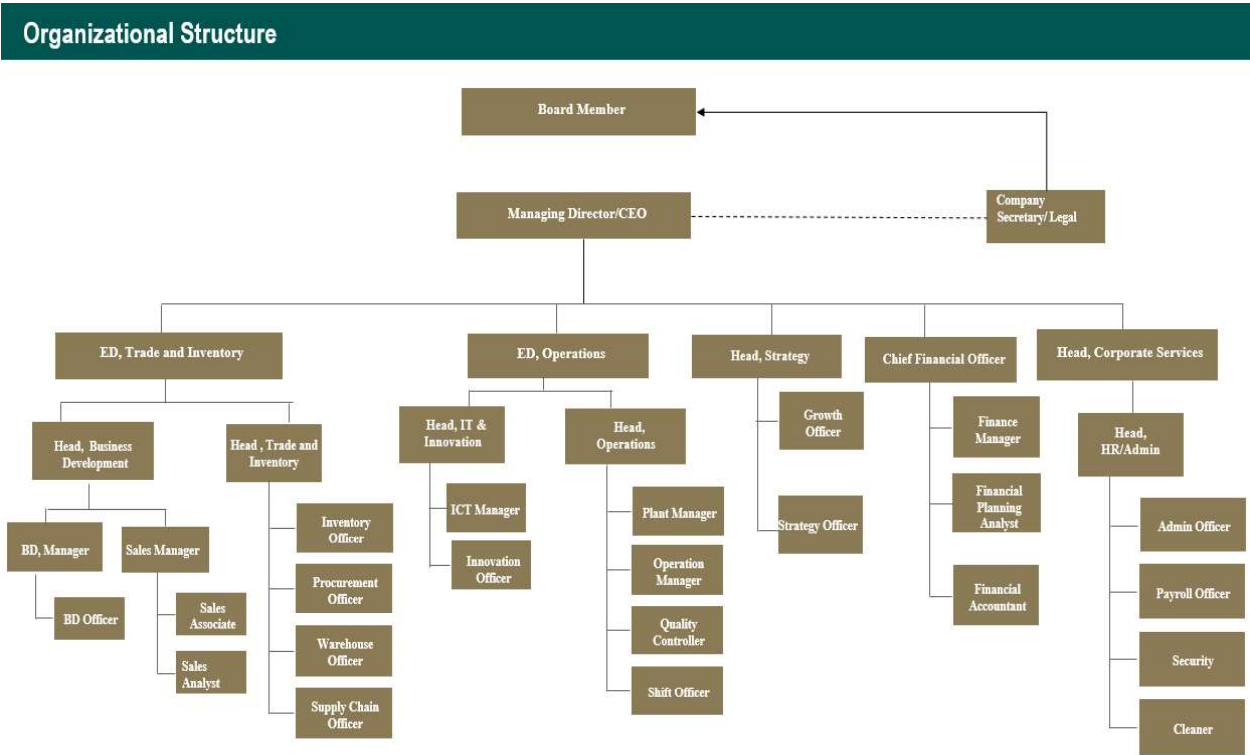
He holds a B.Sc. in Agriculture (Animal Production and Health) from the Federal University of Agriculture, Abeokuta (FUNAAB) and completed his National Youth Service Corps (NYSC) in Osun State. Previously, he worked as a Hatchery Supervisor at Zartech Limited in Ibadan (October 2013 - March 2023). He has also been a Branch Vice Chairman at NUAAE Zartech Branch and held leadership roles in various community organizations.

EMPLOYEES

As at December 31, 2023, A.R.N Foods has a total of forty seven (47) employees. The staff comprises professionals in finance, human resources administration, production and procurement.

ORGANIZATIONAL STRUCTURE

A.R.N Foods operates a hierarchical organizational structure as shown below:



No Material Adverse Change

Since the date of the Issuer's incorporation, there has been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

Litigation

The Issuer is not and has not been since its incorporation engaged in any litigation or arbitration proceedings which may have or have had during such period a significant effect on its respective financial position and, as far as the Issuer is aware, no such litigation or arbitration proceedings are pending or threatened

USE OF PROCEEDS

Use of Proceeds

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

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

Sources of Repayment

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

REVISED CBN GUIDELINES ON THE ISSUANCE OF CPs

BACKGROUND

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

REGULATORY FRAMEWORK

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

QUALIFICATION

A CP qualifies as a financing vehicle if:

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

SIZE AND TENOR

CPs shall be issued at the primary market for a minimum value of ₦5,000,000 (Five Million Naira) and multiples of ₦1,000 (One Thousand Naira), thereafter.

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

RATING

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

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

INVESTORS IN COMMERCIAL PAPERS

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

Clean CPs shall only be sold to Qualified Institutional Investors, and Eligible Investors. Eligible Investors seeking to invest in clean CPs shall first execute a declaration attesting to his/her/its eligibility in the manner/form prescribed in the FMDQ Exchange Commercial Paper Registration and Quotation Template Guide, or such other regulation as may be prescribed by FMDQ Exchange from time to time.

FORMS OF MAINTAINING CPs

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

ISSUING, COLLECTING AND PAYING AGENT

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

GENERAL REQUIREMENTS

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

MANDATORY REGISTRATION & QUOTATION

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

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

COMPLIANCE WITH THE CBN GUIDELINES AND FMDQ EXCHANGE RULES

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines and FMDQ Exchange Rules. A legal opinion confirming adherence to the CBN Guidelines and FMDQ Exchange Rules is incorporated on page [49] of this Programme Memorandum.

COMPLIANCE WITH SECURITIES REGULATION

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

TERMS AND CONDITIONS OF THE NOTES

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

The provisions of these Terms and Conditions of the Notes (the “Conditions”) which are applicable to the Notes issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provision of the Final Terms modifying, supplementing, or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions.

CONDITION 1 CURRENCY, FORM, TITLE AND DENOMINATION

1.1 Issuance of Notes and Currency

- 1.1.1 The Notes may be issued from time to time by the Issuer in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued, provided that the aggregate Principal Amount of all Notes outstanding under the Programme at any point in time does not exceed the ₦5,000,000,000 (Five Billion Naira). The Applicable Pricing Supplement for each Tranche/Series of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Conditions.
- 1.1.2 The Noteholders are by virtue of their subscription to or purchase of the Notes, deemed to have notice of, and are entitled to the benefit of and are subject to all the provisions of the Applicable Pricing Supplement and the Deed of Covenant.
- 1.1.3 The Notes shall be registered electronically and serially numbered.
- 1.1.4 Notes issued under the Programme will be Zero-coupon Notes.
- 1.1.5 The Notes may be issued in Nigerian Naira or any other currency specified in the Applicable Pricing Supplement.

1.2 Form and Title

- 1.2.1 The Notes shall be issued in an uncertificated (de-materialised or book entry) form, which shall be registered with a separate securities identification code with the CSD.
- 1.2.2 Title to the Notes passes upon credit to the CSD account of the Noteholder.
- 1.2.3 Transfer of title to Notes shall be effected in accordance with the CSD Rules governing transfer of title in securities held with the CSD.
- 1.2.4 The Noteholder of any Series will (except as otherwise required by law) be treated as legal and beneficial owner for all purposes, including but not limited to the payment of outstanding obligations in respect of the Notes, and no person will be liable for so treating the Noteholder.

1.3 Denomination

The aggregate Principal Amount of the Notes will be as specified in the Applicable Pricing Supplement, offered in a minimum denomination of N1,000 (One Thousand Naira) (or the equivalent in the Relevant Currency); and will be sold at such discount from their face amounts as shall be agreed upon by the Issuing and Placing Agent and the Issuer; and shall have a maturity not exceeding two hundred and seventy (270) days, including the roll over from the Issue Date.

1.4 Closed Periods

No Noteholder may require the transfer of the Notes (i) during the period of fifteen (15) days ending on the Redemption Date or such other date as may be specified in the Applicable Pricing Supplement; or (ii) following the issuance of default notice to the Issuer pursuant to Condition 9 (*Events of Default*).

CONDITION 2 STATUS OF THE NOTES

Each Note constitutes a direct, unconditional, unsubordinated, and unsecured obligation of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Notes shall, save for such obligations as may be preferred by applicable legislation relating to preferred payment obligations, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, from time to time.

CONDITION 3 REDEMPTION

Unless previously redeemed or purchased and cancelled as specified below, the Notes will be redeemed at the Redemption Amount, specified in or determined by the manner specified in the Applicable Pricing Supplement, on the Maturity Date subject to the provisions contained in Condition 4 (*Payments*).

CONDITION 4 PAYMENTS

- 4.1 Only Noteholders named in the Register as at the close of business on the Relevant Last Day shall be entitled to payment of amounts due and payable in respect of Notes. The Noteholder shall be the only person entitled to receive payments in respect of Notes and the Issuer will be discharged by payment to, or to the order of, the Noteholder in respect of each amount so paid.
- 4.2 Payments of any outstanding obligation regarding the Notes will be made in the Relevant Currency by credit/electronic funds transfer to the specified bank account of the Noteholder.
- 4.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the first named Noteholder in the Register. Payment by electronic transfer to the first named Noteholder in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.
- 4.4 In the case of nominees, the nominee shall be paid as the registered Noteholder, which payee shall in turn be responsible for transferring such funds to the holders of the beneficial interests and the Issuer's obligation in respect of such payment shall be fully discharged. The Issuer shall not be under an obligation to enquire as to whether such funds are transferred to the holders of the beneficial interests and bears no liability with respect to whether or not such amount is transferred by the nominee to the beneficial interest holder(s).
- 4.5 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer by reason of a Force Majeure event, the Issuer shall to the extent practicable make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) of any such amounts made payable to the relevant Noteholder. Such payments by cheque shall be

sent by post to the address of the Noteholder of registered Notes as set forth in the Register or, in the case of joint Noteholders of registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

- 4.6 Cheques may be posted by ordinary post/registered mail, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 4.6.
- 4.7 Where the Issuer fails to redeem the Notes on the Redemption Date interest shall begin to accrue on the Redemption Amount at the Default Rate from the date on which the Redemption Amount becomes due and payable until the date on which all amounts due in respect of such Note have been paid.
- 4.8 If the Redemption Date is not a Business Day, then the Noteholder thereof shall not be entitled to the Redemption Amount until the next Business Day, and the Noteholder shall not be entitled to any interest, return or other payment in respect of any such delay. Provided that where the next Business Day falls in a different calendar month, that payment shall be made on or by the immediately preceding Business Day.
- 4.9 The Issuer shall ensure there are sufficient funds in its funding account with the Collecting and Paying Agent by 12:00 Noon on the maturity date of the CP, failing which the Issuer shall be in violation of the CP Rules and the Sponsor shall immediately and no later than 1:00PM notify the Exchange of the Issuer's failure to comply with the obligations.
- 4.10 In respect of payments relating to Notes under a Tranche, notwithstanding that such Notes may have the same Issue Date, where the total Principal Amount payable by a Noteholder in respect of the said Notes has not been received by the relevant Issue Date but is received within 5 (five) Business Days thereof, the discount payable by the Issuer in respect of such Notes shall be adjusted accordingly.
- 4.11 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Collecting and Paying Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Collecting and Paying Agent.
- 4.12 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note, where the Agent has provided evidence that the money was transferred into the account of the Noteholder.

CONDITION 5 TRANSFER OF NOTES

- 5.1 All Notes issued under the Programme in dematerialized or immobilized (book entry) form may be transferred only in accordance with the CSD Rules.
- 5.2 Transfer of the Notes will only occur by way of electronic book entry in the CSD accounts of the Noteholders in accordance with the CSD Rules.

CONDITION 6 REGISTER

- 6.1 The Register shall be maintained by the CSD. The Register shall reflect the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 6.2 The records of the relevant CSD and/or statements/certificates issued by the CSD as to the aggregate number of Notes standing to the CSD account of any Noteholder shall be conclusive and binding for all

purposes save in the case of manifest error and such person shall be treated by the Issuer and the Agents as the legal and beneficial owner of such aggregate number of Notes for all purposes.

- 6.3 The Register shall be open for inspection during the normal business hours of the Registrar to any Noteholder or any person authorised by the Noteholder.
- 6.4 The CSD shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Conditions.

CONDITION 7 TAXATION

- 7.1 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 (save for default interest payable on late payments) 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.

CONDITION 8 PRESCRIPTION

No action can be brought by a Noteholder in respect of the Notes unless the action is commenced within six (6) years from the appropriate Relevant Date.

CONDITION 9 EVENTS OF DEFAULT

- 9.1 Upon the happening of any of the following events ("**Events of Default**") which is continuing, any Noteholder may by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer declare the Notes held by that Noteholder to be forthwith due and payable, provided that (other than in the event of non-payment or part payment) no such action shall be taken if it is as a result of Force Majeure or in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction. In addition, the Noteholders shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria.
- 9.2 Upon the occurrence of an Event of Default, the Issuer shall pay Noteholders interest at the Default Rate until the debt obligations to the investors have been settled in full.
- 9.3 **Failure to Notify:** failure to notify FMDQ Exchange by 5:00pm in writing that the CP has been liquidated and that funds have been transferred to all CP holders on the maturity date of the CP and failure to provide evidence of settlement of all investors to the Exchange on the maturity date.
- 9.4 **Non-Payment or Part-Payment:** part-payment or non-payment of the CP value to investors shall also constitute a Credit Default. In the case of a Rollover, if any investor objects to a proposed Rollover, the Issuer/Promoter shall effect the payment of the value of the investors' CP holding on the maturity date, based on the initial terms of the Issue. Failure by the Issuers/Promoters to effect such payment shall result in a default.
- 9.5 **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or where capable of remedy, is not remedied within thirty (30) days after written notice of such default shall have been given to the Issuer at its specified office; or

- 9.6 **Breach of Representation:** any representation, warranty or undertaking made in connection with any documentation supplied by the Issuer pursuant to the Programme is in the reasonable opinion of the Issuing and Placing Agent, materially incorrect; or
- 9.7 **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer applies or petitions for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders provided that the proposed merger involving the Issuer as approved by its Board of Directors as at the date of this Agreement shall not require the approval of the Noteholders; or
- 9.8 **Insolvency:** the Issuer is, or is deemed by law or a court to be insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; or
- 9.9 **Enforcement Proceedings:** a distress, attachment, execution, or other legal process is levied, enforced, or sued out, on or against a material or substantial part of the property, assets or revenues of the Issuer, and such distress, attachment, execution, or other legal process is not discharged or stayed within ninety (90) days; or
- 9.10 **Seizure/Compulsory Acquisition of Assets:** if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation, or nationalisation of all or a material part of the assets of the Issuer
- 9.11 **Failure to take action:** any action, condition or thing (including the obtaining of any consent or approval) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the Notes is not taken, fulfilled or done, or any such consent, or approval shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme for the issuance of the Notes.

CONDITION 10 ACTION UPON EVENT OF DEFAULT

- 10.1 Where the Issuer has identified that a default is imminent and shall be unable to repay the Noteholders and the CP will be in default status, the Authorised Participant shall immediately notify the FMDQ Exchange as well as the CSD. The Noteholders shall also be notified, no later than 1.00pm, at least two (2) Business Days before the Maturity Date.
- 10.2 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer at its specified office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of a Force Majeure event or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
- 10.3 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Maturity Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- 10.4 The Exchange shall make public the default status to the market.

- 10.5 In case of (i) above, the CP holdings must remain with the CSD until the IPA/CPA pays off the Noteholders and notifies the CSD and FMDQ Exchange with evidence.
- 10.6 Thereafter, the CSD will notify the public and expunge the CP from the CSD accordingly.
- 10.7 In addition, each Noteholder shall have the right to exercise all other remedies available to it/him/her under the laws of the Federal Republic of Nigeria

CONDITION 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 or electronically mailed to them via their respective email addresses in the relevant Register. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the CBN Guidelines, the FMDQ Exchange Rules, the CSD Rules or such other regulatory authority as may be applicable to the Notes.
- 11.1.2 The Parties agree that the Issuing and Placing Agent's obligation under Condition 11.1.1, shall be limited to providing administrative support to relay notices issued to Noteholders pursuant to the CBN Guidelines, the FMDQ Exchange Rules, CSD Rules or such other regulatory authority as may be applicable to the Notes. The Collecting and Paying Agent shall not be obliged to review or check the adequacy, accuracy, or completeness of any document/notice it relays or sends to the Noteholders pursuant to this Condition 11 where the Collecting and Paying Agent receive such document/notice from the Issuer and is not involved in the preparation of such document/notice. For the avoidance of doubt, the duties of the Issuing and Placing Agent are solely mechanical and administrative in nature. The Issuing and Placing Agent is not obliged to review or check the adequacy, accuracy, or completeness of any document it receives directly from the Issuer for delivery, publication or notification to the Noteholders. Provided that where such document/notice is prepared by the Issuing and Placing Agent, the Issuing and Placing Agent shall be obliged to confirm the adequacy, accuracy and completeness of such document/notice.
- 11.1.3 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 Collecting and Paying Agent.
- 11.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and the Agent and subsequently, the Register shall be altered accordingly following notifications to the CSD.

CONDITION 12 CHANGE OF AGENTS

- 12.1 Upon receipt of FMDQ Exchange's approval to effect the revision, and following the submission of a formal revision application, the Issuer is entitled to vary or terminate the appointment of the Agents and /or appoint additional or other agents and/or approve any change in the Specified Office through which any agent acts,

provided that there will, at all times during the subsistence of the Programme, be an agent with a Specified Office.

- 12.2 The Agent act solely as agent of the Issuer and does not assume any obligation towards or any relationship of agency or trust for or with any Noteholder.

CONDITION 13 MODIFICATION

- 13.1 The Agents may agree with the Issuer, without the consent of the Noteholders to any modification of any of these Conditions which is in the opinion of the Agents of a minor or technical nature or is made to correct a manifest error, or to comply with the mandatory provisions of any law in Nigeria and which is in the opinion of the Agents not materially prejudicial to the interests of the Noteholders.

- 13.2 Save as provided in condition 13.1 above, no amendment of the Conditions may be effected unless:

- (i) such amendment is in writing and signed by or on behalf of the Issuer;
- (ii) the Exchange is notified of such amendment; and
- (iii) such amendment:
 - (a) If it affects the rights, under the Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of the Notes; or
 - (b) If it affects only the rights, under the Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy-five percent) of the Outstanding Principal Amount of all the Notes held by that group.

- 13.3 Any such modification, authorisation or waiver shall be binding on the Noteholders and shall be notified to the Noteholders, as soon as practicable in accordance with Condition 11 (*Notices*).

CONDITION 14 MEETINGS OF NOTEHOLDERS

- 14.1 The Issuer may at any time convene a meeting of all Noteholders (whether physically or virtually) upon at least twenty-one (21) days prior written notice to such Noteholders. The notice is required to be given in terms of Condition 11 (*Notices*). Such Notice shall specify the date, place, agenda, and time of the meeting to be held, which place shall be in Nigeria.

- 14.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.

- 14.3 Two (2) or more Noteholders holding or representing by proxy a simple majority of the Principal Amount of the Notes that are Outstanding for the time being, shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within ten (10) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.

- 14.4 A Noteholder may by an instrument in writing (a “**Form of Proxy**”) signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a “**Proxy**”) to act on his or its behalf in connection with any meeting or proposed meeting(s) of the Noteholders.
- 14.5 Any Noteholder, which is a corporation may by resolution of its directors or other governing body, authorise any person to act as its representative (a “**Representative**”) in connection with any meeting or proposed meeting(s) of the Noteholders.
- 14.6 Any Proxy or Representative so appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting(s) of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates, and the holder of the Notes shall be deemed for such purposes not to be the holder.
- 14.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 14. Should the Noteholders requisition a meeting, and the Issuer fails to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a simple majority of Noteholders present in person or proxy.
- 14.8 At any such meeting two (2) or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third (1/3rd) of the Principal Amount of Notes shall form a quorum. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 14.9 If within thirty (30) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than fourteen (14) days nor more than twenty-one (21) days thereafter and at the same time and place. At such adjourned meeting two or more Noteholders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any Special Resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 14.10 A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form signed by all the Noteholders entitled to receive notice of a meeting.

CONDITION 15 FURTHER ISSUES

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

CONDITION 16 GOVERNING LAW

- 16.1 The provisions of these Conditions, the Programme Memorandum, Pricing Supplement and the Notes are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

TAX CONSIDERATION

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. Notwithstanding, the discount on the Notes may be taxed in accordance with applicable Nigerian Income tax laws, to wit, CITA or PITA as may be applicable to the Noteholders.

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

RISK FACTORS

The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes. The risks in the following section are provided as general information only. Prospective investors should refer to and carefully consider the risks described below and the information contained elsewhere in this Programme Memorandum, which may describe additional risks associated with the Notes.

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

1. RISKS FACTORS RELATING TO THE ISSUER

a) Operational Risks

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

b) Change in Governing Law

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

c) Credit Risk

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

d) Liquidity Risks

Liquidity risk is the risk that A.R.N Foods would be unable to meet its obligations as they become due. This may arise where the cushion provided by liquid assets is not sufficient to meet outstanding maturing obligations. Liquidity risk projections like available credit facilities are incorporated in the regular management information reviewed by A.R.N Foods's Management. The focus of the liquidity review is on the net financing capacity such as free cash plus available credit facilities in relation to the financial liabilities.

e) Legal Risks

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

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

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

f) Brand and Reputation Risk

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

2. RISKS FACTORS RELATING TO THE NOTES

a) Market Price Risk

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

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

b) Interest Rate Risk

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

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

c) Liquidity Risk

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

d) Ranking

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

3. RISKS FACTORS RELATING TO NIGERIA

a) Political Risk

Following the controversial 2023 general elections, the country appears to be settling down for governance. Besides, the diverse political, religious and ethnic landscape in Nigeria that has led to struggles for power between rival groups, continues to hinder the smooth governance of the country. The pastoralist conflict in the North-East and Middle Belt has been escalating and Boko Haram continues to weaken the North-East economy. In the South, Niger Delta pipeline attacks could threaten oil production and the state of the environment.

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

b) Economic Risk

The Nigerian economy is largely dependent on global oil prices and the country's level of oil and gas production as the oil sector remains a major contributor to the GDP. In addition, the oil sector plays a central role in Nigeria's economy, as it accounts for a substantial portion of its export earnings. This dependence makes the Nigerian economy vulnerable to oil price fluctuations, as

many economic sectors and state governments in Nigeria depend on public spending and private consumption driven by oil revenues.

Oil prices has since recovered from the lows of the COVID-19 pandemic and decision by the Organization of the Petroleum Exporting Countries (OPEC) to pump more oil into the market has improved foreign exchange earnings of Nigeria. Nevertheless, the Nigerian economy has continued to record slowed growth in low single digits, high inflation in high double digits and growing unemployment in excess of 33 per cent. Following initial market reforms by the newly inaugurated Tinubu administration, the country has seen the removal of fuel subsidies and the harmonization of the apex bank's foreign exchange market segments. These have led to sustained inflationary pressures and a reduction in the purchasing power of households and businesses alike. The Company's prospects may be impacted by economic headwinds in Nigeria as they could adversely affect the demand for its products.

c) Foreign Exchange Risks

The Nigerian foreign exchange market has witnessed sustained volatility post COVID-19 as the market continued to witness strained foreign exchange supply. This, in addition to the harmonization of the foreign exchange market segments by the Tinubu administration sustained the depreciation of the Naira against the US Dollar. Specifically, Naira shed more half its value against USD from N307/USD at the beginning of 2020 to N463.38/USD as at June 09, 2023 at the Investors & Exporters Foreign Exchange window. Following the harmonization of the exchange rates, Naira tumbled further to N1,652/USD as at September 27, 2024.

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.

Clearing System

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

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

Authorised Participants

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

For purposes of Notes issued under this Programme, the Authorized Participants are Pathway Advisors Limited and any other bank or IPA's appointed by the Issuer.

Registration

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

Lodgement

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

Redemption

- I. No transactions or trades may be effected for any CPs two (2) working days prior to its maturity date as the Register closes two (2) working days before the Maturity Date.
- II. The Authorized Participants will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by noon on the date which is two (2) working days before the MaturityDate.
- III. The Issuer shall ensure that there are sufficient funds in its funding account with the CPA to pay all investors (i.e., including investors that have indicated interest to participate in another CP issuance within the Programme) by 12:00 noon on the maturity date of the CP, failing which the Issuer shall be in violation of FMDQ Exchange Rules. The CPA shall ensure that funds have been transferred to all CP holders (i.e., excluding investors that have indicated interest to participate in another CP issuance within the Programme/ Discrete Issue) by 3:00 PM on the maturity date of the CP
- IV. The CSD shall expunge (knock-off) matured CPs on the Maturity Date or Redemption Date of the CP.
- V. The Maturity Date shall be on a Business Day, however, if the relevant Business Day falls on a public holiday, the following Business Day shall be the Maturity Date of the CP.

Roll-Over

- I. All CPs, including rollovers, shall not exceed 270 days (tenor) from the date of issue.
- II. Every rollover of a CP shall be treated or classified as a fresh/separate CP.
- III. Where the issuer is desirous to rollover, the IPA shall be informed no later than three business days before the maturity date of the CP and shall furnish the IPA with the relevant updated document for the re-evaluation of the CP
- IV. Upon receipt of the Issuer/Promoter's intention to Rollover, the IPA shall be required to notify FMDQ Exchange that all investors have been duly informed no later than 3:00 PM, one (1) Business Day prior to maturity date of the CP
- V. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish FMDQ Exchange and the Authorised Participant with the new CP Unique Identifier, subject to receipt of CP rollover fees from the Authorised Participant.
- VI. The CSD shall expunge the existing CP unique identifier from the system and replace them with new codes.

Default

- I. The Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The IPA shall provide reasons for the default or imminent default (e.g., insufficient funds in the funding account to meet payment obligations on maturity date or inability of CPA to effect payment to investors due to technical issues such as a market disruption or as the case may be)
- II. Upon default, the Exchange shall make public the default status to the market
- III. The CPA shall notify FMDQ Exchange in writing that the CP has been liquidated and that funds have been transferred to all CP holders by 5:00 PM on the Maturity Date, failing which the Issuer shall be deemed to be in default
- IV. In the case of (i) above, the CP holdings must remain with the CSD until the CPA pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.

- V. Thereafter, the CSD will notify the public and expunge the CP from the CSD accordingly. CPA pays off the Noteholders and notifies the CSD of the evidence

Secondary Market Trading (OTC) Guidelines

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

Reporting

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

Transfer of Notes

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

Cash Settlement

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

PROFORMA APPLICABLE PRICING SUPPLEMENT



A.R.N FOODS LIMITED: RC: 1597423

Issue of Up to ₦ [•] Series1 Under its ₦5,000,000,000 Commercial Paper Issuance Programme

This Pricing Supplement must be read in conjunction with the Programme Memorandum dated 20th November, 2024 prepared by Pathway Advisors Limited on behalf of A.R.N Foods Limited in connection with its ₦5,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the “**Programme Memorandum**”).

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

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

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

ARRANGER/ ISSUING AND PLACING AGENT



COLLECTING AND PAYING AGENT



RC: 198892

THIS PRICING SUPPLEMENT IS DATED 20th November 2024

PARTIES	
Issuer	A.R.N Foods Limited
Collecting and Paying Agent	Providus Bank Limited
Arranger and Issuing and Placing Agent	Pathway Advisors Limited
Sponsor to the Registration on FMDQ Exchange	Pathway Advisors Limited
Auditors	Ferdinand Eze & Co. (Chartered Accountants)
Solicitors	Detail Commercial Solicitors
Central Securities Depository	FMDQ Depository
PROVISIONS RELATING TO THE NOTE	
Series Number	1
Programme Size	₦5,000,000,000.00
Issued and Outstanding at the date of this Pricing Supplement	NIL
Face Value	[]
Discounted Value	[]
Nominal Amount Per Note	₦1000
Tenor	270 Days
Issue Date	[]
Maturity Date	[]
Final Redemption Amount	[]
Minimum Subscription	Minimum of ₦5,000,000.00 and multiples of ₦1,000.00 thereafter
Specified Currency	Nigeria Naira (₦)
Status of Notes	Each Note constitutes a direct, unconditional, unsubordinated and secured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves and, save for certain debts preferred by law, <i>pari passu</i> with all other present and future secured and unsubordinated obligations of the Issuer outstanding from time to time
Sale Restriction	The issuance, sale and transfer of CPs issued under the Programme is restricted to Qualified Institutional Investors as defined in the FMDQ Exchange Commercial Paper Registration and Quotation Rules.
Form of Notes	Uncertificated
Quotation	FMDQ Securities Exchange Limited
Taxation	Please refer to the 'Tax Consideration' section in the Programme Memorandum
Method of Offer	Fixed Price Offer
Use of Proceeds	Working Capital
Source of Repayment	Operating cashflow of the company
Book Closed Period	[]
ZERO COUPON NOTES	
Discount Rate	[]
Implied Yield	[]
Any Other Formula or Basis for Determining Amount(S) Payable	$PV = FV * (1 - (DR * t / \text{actual number of days in a year}))$
Day Count Fraction	Actual/ Actual (actual number of days in a month and actual number of days in a year)
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
PROVISION REGARDING REDEMPTION	
Redemption/Payment Basis	Redemption at par
Issuer's Early Redemption	Not Applicable

Issuer's Optional Redemption	Not Applicable	
Other Terms Applicable on Redemption	Not Applicable	
Offer Opens	[]	
Offer Closes	[]	
Allotment Date	[]	
Notification of Allotment	[]	
Settlement Date	[]	
Details of Bank Account to Which Payments Are to be Made in Respect of the Notes	Bank:	
	Account Name:	
	Account Number:	
Settlement Procedure and Settlement Instruction	Purchases will be settled via direct debit,electronic funds transfer (NIBBS, NEFT, RTGS, etc.)	
Issuer Rating	Short Term Rating A2, Long term Rating BBB+ by Datapro Limited	

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 December 31,2022 audited accounts.

RESPONSIBILITY

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

Signed at _____ on this _____ day of _____ 2024

For and on behalf of A.R.N Foods Limited.

Name: **Muhydeen Giwa**
Capacity: Managing Director
Who warrants his/her authority hereto

Name: **Nnanna Alu**
Capacity: Director
Who warrants his/her authority here

AUDITOR'S COMFORT LETTER

FERDIN  ND EZE & CO.
(CHARTERED ACCOUNTANTS)

Head Office
38 Ankpa Road
P. O. Box 1168
Markudi
Benue State – Nigeria
Tel: +234 81 817 3600

11 Maduiké Street
Off Raymond Njoku Street
Ikoyi
Lagos – Nigeria
Tel: +234 804 000 9908
Email: getstarted@potensexpert.com

13 September 2024

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

Dear Sir,

ARN FOODS LIMITED ₦10,000,000,000.00 (TEN BILLION NAIRA) COMMERCIAL PAPER ISSUANCE PROGRAMME: REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS OF THE BOARD OF DIRECTORS OF ARN FOODS LIMITED

Opinion

The accompanying summary of financial information, which comprise the summary statements of financial position as at 31st December 2023, 31st December 2022, and 31st December 2021 the summary of profit or loss and other comprehensive income for the years 31st December 2023, 31st December 2022, and 31st December 2021 and the summary of cash flows for the years ended, are derived from the audited financial statements of ARN Foods Limited for the year ended 31st December 2023, 31st December 2022, and 31st December 2021 respectively.

In our opinion, the summary financial information derived from the financial statements of ARN Foods Limited (the "Company") for the years ended 31st December 2023, 31st December 2022, and 31st December 2021 are consistent in all material respect with the financial statements in accordance with the international Financial Reporting Standards, the Companies and Allied Matters Act CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act 2011.

Summary Financial Statements

The summary financial statements do not contain all disclosures required by the International Financial Reporting Standards, Companies and Allied Matters Act CAP C20 LFN 2004, and the Financial Reporting Council of Nigeria Act, 2011 applied in the preparation of the audited financial statements of ARN Foods Limited. Reading the summary financial statements and the auditor's

FERDIN ND EZE & CO. (CHARTERED ACCOUNTANTS)

report thereon, therefore is not a substitute for reading the audited financial statements and the auditor's report of ARN Foods Limited.

The Audited Financial Statements and Our Report Thereon

In our opinion the summary of financial information derived from the audited financial statements of ARN Foods Limited for years ended 31st December 2023, 31st December 2022, and 31st December 2021 are consistent, in all material respects, with those financial statements in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004.

Director's Responsibility for the Summary Financial Statements

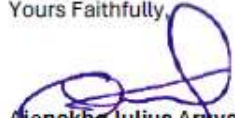
The Directors are responsible for the preparation of the summary audited financial information for years ended 31st December 2023, 31st December 2022, and 31st December 2021 in accordance with the Companies and Allied Matters Act, CAP C20, LFN 2004, the Financial Reporting Council of Nigeria Act, 2011 and International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent in all material respects with the audited financial statements based on our procedure, which are conducted in accordance with International Standards of Auditing (ISA 810 revised). "Engagement report on Summary Financial Statements".

This letter is provided solely for the purpose of assisting the FMDQ Securities Exchange Limited to which it is addressed in discharging its responsibility in connection with the proposed transaction and is not to be used for any other purpose.

Yours Faithfully



Alenakho Julius Anya
FRC/2020/004/00000021550
For: **Ferdinand Eze & Co**
(Chartered Accountants)
Lagos Nigeria

September 2024



HISTORICAL FINANCIAL INFORMATION OF A.R.N FOODS LIMITED
Statement of Financial Position as at December 31

Statement of Financial Position	2019	2020	2021	2022	2023
	₹	₹	₹	₹	₹
Non- Current Assets					
Property and equipment	80,515,920	617,435,571	576,715,377	832,389,183	760,057,989
Long Term Investment	8,500,000	80,000,000	145,000,000	145,000,000	145,000,000
	89,015,920	697,435,571	721,715,377	977,389,183	905,057,989
Current Assets					
Cash and cash equivalents	76,165,569	185,361,953	420,388,172	38,550,484	139,950,220
Inventories	32,126,405	46,667,436	145,584,410	27,786,096	20,560,327
Other Assets	1,762,000	2,175,972	2,122,022	2,122,292	4,645,069
Trade Receivables	83,055,662	70,843,770	166,041,006	221,904,717	541,603,286
	193,109,636	305,049,131	734,135,610	290,363,589	706,758,902
Total Assets	282,125,556	1,002,484,702	1,455,850,987	1,267,752,772	1,611,816,891
Current Liabilities					
Trade Payables	109,987,300	207,404,000	528,555,000	357,977,505	141,316,002
Other Liabilities	14,667,607	92,143,595	127,245,091	46,675,318	20,748,274
Tax payable	10,972,016	34,376,019	44,974,777	60,988,225	137,574,252
Total Current Liabilities	135,626,923	333,923,614	700,774,868	465,641,048	299,638,528
Equity & Long-Term Liabilities					
Long Term Liabilities					
Long Term Liabilities	100,000,000	480,000,000	380,000,000	175,000,000	175,000,000
	100,000,000	480,000,000	380,000,000	175,000,000	175,000,000
Equity					
Issued & Paid-Up Share Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retained Earnings	45,498,632	187,561,088	374,076,119	626,111,724	1,136,178,364
Total Equity	46,498,632	188,561,088	375,076,119	627,111,724	1,137,178,364
Total Liabilities and Equity	282,125,555	1,002,484,702	1,455,850,987	1,267,752,772	1,611,816,892

Statement Of Profit or Loss and other Comprehensive Income

Income Statement	2019	2020	2021	2022	2023
	₹	₹	₹	₹	₹
Revenue	464,205,098	1,303,542,700	1,678,088,700	2,283,057,700	3,623,054,200
Cost of Sales	(296,444,853)	(877,581,968)	(1,049,980,504)	(1,480,873,629)	(2,289,421,326)
Gross Profit	167,760,245	425,960,732	628,108,196	802,184,071	1,333,632,874
Other income	15,765,551	39,844,721	36,864,077	38,898,497	38,937,062
Finance Income	181,764	574,029	585,734	980,968	1,602,986
Finance Cost	(28,495,457)	(65,493,486)	(41,093,233)	(38,111,508)	(98,445,117)
Net Income	155,212,103	400,885,996	624,464,774	803,952,028	1,275,727,805
Personnel expenses	(48,798,681)	(117,596,183)	(272,650,453)	(323,074,551)	(430,173,393)
Depreciation	(10,000,480)	(40,720,194)	(40,720,194)	(72,331,194)	(72,331,194)
Other operating expenses	(39,942,294)	(66,131,144)	(79,604,318)	(95,522,454)	(140,646,418)
Profit/(loss) before Income Tax	56,470,648	176,438,475	231,489,809	313,023,829	632,576,800
Income tax expense	(10,972,016)	(34,376,019)	(44,974,777.45)	(60,988,224)	(122,510,160)
Profit / (loss) After Tax for the Year	45,498,632	142,062,456	186,515,032	252,035,604	510,066,640

Statement Of Cash Flow for the year ended 31 December

Cash Flow Statement	2019	2020	2021	2022	2023
	₹	₹	₹	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax	56,470,648	176,438,475	231,489,809	313,023,829	632,576,800
Add: Depreciation & Amortisation of Non-Current Assets & Impairments	10,000,480	40,720,194	40,720,194	72,331,194	72,331,194
	66,471,128	217,158,669	272,210,003	385,355,023	704,907,994
CHANGES IN WORKING CAPITAL					
(Increase)/Decrease in Trade Receivables & Other Receivables	(84,817,662)	11,797,920	(95,143,286)	(55,863,981)	(322,221,346)
(Increase)/Decrease in Inventories	(32,126,405)	(14,541,031)	(98,916,974)	117,798,314	7,225,769
Increase/(Decrease) in Trade and Other Payables	124,654,907	174,892,688	356,252,496	(251,147,268)	(242,588,547)
	74,181,968	389,308,246	434,402,239	196,142,088	147,323,870
Taxation	-	(10,972,016)	(34,376,019)	(44,974,777)	(45,924,133)
Net Cash flow from operating activities	74,181,968	378,336,230	400,026,220	151,167,311	101,399,737
CASHFLOW FROM INVESTING ACTIVITIES					
Long - Term Investment	(8,500,000)	(71,500,000)	-	-	-
Purchase of PPE	(90,516,400)	(577,639,845)	-	(328,005,000)	-
Net Cash flow From investing activities	(99,016,400)	(649,139,845)	-	(328,005,000)	-
CASHFLOW FROM FINANCING ACTIVITIES					
Loan Repayment	-	-	(100,000,000)	(205,000,000)	-
Issue of Shares	1,000,000	-	-	-	-
Proceeds from Loans	100,000,000	380,000,000	(65,000,000)	-	-
Net Cash flow From financing activities	101,000,000	380,000,000	(165,000,000)	(205,000,000)	-
Net increase in cash/cash equivalent	-	109,196,385	235,026,219	(381,837,688)	101,399,736
Opening Cash & Cash Equivalent	76,165,569	76,165,569	185,361,953	420,388,172	38,550,484
Closing Cash & Cash equivalent	76,165,569	185,361,954	420,388,172	38,550,484	139,950,220

EXTRACT FROM ISSUER'S RATING REPORT

A.R.N FOODS LIMITED

Long-Term Rating:

BBB⁺

Short Term Rating: A2
Rating Outlook: Stable
Trend: Up
Currency: Naira
Date Issued: 13 Sept., 2024
Valid Till: 12 Sept., 2025

Reference:

Abiodun Adeseyoju, FCA,
Abimbola Adeseyoju
Oladele Adeoye

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

EXECUTIVE SUMMARY

	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Turnover	3,623,054	2,283,058	1,678,089	1,303,543	464,205
Pre-Tax-Profit/Loss	632,577	313,024	231,490	176,438	56,471
Shareholders Fund	1,137,178	627,112	375,076	188,561	46,499
Non-Current Assets	905,058	977,389	721,715	697,436	89,016
Total Assets	1,611,617	1,267,753	1,455,651	1,002,405	282,126
Long-term Liabilities	175,000	175,000	360,000	480,000	100,000

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 current 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 were obtained from the Company 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:

Positive Rating Factors

- Experienced Management Team
- Diversified Earnings Profile
- Good Liquidity Position

Negative Rating Factor

- Sectoral Exposure to Supply Shock

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.

BACKGROUND

A.R.N Foods Limited (*"The Company"*) formerly known as A.R.N Farms Limited was incorporated on the 3rd of July, 2019. It commenced operations in the same year.

The Company is into the trading of Agro-Commodities. Specifically, it deals in unprocessed grains such as: rice and maize including soyabeans, sorghum and sesame seeds. Its operation also covers logistics, haulage and storage services. The supply partners of the Company include Coscharis Rice, Olam Foods, Zartech, Sayed Farms, Dayntee Farms, Fidan, Breedwell Farms, FAD Farms and Wacot Rice.

SHAREHOLDING STRUCTURE



Source: A.R.N Foods Ltd.

The major Shareholder of the Company is Asteric Asset Management Company Limited. This entity holds 50% of the Company's Shares. Other Shareholders include: Nola Rilwan Adetola (25%), S & S Investment Advisory Limited (20%) and Momoh Babatunde Ismail (5%).

DIRECTORS' PROFILE

The Board of Directors of the Company comprised of seven (7) members, they are namely; Adetola Rilwan Nola - Chairman; Mulydeen Mobolaji Giwa - Managing Director; Babatunde Momoh; Chinedu Jacob Okere; Olusola Olaoluwa Odusanya; Omolara Zainab Owolabi and Alu Nnanna Chime.

The Directors' profile is as follows:

- Name:** Adetola Nola
Position: Chairman
Profession: Entrepreneur
Years of Experience: Over 15 years
Education:
 - King's Queen International Creative College
 - Obafemi Awolowo University
 - Lagos Business School, Pan-Atlantic University
 - Metropolitan School of Business & Management (UK)
 - London School of Business and Finance
 - London Business School
 - Harvard Business School

Job Experience:
 - Palton Morgan Holding (Marketing Strategist)
 - Pineapples Luxury Fashion Retail store (Co-Founder)

LEGAL OPINION ON THE NOTES

Detail Commercial Solicitors

DCS Place, 8 DCS Street
Off Remi Olowude Way
Lekki Phase 1, Lagos, Nigeria
T: +234 (0) 1 277 1400-5

www.detailsolicitors.com

[.] October 2024

The Managing Director
Pathway Advisors Limited (“Arranger”)
13b Anthony Etukudo Street
Lekki Phase 1
Lagos.

Attention: Alade Adekunle

Dear Sir,

**RE: LEGAL OPINION IN RESPECT OF THE NGN5,000,000,000.00 (FIVE BILLION NAIRA)
COMMERCIAL PAPER PROGRAMME ISSUANCE BY A.R.N FOODS LIMITED**

1. Background

- 1.1 We are acting as Solicitors to the Issue with respect to the ₦5,000,000,000.00 (Five Billion Naira) commercial paper programme issuance (the “Notes”) to be issued by A.R.N Foods Limited (the “Issuer”), for financing the working capital requirements of the Issuer (the “Transaction”).
- 1.2 In our capacity as the Solicitors to the Transaction, we hereby issue this Opinion subject to the terms contained herein in respect of the Transaction on the performance of the obligations of the Issuer under the Transaction Documents.

2. Definitions

2.1 Capitalised terms used in this Opinion (and not otherwise defined) shall have the meanings given to them in the Transaction Documents. The following terms shall have the meanings provided below:

- CAC** means the Corporate Affairs Commission;
- Constitution** means the 1999 Constitution of the Federal Republic of Nigeria, as amended;
- FMDQ** means FMDQ Private Markets Limited or any member of the FMDQ Group.
- FMDQ Guidelines** means the FMDQ Commercial Paper Registration and Quotation Rules of April 2021 or such other regulations as may from time to time be prescribed by FMDQ with respect to the issuance, registration and quotation of commercial papers;

Opinion Documents means the opinion documents listed in Schedule 1 of this Opinion; and

Transaction Documents means the Deed of Covenant; Issuing and Placing Agency Agreement; and the Collecting and Paying Agency Agreement.

2.2 The headings in this opinion do not affect its interpretation.

2.3 References to sections, paragraphs, and schedules are to clauses, paragraphs of, and schedules to, this Opinion.

3. Documents Examined and Enquiries Made

For the purpose of issuing this Opinion, we have reviewed, examined and relied on:

3.1 Opinion Documents

We have examined and relied only on the Opinion Documents listed in Schedule 1.

3.2 Searches

3.2.1 Corporate Affairs Commission

We have conducted a search and made enquiries at the CAC on the corporate files of the Issuer on the [.]¹

4. Assumptions and Qualifications

This Opinion is given based on the assumptions set out in Schedule 2 and is subject to the qualifications set out in Schedule 3 and to any other matters not disclosed to us. The Opinion herein contained is strictly limited to the matters stated in Section 5 and does not extend to any other matters.

5. The Opinion

We are of the opinion that:

5.1 Status

5.1.1 The Issuer is duly incorporated and validly existing under the laws of the Federal Republic of Nigeria and has the power to carry on its business as it is now being conducted and to own properties and other assets in the Federal Republic of Nigeria.

5.2 Power & Authority

5.2.1 The Issuer:

¹ To be updated once we conclude the status search at the CAC.

5.2.1.1 has the power and authority to enter into, deliver and perform the obligations expressed and assumed by it under the Transaction Documents to which it is a party;

5.2.1.2 has power to sue and be sued in its name; and

5.2.1.3 has taken all necessary corporate or other actions required to authorize its execution and delivery of the Transaction Documents and the performance of its obligations therein.

5.3 Conflict

We confirm that neither the issuance of the Notes, the execution and the delivery of the Transaction Documents, nor the performance by the Issuer of its obligations under any of the Transaction Documents and compliance with the provisions of the Transaction Documents to which it is a party:

5.3.1 conflicts with or will conflict with any present law, regulation, treaty or rule currently in force in Nigeria or any order of any Nigerian governmental, judicial or other authority in any respect; or

5.3.2 conflicts with the Issuer's constitutional documents.

5.4 Legal Validity and Enforceability

5.4.1 The Transaction Documents constitute legal, valid and binding obligations of the Issuer and will be enforceable against it in accordance with the respective terms thereof under the laws of Nigeria.

5.4.2 The Notes, when issued, would constitute valid, legal, binding and enforceable obligations of the Issuer.

5.4.3 The obligations expressed to be assumed by the Issuer under the Notes, and the Transaction Documents to which it is a party constitute its legal, valid, binding and enforceable obligations, and are enforceable against the Issuer in accordance with their terms.

5.5 Authorisations and Consents

5.5.1 Consent

No consent, licence, permit, approval or authorisation of any governmental, judicial or public body or other authority in Nigeria is required in connection with the entry into and performance of the Transaction Documents.

5.5.2 Stamp Duties

For admissibility before the Nigerian courts and in accordance with the provisions of the Stamp Duties Act CAP S8 LFN 2004 (as amended), the Transaction Documents will be subject to stamp duties under Nigerian law.

5.5.3 Registration and Filings

Save for registration with FMDQ in accordance with the FMDQ Guidelines, no other registration, filing or recording with any court, governmental authority or other authority in Nigeria is necessary under the laws of the Federal Republic of Nigeria to ensure the legality, validity, enforceability of the Transaction Documents in Nigeria.

5.6 Insolvency

Based on our search carried out at the CAC, we confirm that no shareholder or other corporate action has been taken for any administration, bankruptcy, liquidation, dissolution, receivership, nor have similar insolvency proceedings been registered in relation to the Issuer or its assets, and no procedure has been commenced with a view to the winding up of the Issuer nor has there been registered any notice of the appointment of an administrator, receiver, liquidator or similar insolvency representative over any part of the assets, business or undertaking of the Issuer, or notice of any application for such an appointment.

5.7 Choice of Law

In any proceedings for the enforcement of the obligations of the Issuer under the Transaction Documents, the Nigerian courts would recognise, uphold and give effect to the choice of Nigerian law as the governing law of the Transaction Documents as valid and binding on the Issuer.

6. Scope of Opinion

6.1 This Opinion relates only to the laws of the Federal Republic of Nigeria as construed and applied by the courts of the Federal Republic of Nigeria at the date of this Opinion. By giving this Opinion, we do not assume any 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.

6.2 We express no opinion on the laws of any other jurisdiction other than Nigeria.

6.3 We express no opinion on matters of fact.

6.4 This Opinion (and any non-contractual obligations arising out of it) is governed by and shall be construed in accordance with Nigerian law as at the date of this Opinion.

7. Who May Rely on the Opinion

7.1 Subject to Section 7.2, this Opinion is given for the sole benefit of the Arranger in connection with the Transaction Documents and it may not be disclosed to or relied on by any other person or used for any other purpose without our prior written consent.

Detail Commercial Solicitors | Page 4 of 10

7.2 This Opinion may be disclosed, to (only on the express basis that they may not rely on it):

- (a) any person who becomes an arranger under the Transaction;
- (b) the officers, employees, auditors and professional advisers of the Arranger;
- (c) any person to whom disclosure is required to be made by applicable law or court order or pursuant to any supervisory or regulatory body or in connection with any judicial proceedings **PROVIDED** and it is hereby agreed that any such disclosure is made on the basis that (i) such disclosure is made solely to enable any such person to be informed that an opinion has been given and to be made aware of its terms but not for the purposes of reliance, and (ii) we do not assume any duty or liability to any person to whom such disclosure is made and in preparing this opinion we only had regard to the interests of the Arranger.

DRAFT

SCHEDULE ONE
OPINION DOCUMENTS

1. The Deed of Covenant;
2. The Collecting and Paying Agency Agreement;
3. The Issuing and Placing Agency Agreement; and
4. Corporate Documentation in relation to the Issuer;
 - (a) Certificate of incorporation dated 3rd July 2019;
 - (b) Certified true copy of Memorandum and Articles of Association dated 15th January 2024;
 - (c) Status Report dated [.]²
 - (d) A copy of a resolution of the board of directors dated [.]³ approving inter – alia the terms and the transactions contemplated by the Transaction Documents to which it is a party.

DRAFT

² To be updated upon conclusion of the status search at the CAC.

³ Board Resolution of the Issuer to be provided.

SCHEDULE TWO ASSUMPTIONS

The opinions in Section 5 of the Opinion have been made on the following assumptions:

1. **Authenticity:** the authenticity of all seals and signatures, the completeness and conformity with original documents of all copies of the documents submitted to us and that any executed document submitted to us, continues in full force and effect;
2. **Authenticity of Resolutions:** The resolution of the board of directors⁴ of the Issuer referred to in 6 (e) of Schedule 1 was duly passed.
3. **Other Parties:** Each party to the Transaction Documents (other than the Issuer) have the capacity to duly authorise, execute and deliver the Transaction Documents to which it is a party in accordance with all applicable laws and to perform the obligations it is expressed to assume under it.
4. **No Bad Faith or Fraud:** There has been no bad faith or fraud, coercion, duress or undue influence on the part of any of the parties to the Transaction Documents and/or their respective directors, employees, agents and advisers.
5. **No breach of agreements:** Subject to the documents reviewed under the due diligence report dated [.] ^s2024 and any express opinions indicated therein, the provisions of the Transaction Documents do not breach any other agreement or instrument binding on the Issuer or its assets.
6. **Solvency:** There has been no alteration as to the status of the solvency of the Issuer since the date of the search report referenced in Section 3.2 of the Opinion.
7. **Conditions Precedent:** All conditions precedent required to be fulfilled by the Issuer have been fulfilled and the Transaction Documents are unconditional in all respects.
8. **Amendments:** There have been no amendments to the memorandum and articles of association of the Issuer since the date of the certified copies examined by us, and any restrictions in the constitutional documents of the Issuer would not be contravened by the entry into and performance of the Transaction Agreements.
9. **Illegality:** The Issuer is not or will not be seeking to achieve any purpose not apparent from the Transaction Agreement which might render it illegal, void or unenforceable.

⁴ Board Resolution of the Issuer to be provided.

⁵ To be updated upon conclusion of the Due Diligence exercise.

SCHEDULE 3 QUALIFICATIONS

This Opinion is subject to the following qualifications:

1. ENFORCEABILITY

The term "*enforceable*" as used in this Opinion means that an obligation is of a type and form which the courts in the Federal Republic of Nigeria generally enforce. This Opinion is not to be taken to imply that any obligation would necessarily be capable of enforcement in all circumstances in accordance with its terms. In particular:

- 1.1 A court in the Federal Republic of Nigeria will not necessarily grant a particular remedy because:
 - (a) the principles of equity may dictate otherwise, for example, an order for the equitable remedy of specific performance may not be made where damages are considered to be an adequate remedy;
 - (b) it may be incompatible with the human rights provisions under the Constitution;
 - (c) public policy requires otherwise; or
 - (d) the court otherwise has discretion as to what remedy it grants.
- 1.2 The procedural rules to which any action brought in a court in the Federal Republic of Nigeria is subject may be such that a court declines jurisdiction or stays an action.
- 1.3 A court in the Federal Republic of Nigeria may stay or strike out proceedings if concurrent proceedings are being brought elsewhere.
- 1.4 Claims may become barred by applicable prescription periods or statutes of limitation or may be or become subject to a defence of set-off or counterclaim. The enforcement of obligations may be limited by the provisions of the laws of the Federal Republic of Nigeria, which may hold an agreement to have been frustrated by a supervening event. The law relating to misrepresentation, mistake and fraud may mean that an agreement, or part of it, is rescinded and, therefore, unenforceable.
- 1.5 Where an obligation is to be performed in a jurisdiction outside Nigeria, that obligation may not be enforceable in Nigeria to the extent that:
 - (a) its performance would be illegal under the laws of, or contrary to public policy or to the exchange control regulations of, the other jurisdiction or of the law applicable to the obligation; and
 - (b) the courts in the Federal Republic of Nigeria take account of the law of that jurisdiction.
- 1.6 We express no opinion as to whether or not a foreign court (applying its own conflict of laws rules) will act in accordance with the parties' agreement as to jurisdiction and/or choice of law.

2. SEARCHES AND ENQUIRIES

- 2.1 The search with the CAC referred to in Section 3.2 of the Opinion conclusively reveals that:
 - (a) the Company is duly registered at the CAC, and there has not been a change in the name of the Company from the date of incorporation till the Search Date.
 - (b) that the annual returns filings for 2021, 2022, and 2023 are yet to be filed at the CAC.⁶

3. LIMITATIONS ARISING FROM INSOLVENCY LAW

This opinion is subject to all insolvency, bankruptcy, liquidation, receivership, moratorium, reorganisation or similar laws affecting the rights of creditors (including secured creditors) generally.

4. LIMITS ON THE EFFICACY OF PARTICULAR PROVISIONS

- 4.1 Any provision in the Transaction Documents for the payment of a specific amount or liquidated damages in the event of a breach or default may be unenforceable if it amounts to a penalty.
- 4.2 Any provision in the Transaction providing for a matter to be agreed on in the future may be unenforceable or void for uncertainty.
- 4.3 A court in the Federal Republic of Nigeria may hold that the parties to a Transaction Document have amended it orally, even though there is a provision requiring amendments to be in writing.
- 4.4 A court in the Federal Republic of Nigeria may hold that an oral waiver by one party may be effective, even though there is a provision in the Transaction Documents requiring waivers to be in writing.
- 4.5 Any provision in the Transaction Documents purporting to restrict the exercise of any statutory power by any person may be void.
- 4.6 The effectiveness of terms in the Transaction Documents exculpating a party from liability or duty otherwise owed are limited by law.
- 4.7 A court in the Federal Republic of Nigeria may refuse to treat as final, conclusive and/or binding any notification, calculation, certificate or determination which is stated in any Transaction Document to be final, conclusive and/or binding if it is shown to have an unreasonable or arbitrary basis, or not to have been reached in good faith, despite a provision to the contrary.

⁶ To be updated when evidence of these filings has been provided.

- 4.8 Where a party to a Transaction Document has a discretion, or may determine a matter in its opinion, a court may require that such discretion is exercised in good faith reasonably and for a proper purpose, and that such determination is made in good faith based on reasonable grounds.
- 4.9 A court in the Federal Republic of Nigeria would have discretion on whether to allow the severance of an invalid or unenforceable provision in a Transaction Document.
- 4.10 A provision requiring payments to be made without deduction or withholding will not be enforced if a deduction or withholding is made pursuant to a legal obligation.
- 4.11 Despite a provision in any Transaction Document to the effect that the written terms of that Transaction Document constitute the entire agreement between the parties to it, a court may hold that oral or other assurances given in the course of negotiations may be binding.
- 4.12 Confidentiality obligations may be overridden by the requirements of legal process.
- 4.13 A court in the Federal Republic of Nigeria can give judgment in currencies other than Naira if, subject to the terms of the contract, it is the currency which most fairly expresses the claimant's loss. However, such judgments may be required to be converted into Naira for enforcement purposes.

DETAIL COMMERCIAL SOLICITORS

**OLAWUNMI ALADE
PARTNER DESIGNATE**

STATUTORY AND GENERAL INFORMATION

Authorisation

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors A.R.N Foods Limited dated 8th August 2024.

Auditors

Ferdinand Eze & Co (Chartered Accountants) acted as auditors of the annual financial statements of the Issuer for the financial years ended December 31, 2019, December 31, 2020, December 31, 2021, December 31, 2022, December 31, 2023 and issued qualified reports.

Commercial Paper Outstanding

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

Going Concern

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

Material Contracts

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

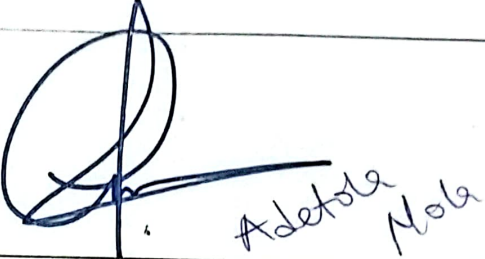


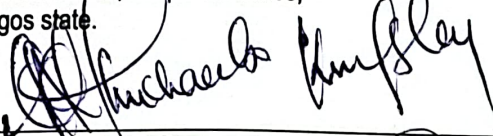
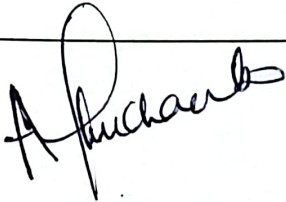
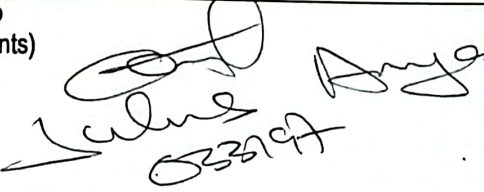
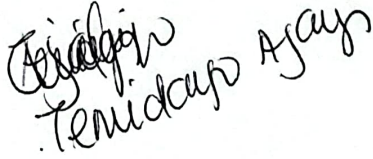
- I. the Deed of Covenant executed by the Issuer as a deed poll in favour of the Noteholders;
- II. the Issuing and Placing Agency Agreement executed by the Issuer and Issuing and Placing Agent; and
- III. Collecting and Paying Agency Agreement executed by the Issuer and the Collecting and Paying Agent

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

Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

PARTIES TO THE PROGRAMME

Issuer	A.R.N Foods Limited 22 Kingsley Emu Street, Lekki Phase 1, Lagos <i>Chairmen</i>  Adetola Mob
Arranger & Issuing and Placing Agent	Pathway Advisors Limited 13b, Anthony Etukudo Street, Lekki Phase 1, Lagos.  A-Okunle Alade <i>Director</i>
Sponsor to the Registration on FMDQ Exchange	Pathway Advisors Limited 13b, Anthony Etukudo Street, Lekki Phase 1, Lagos.  A-Okunle Alade <i>Director</i>
Collecting & Paying Agent	Providus Bank Limited 114, Adeola Odeku, Eletu Ogabi Street, Victoria Island, Corporate Office, Lagos state.  Michael Mufsey  A. Richards <i>Director</i>
Auditor to the Issuer	Ferdinand Eze & Co (Chartered Accountants) 11 Maduike Street, Ikoyi, Lagos.  Julius Anya 0332194 <i>Partner</i>
Solicitors	Detail Commercial Solicitors 8 DCS Street, off Remi Olowunde Way, Lekki Phase 1, Lagos.  Temidayo Agayi <i>Partner</i>