

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 Circular 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 RusselSmith Nigeria Limited and they individually and jointly accept full responsibility for the accuracy of all information given.



RUSSELSMITH NIGERIA LIMITED

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

₦10,000,000,000 COMMERCIAL PAPER ISSUANCE PROGRAMME

RusselSmith Nigeria Limited ("RusselSmith" or the "Issuer"), a private limited liability company incorporated in Nigeria, has established this ₦10,000,000,000 Commercial Paper Issuance Programme (the "CP Programme"), under which RusselSmith may from time to time issue Commercial Paper Notes ("CP Notes" or the "Notes"), denominated in Nigerian Naira ("Naira" or ₦) as defined in the section entitled, "Summary of the Programme", in separate series or tranches subject to the terms and conditions ("Terms and Conditions") contained in this Programme Memorandum.

Each Series or Tranche (as defined under the Terms and Conditions) 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 ₦10,000,000,000 (Ten 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, together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

The CP Notes issued under this Programme shall be issued in dematerialized 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. The securities will settle via the FMDQ Depository Limited ("FMDQ Depository")

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 favor of any other party.

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

LEAD ARRANGER / DEALER / ISSUING AND PLACING AGENT

JOINT ARRANGERS / DEALERS /



ISSUING AND PLACING AGENTS



COLLECTING AND PAYING AGENT



THIS PROGRAMME MEMORANDUM IS DATED 14th February 2025

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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 ₦10,000,000,000 (Ten 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. Notes issued under the Programme shall be restricted to Qualified Institutional Investors who meet the qualification criteria prescribed by FMDQ Exchange from time to time.

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 fact likely to affect the import of such information. The Issuer accepts responsibility for the information contained in this Programme Memorandum.

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

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

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation or should be considered as a recommendation or the rendering of investment advice by the Issuer, the Arrangers, or the Dealers 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 Arrangers, the Dealers 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 after 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

In this Programme Memorandum, unless a contrary indication appears, the following expressions shall have the meanings indicated in the table below. Words in the singular shall include the plural and vice-versa, references to a person shall include references to a body corporate, and references to a gender includes the other gender.

Abbreviation	Definition
"Agency Agreement"	The Issuing and Placing Agency Agreement and the Collecting and Paying Agency Agreement dated 14 th February 2025 or about the date of this Programme Memorandum executed by the Issuer, the Issuing and Placing Agents and the Collecting and Paying Agent(s)
"Applicable Pricing Supplement" or "Pricing Supplement"	The document(s) to be issued pursuant to the Programme Memorandum, which shall provide the final terms and conditions of a specific issue of a Series or Tranche of the Notes under the Programme
"Arrangers"	Cedrus Capital Limited, AVA Capital Partners Limited, Pathway Advisors Limited
"Board" or "Board of Directors"	The Board of Directors of RusselSmith Nigeria Limited
"Business Day"	Any day (excluding Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria) on which banks are open for business in Nigeria
"Business Hours"	8.00am to 5.00pm on any Business Day
"CAMA"	The Companies and Allied Matters Act (Cap. C20) 2020 as may be amended from time to time
"CBN"	The Central Bank of Nigeria
"CBN Guidelines"	The CBN's Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers, as amended or supplemented from time to time.
"CGT"	The Capital Gains Tax as provided for under the Capital Gains Tax Act (Cap.C1) LFN 2004 (as amended by the Finance Acts)
"CITA"	The Companies Income Tax Act (Cap. C21) LFN, 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007 and the Finance Acts)
"Collecting and Paying Agent" or "CPA"	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
"Commercial Paper", "CP", "CP Notes" or "Notes"	Unsecured and unsubordinated commercial paper securities to be issued by the Issuer in form of short-term Zero-Coupon Notes . The Notes will be issued from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialized form by the Noteholders through the CSD
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes"
"CP Programme" or "Programme"	The CP Programme described in this Programme Memorandum, pursuant to which the Issuer may issue several separate Series or Tranches of Notes from time to time with varying maturities and discount rates provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦10,000,000,000 or its equivalent in any other specified currency
"Clearing System"	Clearing system approved by the Issuer or as may otherwise be specified in the Applicable Pricing Supplement

Abbreviation	Definition
"Central Securities Depository" or "CSD"	Means a specialist financial institution holding commercial papers either in certificated or uncertificated (dematerialised) forms so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates
"Day Count Fraction"	Any such method of calculating the discount in respect of a Note as specified in the Applicable Pricing Supplement
"Deed of Covenant"	The Deed of Covenant dated on or about the date of this Programme Memorandum executed by the Issuer in favor of the Noteholders
Default Rate	Means interest rate equivalent to the daily overnight NIBOR + 5% per annum or the Issue rate + 5% per annum (whichever is higher)
"Event of Default"	Means an event of default by the Issuer as set out in Condition 6 of the "Terms and Conditions of the Notes"
"Face Value"	The par value of the Notes
"FGN"	Federal Government of Nigeria
"Finance Acts"	The Finance Act 2019, the Finance Act 2020 and the Finance Act 2021
"FIRS"	Federal Inland Revenue Service
"FMDQ Depository Limited" or "FMDQD"	FMDQ Depository Limited
"FMDQ Exchange Limited" or the "Exchange"	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organization licensed by the SEC, to provide a platform for the listing, quotation, registration, and trading of securities inter alia
"FMDQ Exchange Rules" or the "CP Rules"	The FMDQ Commercial Paper Registration and Quotation Rules issued in November 2024 (as may be amended, from time to time) and such other regulations with respect to the registration and quotation of commercial papers as may be prescribed by FMDQ Exchange from time to time
"Force Majeure"	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, protests, curfews, national emergency, riot, war, embargo, legislation, acts of God, acts of terrorism, pandemics, epidemics, and industrial unrest.
"Government"	Any federal, state or local government of the Federal Republic of Nigeria
"Holder" or "Noteholder"	Mean 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
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement
"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
"Issuer", "RusselSmith" or "Company"	RusselSmith Nigeria Limited
"Issuing and Placing Agents" or "IPAs"	Cedrus Capital Limited, AVA Capital Partners Limited and Pathway Advisors Limited or any successor Issuing and Paying Agent in respect of the Notes, appointed by the Issuer
"Lead Arranger", "Lead Dealer" and/or "Lead"	Cedrus Capital Limited

Abbreviation	Definition
IPA"	
"Joint Arrangers", "Joint Dealers" and/or "Joint IPA"	AVA Capital Partners Limited, Pathway Advisors Limited
"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. The maturity date of all outstanding CPs shall fall within the validity period of the Issuer/CP Programme rating filed with the FMDQ Exchange at the commencement of the registration of the CP Programme
"Material Adverse Change"	A material adverse effect on the ability of the Issuer to perform and comply with its payment obligations under the CP Programme
"Naira", "NGN" or "₦"	The Nigerian Naira
"NIBBS"	Nigeria Inter-Bank Settlement System Plc
"NIBOR"	The Nigerian Inter-Bank Offered Rate
"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 these 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 and the Finance Acts)
"Principal Amount"	The nominal amount of each Note, as specified in the Applicable Pricing Supplement
"Programme"	The ₦10,000,000,000 (Ten 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 information memorandum dated 7 th January 2025 which sets out the aggregate size and broad terms and conditions of the CP Programme
"Qualified Institutional Investors" or "QIIs"	This includes 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, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms, issuing houses, registrars, financial market infrastructures (FMIs), finance companies, financial/investment holding companies, financial/investment advisors and any other category of investors as may be determined by the 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 or Series, the date on which redemption monies are due and payable in respect of the Notes as specified in these Conditions and the Applicable Pricing Supplement
"Register"	A register or such registers as shall be maintained by the Registrar in which are recorded details of Noteholders
"Registrar"	The CSD or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme
"Relevant Currency"	Naira, being the currency in which payments in respect of the Notes of the relevant

<i>Abbreviation</i>	<i>Definition</i>
	Tranche or Series are to be made as indicated in the Applicable Pricing Supplement
"Relevant Date"	The payment date of any obligation due on the Notes
"Relevant Last Date"	The date stipulated by CSD and specified in the Applicable Pricing Supplement, after which transfer of the Notes will not be registered
"SEC"	The Securities and Exchange Commission
"Series"	<p>A Tranche of Notes together with any further Tranche or Tranches of Notes which are:</p> <ul style="list-style-type: none"> expressed to be consolidated and form a single series; and are identical in all respects except for their respective Issue Dates, and/or Issue Prices
"Tranche"	Notes which are identical in all respects
"Zero-Coupon Notes"	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 such annual financial statements of the Issuer for the financial years prior to each issue of Notes under this Programme which shall be deemed to be incorporated into, and to form part of, this Programme Memorandum and which shall be deemed to modify and supersede the contents of this Programme Memorandum as appropriate.

The 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 Arrangers at their Specified offices as set out in this Programme Memorandum.

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

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

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

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

SUMMARY OF THE PROGRAMME

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

1.	Issuer:	RusselSmith Nigeria Limited
2.	Programme Description	Commercial Paper Issuance Programme
3.	Arrangers/Dealers/Issuing and Placing Agents:	Cedrus Capital Limited, AVA Capital Partners Limited, Pathway Advisors Limited
4.	Sponsor to the Registration on FMDQ Exchange:	Cedrus Capital Limited
5.	Co-Sponsor to the Registration on FMDQ Exchange:	AVA Capital Partners Limited, Pathway Advisors Limited
6.	Collecting and Paying agent	Providus Bank Limited
7.	Auditor:	Paul Fadaio & Co (Chartered Accountants)
8.	Registrar/Custodian:	FMDQ Depository Limited
9.	Solicitor:	Pentagon Partners Legal Practitioners Limited
10.	Programme:	The commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time under a standardized documentation framework
11.	Programme Size:	₦10,000,000,000 (Ten Billion Naira) aggregate principal amount of Notes outstanding at any point in time
12.	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
13.	Issue Price:	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement
14.	Issue Size:	As specified in the Applicable Pricing Supplement
15.	Use of Proceeds:	Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issue of the CPs will be applied by the Issuer for its general corporate purposes and short-term funding requirements
16.	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
17.	Source of Repayment:	The repayment of all obligations under the Programme will be funded from the operating cash flows of the Company
18.	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
19.	Maturity Date:	As specified in the Applicable Pricing Supplement
20.	Default Rate:	Interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate + 5% per annum (whichever is higher)

21.	Currency of Issue:	Nigerian Naira									
22.	Redemption:	As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules									
23.	Tenor:	As specified in the Applicable Pricing Supplement, subject to a minimum tenor of (15) days and a maximum of (270) days, including roll-over from the date of issue. The maturity date of all outstanding CPs shall also not exceed the validity period of the applicable Issuer/CP Programme rating designated at the commencement of the registration of the CP Programme									
24.	Rating:	<p>The Issuer has been assigned the following national scale rating:</p> <table border="1"> <tr> <td></td><td>Short Term Rating</td><td>Long Term Rating</td></tr> <tr> <td>Agusto & Co</td><td colspan="2">Bbb</td></tr> <tr> <td>Datapro Limited</td><td>A2</td><td>BBB+</td></tr> </table> <p>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.</p>		Short Term Rating	Long Term Rating	Agusto & Co	Bbb		Datapro Limited	A2	BBB+
	Short Term Rating	Long Term Rating									
Agusto & Co	Bbb										
Datapro Limited	A2	BBB+									
25.	Status of Notes:	Each Note constitutes a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and save for certain debts mandatorily preferred by law, the Notes rank pari passu among themselves, and save for certain debts mandatorily preferred by law, with other present and future unsubordinated unsecured obligations of the Issuer outstanding from time to time									
26.	Registration:	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									
27.	Quotation:	The Issuer may elect at its discretion to have any Series or Tranche of Notes quoted on the FMDQ Exchange 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.									
28.	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. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws									
29.	Governing Law:	The Notes issued under the Programme and all related contractual documentation will be governed by, and construed in accordance with Nigerian law									
	Settlement Procedures:	Purchases will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment (NIP), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS")									

OVERVIEW OF RUSSELSMITH NIGERIA LIMITED

History and Overview

RusselSmith is an ISO 9001:2015 and ISO 45001:2018 certified Integrated Energy Services provider, with a focus on technology solutions for Asset Integrity Management, Oilfield Management, Smart Manufacturing and Sustainable Energy, with services that ensures customers have access to reliable data about the states of their assets and that their assets continue to perform reliably and safely all through their initial design lives.

As a leading oilfield services provider, RusselSmith has strengthened its presence over the years and evolved to offer services which cut across many areas of oilfield operations. As an indigenous Nigerian company with a reputation for world-class quality service delivery and high safety standards, the company is committed to building local capacity and promoting innovation as a means to meet the ever-evolving technical challenges of the oil & gas industry in safe and cost-effective ways.

The Company holds good corporate governance as one of its core values and confirms its commitment to the implementation of effective governance principles in its business operations. The directors endorse the principles of best practice corporate governance as stated in the Code of Corporate Governance for Firms in Nigeria Post Consolidation issued by the CBN and the SEC Code of Corporate Governance. The Board has the overall responsibility for ensuring that the highest standards of corporate governance are maintained and adhered by the Company.

Vision and Mission

Vision – To be the leader in providing effective solutions for the future of global energy.

Mission – To promote a culture of excellence through commitment, innovation, reliability, safety and cost-effectiveness.

Values - Professional excellence, Integrity and Honesty in all business dealings with stakeholders, clients and customers.

Business Overview

RusselSmith Nigeria Limited is an innovative leader in the African energy services sector, offering integrated solutions designed to enhance asset integrity, oilfield management, smart manufacturing, and sustainable energy. Certified to both ISO 9001:2015 and ISO 45001:2018 standards, our company specializes in optimizing the productive life of assets in a reliable, safe, and sustainable manner. With over 800 successful projects and more than 18 years of experience, RusselSmith is a cornerstone of operational excellence in the oil and gas industry.

Key Benefits of solutions:

Asset Integrity Management: RusselSmith offers advanced NDT technologies and integrated solutions to maintain and extend the useful life of oilfield assets, ensuring they operate at peak efficiency.

Smart Manufacturing: Through industrial 3D printing, RusselSmith locally manufactures parts on-demand, reducing costs and improving operational uptime. This innovation addresses supply chain disruptions by producing high-quality, complex components that were previously challenging to fabricate.

Sustainable Energy Solutions: The company's gas-to-liquids technology transforms feedstock gas into valuable fuels and chemicals, reducing greenhouse gas emissions and supporting environmental sustainability.

RusselSmith is committed to maintaining its leadership in providing cutting-edge solutions for the global energy

sector. The company is strategically investing in additive manufacturing, aiming to revolutionize supply chains and increase operational efficiency within the West African region. This involves expanding its additive manufacturing capabilities and establishing a center of excellence to serve as a hub for innovation. The company's strategy underscores a commitment to environmental, social, and governance (ESG) principles, aiming to achieve a significant reduction in carbon footprint and promote a circular economy. With a robust management team and a proven track record of success, RusselSmith is well-positioned to continue delivering excellence and innovation in the energy sector.

OPERATIONS AND PRODUCTION SERVICES

1. **OPERATIONS & PRODUCTION MANAGEMENT:** Operations and Production Management services include:
 - Well Development & Enhancement services ■ Well Head Maintenance services ■ Drilling Equipment & Support Services ■ Water & Sludge Treatment Solutions ■ Valve Maintenance and Repair ■ Rental & Equipment Supply Services ■ Rig Supply, Inspection & Certifications
2. **WELL DEVELOPMENT & ENHANCEMENT SERVICES:** Technologies and services will help operators to bridge the gap between Well Potential and current Production Capacity of the Facility. These cost-effective solutions will also help the operators to optimize the production capacity at minimum unit Operating Cost (OPEX). • ACOUSTIC WELL STIMULATION • ELECTRICAL SUBMERSIBLE PUMPS.
3. **GAS-TO-LIQUIDS TECHNOLOGY SOLUTIONS:** Gas-to-liquids solution uses advanced thermo-chemical technology in small scale modular plants to convert associated and non-associated feedstock gas into commercially viable fuels and chemicals like Methanol and Olefins. This innovative technology enables a reduction of greenhouse gas emissions by eliminating gas flaring, while offering the added advantage of being able to generate revenue from the final products
4. **DRILLING EQUIPMENT & SUPPLY SERVICES:** Provide customers with engineering and consulting services to create added value by delivering solutions that help improve drilling performance and lower drilling costs. • PDC Bits – Different formations • Core Head Bits • Rock Bit • Anti-Sticking Bit • Special Bits • Bull shark Borehole Smoothing Stabilizer • Reamers
5. **RIG SUPPLY, INSPECTIONS & CERTIFICATIONS:** Provide complete Rig Package services with all associated equipment. Related services include; • Sourcing of Drilling Rigs • Provision of Rig Inspection and certification – CAT IV • Inspection of Drilling Tubulars • Provision of Casings with multiple Length Range • Provision of Drill Pipes
6. **VALVE MAINTENANCE, SERVICING, AND CALIBRATION SERVICES** Integrity management services for different types of valves. Scope of services includes; • Procurement, Installation and inline Inspection of Valves • Refurbishment of Mechanical Valves • Servicing and calibration of Instrumental Control Valves • Inspection, Maintenance and Testing of PSV, PRV, PVRV • Provision of Mobile Valve Workshop and Test Benches • Provision of Experienced Manpower Resources.
7. **WELL DEVELOPMENT AND COMPLETIONS SERVICE:** Well completions and ESP (Electrical Submersible Pump) services incorporate all activities following the actual drilling of the well- installation of production casing and equipment in order to bring the well into production. Offering two types of completions packages; • Cased Hole Completions ➤ Hydraulic and Mechanical Packers & ESP packers ➤ Sub Surface Safety Valves ➤ Sliding Sleeves, Landing nipples, Expansion Joints, Chemical Injections, Gas Vent Valves, Specialty Tools. Open Hole Completions ➤ Liner hangers ➤ ICD's / Sand Screens ➤ Open Hole Packers ➤ Cementing Accessories.

Milestone Achievements/Competitive Strength

RusselSmith is an ISO 9001: 2015 Certified company;

- First indigenous company to introduce Industrial 3D Printing Services to the Nigerian Oil and Gas industry.

- One of very few Nigerian companies certified to operate UAVs across the country.
- First indigenous company to introduce Rope Access Services to the Nigerian Oil & Gas industry in 2004, and the first Indigenous company to be IRATA certified.
- Worked with the Nigerian Upstream Regulatory Commission, NUPRC (Formerly Department of Petroleum Resources, DPR) to make Rope Access an Industry standard through a DPR Permit.
- First and only company till date in Nigeria to be qualified by the NUPRC for deployment of non-metallic additive manufacturing solutions in the Nigerian Oil and Gas industry.
- Technology Qualification of our NCM technology by the NUPRC.
- First indigenous company to introduce and train Nigerians in the usage of the Non-Contact Magnetometric (NCM) Inspection Technology for Topsides and Subsea pipelines.
- Technology Qualification of the first of its kind Subsea Robotic IRM technology by NUPRC for the Nigerian Oil and Gas Industry.
- DNV Certified.
- BV Certified for Hull Inspection.
- Successfully completed over 800 projects and over 6 Million man hours with Zero LTI.



TOPSIDES

- Structural Integrity Assessment
- Asset Integrity Management
- Asset Life Extension

- Pipeline Integrity Management
- Offshore & Onshore Construction Support
- Survey & Data Verification
- Advanced & Custom Mechanical Integrity Solutions

SMART MANUFACTURING

- Non-metallic additive Manufacturing
- Customized Production

- 3D Modelling
- Digital Warehousing
- Additive Manufacturing Consultancy

SUBSEA

Maintenance

- Anode Replacement
- Marine Growth Removal and Measurement
- Valve Operations

Survey

- Route Survey & Seabed Survey

Repair

- Pipe Repair Solutions
- Subsea Equipment Repairs

Inspections

- Non-Contact Magnetometric Inspection
- Pipeline Inspection
- Underwater Inspection in Lieu of Dry-docking
- Mooring Chain Inspection and Cleaning
- Flooded Member Detection
- CP Measurement
- Subsea ACFM & Pulsed Eddy Current Inspection
- Scour Assessment & Structural Assessment
- Chain Catenary Measuring

UAV & DIGITAL SOLUTIONS

- Visual & Thermal Inspections
- Drone Mapping

- Laser Scanning & 3D Modelling
- Pipeline Right-of-Way Monitoring
- Digitalization Solutions

OPERATIONS & PRODUCTION

- Oil & Gas Field Production Management
- Oilfield Operations and Maintenance
- Oilfield Development and Construction

- Rig, Drilling Equipment Supply & Maintenance
- Well Completion & Production Enhancement
- OEM Product Supply
- Waste Management

SUSTAINABLE ENERGY

- Gas-to-Liquid Solutions

CERTIFICATIONS, QUALIFICATIONS, AND MEMBERSHIPS



RusselSmith Project History

TOTAL # OF PROJECTS
800⁺

SERVICE LINE	CUSTOMER NAME	ASSET DESCRIPTION	PROJECT TIMELINE	# OF PROJECTS
Mechanical & Structural Integrity Services	Addax Afren AGIP Bw Offshore Chevron Exxonmobil NLNG Shell Transocean Drilling Equatech Century Energy Totalenergies	Okwori Field Mopu Abo Fpso Sendje Berge, Abo Fpso Agbami / Escravos Fso / Egtl / Meji Pp / Meren 1&2 Pp / Okan Pp Erha Fpso / Eket Qit / Usan Fpso Bonny Plant Bonga Fpso Sea Eagle Baltic Rig Gabon Bumi Armada Akpo Fpso / Fso Unity / Usan Fpso / Jv Fields (odudu, Ofon & Amenam Field)	Oct 10 May 15 Oct 18 Mar 11 - Dec 13 May 07 - Mar 20 Sept 08 - Present Oct 14 - Jan 17 Aug 08 - Jun 18 Apr 11 - Jan 14 Aug 21 Sept 10 - Nov 10 Apr 09 - Jan 18	452
Subsea Inspection Services	Blue-tide Exxonmobil AGIP Hydrodrive Chevron Shell Kanimam	Aje field Erha Fpso Agbara Escravos Agbami Sea-eagle Mumbai	Jun 21 Jul 22 Oct 19 Nov 20 Nov 22 - Present Nov 22 Jan 22	7
Pipeline Integrity Services	Chevron Exxonmobil Totalenergies Humble Energy Perenco Assala Energy Maurel & Prom	Agbami Fpso Iokan Platform Erha Fpso/ Usan Fpso Akpo Fpso Kwale Gabon Gabon Gabon	Jan 09 - Jan 17 Sept 14 - Present Sept 14 - Nov 17 Nov 20 Jul 21 Jul 21 Aug 21	45

RusselSmith Project History

TOTAL # OF PROJECTS
800⁺

SERVICE LINE	CUSTOMER NAME	ASSET DESCRIPTION	PROJECT TIMELINE	# OF PROJECTS
Onshore & Offshore Construction Support	Chevron Exxonmobil Shell NLNG Transocean Drilling Pacific Drilling Totalenergies	Agbami Fpso Escravos Erha Fpso Usan Fpso Bonga Fpso / Sea-eagle Bonny Plant Baltic Rig Pacific Sirocco / Pacific Bora Fso Unity/ Usan	Oct 05 - Mar 22 Mar 11 - Present Feb 09 - Jun 18 Dec 15 - Feb 16 Sept 11 - Sept 14 Dec 11 - Apr 12 Apr 11 - Dec 16	183
Survey & Data Verification Services	Bw Offshore Chevron Exxonmobil Sgs Surf Subsea Oando Shell Totalenergies Transocean Drilling	Abo Fpso Agbami Erha Agbara Platform Surf Supporter Respect Rig, Integrity Rig, Passion Rig Bonga Fpso / Sea Eagle Fso Unity / Jv Fields (odudu, Ofon & Amenam Field) Gsf 135 Rig	Nov 12 - Apr 13 Apr 16 Dec 10 - May 22 May 14 Jan 19 Dec 12 - Jun 15 Apr 12 - Oct 17 Dec 11 - Aug 15 May 13	44
Contracted Rescue Services	Chevron Exxonmobil Shell	Agbami Fpso / Escravos Erha Fpso Bonga / Sea-eagle Fpso	Dec 08 - Jan 19 Apr 10 - Present Feb 11 - Jun 14	82

PROFILES OF THE BOARD OF DIRECTORS AS AT 31ST JANUARY 2025

CHAIRMAN - LESLIE OGHOMIENOR

Mr. Leslie Oghomienor holds a bachelor's degree in business management from the University of Jos, Plateau State. With over twenty-five 25 years of work experience, most of which has been in the Oil and Gas industry, he has vast experience at various levels of Administration and Contracts management. Leslie also has management and technology consulting experience. He was a former staff of Andersen Consulting (now known as Accenture) and is still an Alumni member. He has worked in various Managerial capacities with Frank's International, a global company in Casing and Tubing running and handling oilfield services. He was the Chief Executive Officer at RusselSmith Nigeria Limited, for 14 years where he was responsible for the strategic growth of the company in line with the company's vision, proven by the many international and local recognitions, awards and milestones given to the company over the years. He is a Bureau Veritas certified Internal Quality Auditor to ISO 9001:2008 standards. He is a registered member of the Financial Reporting Council of Nigeria and a member of the Institute of Directors. He is currently the Executive Chairman of RusselSmith, working closely with the CEO in an advisory capacity towards achieving the company's goals. He is also the current Chairman of Blaugrana Sports International, License owner of the FC Barcelona Soccer School, Lagos and Bulmaro Football Club, Lagos.

PRESIDENT/CHIEF EXECUTIVE OFFICER – KAYODE ADELEKE

Mr. Kayode Adeleke holds a bachelor's degree in Computer Science from the University of Ibadan, Oyo state, and a double Masters in Business Administration and Information Systems from Southeastern University, Washington DC, USA. With over twenty-three 23 years of work experience, most of which has been in the Oil and Gas industry, Kayode has been involved in a number of major projects in different capacities, including consulting with the World Bank. He is currently the President & Chief Executive Officer at RusselSmith Nigeria Limited, where he is responsible for the strategic growth of the company in line with the company's vision, proven by the many international and local recognitions, awards and milestones given to the company over the years. He is a Bureau Veritas certified Internal Quality Auditor to ISO 9001:2008 standards, Certified lead auditor to ISO 9001:2015 standards, trained by BV for ISO 31000 Risk Management and a BV trained IMS Internal Auditor (ISO 9001 & 45001). He is a fellow at the Institute of Management Consultants, a registered member of the Financial Reporting Council of Nigeria, and a member of the Institute of Directors. He is the Charter, President of the RusselSmith Toastmasters club and the current Vice Chairman of Blaugrana Sports International, License owner of the FC Barcelona Soccer School, Lagos and Bulmaro Football Club, Lagos.

DIRECTOR, FINANCE -DIVAKAR PURI

Mr. Divakar Puri holds a Bachelor's degree in Science Mathematics from the University of Kanpur, India. He has over twenty-four (24) years of combined experience in Business Strategy, Finance and Accounts, Contract and Project Management, Statutory and Compliance, and Supply Chain Management. He is responsible for finance management, cost management and effective stakeholder management. He also has extensive banking experience with expertise in financial controls, strategy development planning, strategic cost leadership and treasury management. In four (4) years of being with RusselSmith, Divakar Puri has risen to become the Director, Finance.

DIRECTOR, CORPORATE SERVICES - CHINEDU AJAEGBU

Ms. Chinedu Ajaegbu is an astute Human Resources Professional with valuable experience in Business Strategy, People Management, Customer Experience and Compliance. She is a graduate of Covenant University, Ota where she earned a Bachelors Degree in Banking Finance. Chinedu Ajaegbu is an associate of the Chartered Institute of Personnel Management of Nigeria and a holder of the Senior Professional in Human Resources International Certification from the Human Resources Certification Institute. Chinedu Ajaegbu has Eleven 11 years of experience as an HR Professional in the Oil Gas industry, she is experienced in Learning Development, Talent Acquisition and Management, Compensation Benefits, Strategic Human Resources Management, Customer Experience Management as well as Compliance. In her 4 plus years with the company, Chinedu Ajaegbu has spearheaded many people and business strategy formulations and implementations. Chinedu Ajaegbu is responsible for overseeing all People Management Processes as well as the legal, statutory and regulatory compliance of the

company and the Customer Experience Unit. She is a Bureau Veritas certified Internal Quality Auditor to ISO 9001 2015 standards.

DIRECTOR, TECHNICAL ADVISORY & OPERATIONS, SMART MANUFACTURING, & OUR TOP MANAGEMENT TEAM SUSTAINABLE ENERGIES – MADHU MADATHIL

Mr. Madhu Madathil holds a Mechanical Engineering Diploma from the prestigious Technical Board of Education, Kerala State, India. He is a Member of the Society of Petroleum Engineering and a Member of the Project Management Institute. Madhu has various professional certifications some of which are API 5A Rig, ASNT NDT Level III - UT & MT, NDT Level II. Madhu Madathil oversees all administrative and project-related activities in the Operations & Productions Division, including Strategy Development & Implementation, Resource Management as well as Customer and Community Engagement. In Nine (9) years of being with RusselSmith, Madhu Madathil has risen to become the Director, Technical Advisory & Operations. He is a certified Internal Quality Auditor to ISO 9001:2008 and ISO 9001:2015 standards and holding active memberships with PMI and SPE.

PROFILES OF MANAGEMENT TEAM AS AT 31ST JANUARY 2025

SVP/DIVISIONAL CHIEF EXECUTIVE, TOPSIDES & SUBSEA DIVISIONS – SOORAVAN THARMALINGAM

Mr. Sooravan Tharmalingam has a Masters of Philosophy degree (M.Sc. Mphil.) from the Kamaraj University, India, alongside other qualifications from the American Society of Non-destructive Testing Top Grade Level 3 in more than 6 methods and is currently a registered member of ASNT. He has advanced technology qualifications like AUT, GUL, LRUT, PEC, TOFD, PAUT, etc. Sooravan Tharmalingam has over Eighteen 18 years of work experience. Sooravan joined RusselSmith in 2012 and has in the last Eleven plus 11 years since managed different management positions within the organization. He oversees project execution and client relations for topside and subsea projects. Prior to joining RusselSmith, he started his career at ICRI (as Junior Scientist, then became the Inspection Officer at L&T, then became the Assistant Manager at Godrej Boyce Company, and later Manager, UT Quality (Canada Brazil).

VP/EXECUTIVE DIVISIONAL HEAD, DIGITAL SOLUTIONS, AND HEAD, AM ADOPTION – EFFIONG OKWONG

Mr. Effiong Okwong holds a Bachelor's degree in Computer Science from the University of Calabar, Nigeria. He has over fourteen (14) years of combined experience in Information Technology, Marketing and Business Development, and has worked with RusselSmith for fourteen (14) years in various capacities.

He oversees the development of RusselSmith's Digital Solutions and is also responsible for the company's Additive Manufacturing adoption efforts.

He holds certifications in IT Service Management, Agile Software Development, and Marketing. He is a Bureau Veritas certified Internal Quality Auditor to ISO 9001:2008, and a Certified Lead Auditor to ISO 9001: 2015 Standards.

VP/EXECUTIVE DIVISIONAL HEAD, NIGER-DELTA REGIONAL DIVISION – ENG. MUDIAGA PRECIOUS AGEGE

He has a Bachelor of Engineering degree from the University of Benin alongside other qualifications in Inspection and Rope access and is currently a registered member of Council for the Regulation of Engineering in Nigeria (COREN).

Eng. Mudiaga Precious Agege has over Eighteen (18) years of work experience. Precious joined RusselSmith in 2008 and has in the last Fifteen (15) years since managed different technical and managerial positions within the organization. He oversees all Project activities based out of the Niger-Delta Regional Division including Strategy Development & Implementation, Resource Management as well as Customer and Community Engagement.

Prior to joining RusselSmith, he started his career at B+B Gas and Oil Services as a Workshop Assistant, then became the Technical Head at Bettlemen Company and later Supervisor/Material Coordinator, Store/Workshop and Export Coordination.

HEAD, BUSINESS SUSTAINABILITY – LIVINUS OJEFUA

Livinus Ojefua is a seasoned Business Strategist Expert with over 13 years of experience providing leadership to drive overall strategic goals and objectives. He studied Chemical & Polymer Engineering from the Lagos State University and have a Post Graduate Certificate in Health, Safety & Risk Management from Robert Gordon University. He is a member of the Institute of Safety Professional of Nigeria (ISPON) and Institute of Occupational Safety & Health (IOSH). Livinus is an experienced management systems auditor. He has ISO 9001:2015 Lead Auditor Certificate, ISO 45001:2018 Lead Auditor Certificate and IMS Internal Auditor Certificate. These certifications were obtained from both Bureau Veritas and PECB. He is also a PECB Certified Trainer for ISO 9001 & ISO 45001. He is passionate about driving positive change within organization by integrating sustainability principles into core operations of business. He is also trained in ISO 31000 Risk Management. Livinus is currently on a journey to having his master's in business administration (Sustainability Studies) with Nexford University. He is also a competent communicator, a certificate obtained from Toastmasters International.

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.

SHAREHOLDING STRUCTURE AS OF 31ST JANUARY 2025

S/NO	NAMES	PERCENTAGE SHAREHOLDING
1.	<i>OGHOMIENOR LESLIE</i>	50%
2.	<i>ADELEKE ABIDEMI OLUWAKAYODE</i>	50%

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

Regulatory Framework

Issuance, 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 audited financial statements, the most current not exceeding fifteen (15) months from the date of the submission of the application for the quotation of the Issue; and
- ii. The issuer must have been incorporated for not less than five (5) years and in operation not less than three (3) years prior to the date of application for registration of the CP Programme on FMDQ Exchange.

- **Size and Tenor**

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

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

- **Rating**

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

An indicative rating should have been obtained prior to the application for registration of the CP Programme on FMDQ Exchange.

- **Investors in CPs**

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

Clean CPs (i.e., CPs not backed by a guarantee or such other credit enhancement shall only be sold to Qualified Institutional Investors.

- ***Forms of Maintaining CPs***

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

- ***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 CPA for the issuance of a CP.

- ***General Requirements***

- I. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- II. Investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.
- III. Any proposed issue of CPs shall be completed within the period of 2 (two) weeks from the date of opening of the issue for subscription.
- IV. All CPs issued in Nigeria shall be registered with the clearing system, which shall serve as the custodian of all issues and central depository for all dematerialized 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 quotation on an authorised securities exchange), in any capacity whatsoever, including to act as issuer, guarantor, issuing, placing, paying and collecting agent, etc.

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

- ***Compliance With the CBN Guidelines and FMDQ Exchange Rules***

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines and FMDQ Exchange Rules. A legal opinion confirming adherence to the CBN Guidelines and FMDQ Exchange Rules is incorporated on page 19 of this Programme Memorandum.

- ***Compliance with Securities Regulation***

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

TERMS AND CONDITIONS OF THE NOTES

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

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

1. Issuance of Notes

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

2. Form, Denomination and Title

2.1 Form and Denomination

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

2.2 Title

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

3. Status of the Notes

The Notes shall constitute a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes shall rank *pari passu* among themselves and, save for certain debt obligations mandatorily preferred

by law, *pari passu* with all other present and future secured and unsubordinated obligations of the Issuer outstanding from time to time.

4. Redemption

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

5. Payments

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

5.1 Method of Payments

- 5.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira, to the account of the Noteholder specified in the Register.
- 5.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the Agent. Noteholders shall not be required to present and/or surrender any documents of title to the Agent.
- 5.1.3 In the case of joint Noteholders, payment by electronic transfers or cheque will be made or addressed to, as the case may be, the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders.
- 5.1.4 In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder.
- 5.1.5 Neither the Issuer nor the Agent shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 5.1.6 If the Issuer or the Agent is prevented or restricted directly or indirectly from making any payment by electronic funds transfer (whether by reason of strike, protest, curfew, lockout, fire explosion, floods, riot, insurrection, war, accident, any act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer or the Agent shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) and the Issuer and the Agent shall not be responsible for any delay arising from making such payment by cheque provided such delay does not extend beyond the maturity date. Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder as set out in the Register as soon as practicable to ensure payment is received as close to the Maturity Date as possible.
- 5.1.7 Cheques may be posted by registered mail.

5.2 Payment Day

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

5.3 ***Closed Periods***

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

6. ***Event of Default***

6.1 ***Event of Default***

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

- 6.1.1 Non-Payment: default by the Issuer in the payment of the Redemption Amount to the Noteholders in respect of the Notes on the Maturity Date and the continuance of such default.
- 6.1.2 Part Payment: in line with Section 15.2 of the CP Rules, part payment to the Noteholders shall constitute a default
- 6.1.3 Failure to Notify: Failure to notify FMDQ Exchange by 5:00 PM on the maturity date 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
- 6.1.4 Breach of Other Obligations: the Issuer does not perform or comply with any one or more of its other obligations under the offer documents which default will affect the capacity of the Issuer to meet its payment obligations and which default has not been remedied for a period of 10 days, after the date on which written notice of such default requiring the Issuer to remedy the same shall have been given to the Issuer by the Collecting and Paying Agent (except where such default is not capable of being remedied, in which case no such notice as is mentioned above will be required).
- 6.1.5 Enforcement Proceedings: a distress, attachment, execution or other legal process is levied on, or enforced against the whole or a material part of the property, assets or revenues of the Issuer and such distress, attachment, execution or other legal process is not discharged or stayed within 30 (thirty) days of service by the relevant officer of the court of such attachment, execution or other legal process, or if there is an encumbrance or a receiver is appointed over any material assets of the Issuer and such event is materially prejudicial to the interests of the Noteholders. PROVIDED THAT the Issuer has filed good faith legal proceedings in the relevant court for application for dismissal within 10 Business Days of becoming aware of the order or action.
- 6.1.6 Seizure/Compulsory Acquisition of Assets: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer.
- 6.1.7 Inability to Pay Debts: The Issuer stops or suspends payment of a substantial part of its debts due to financial difficulties.
- 6.1.8 Insolvency: The appointment of a liquidator (other than in respect of a solvent liquidation or reorganization), receiver, manager or other similar officer in respect of the Issuer and any of its assets.
- 6.1.9 Should an order be made, or the members of the Issuer pass a resolution for the winding up of the Issuer or the Issuer ceases, or through an official action of its Board, to carry on all or a substantial part of its business or operations

6.2 ***Action upon Event of Default***

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

7. Register

- 7.1 The Register shall be maintained by the Registrar. The Register shall reflect each Tranche and Series of Notes; the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 7.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3 The Register shall be open for inspection from 9.00am to 5.00pm during the normal business hours of the Agent to any Noteholder or any person authorized in writing by the Noteholder.
- 7.4 The Agent shall alter the Register in respect of any change of name, address or bank account details of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. Notices

8.1 Notices to the Noteholders

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

8.2 Notices from the Noteholders

- 8.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing and given by lodging same with the Agent at its registered office.

- 8.2.2 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.

9. **Modification**

- 9.1 The Issuing and Placing Agents and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which, in the opinion of the Issuing and Placing Agents, is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria or delivered in accordance with the provisions of Condition 8 (Notices) and shall be deemed to have been given and received on the date of first publication.
- 9.2 Save as provided in Condition 9.1 above, no amendment of the Terms and Conditions may be effected unless:
- 9.2.1 such amendment is in writing and signed by or on behalf of the Issuer;
- 9.2.2 the Exchange is notified of such amendment; and
- 9.2.3 such amendment:
- 9.2.3.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes; or
- 9.2.3.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy-five percent) of the outstanding Principal Amount of all the Notes held by that group.
- 9.3 Any such modification shall be binding on all the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. **Meeting of Noteholders**

- 10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (twenty- one) days prior written notice to the Noteholders. The notice required to be given shall be in accordance with clause 8 (Notices). Such Notice shall specify the date, agenda, time of the meeting to be held, and the place for holding the meeting, which place shall be in Nigeria.
- 10.2 Every Director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 10.3 Noteholders holding not less than 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 10.4 A Noteholder may by an instrument in writing (a "Form of Proxy") signed by the holder or, in the case of a corporate entity executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporate entity, appoint any person (a "Proxy") to attend and act on his/her or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 10.5 Any Noteholder which is a corporate entity may by resolution of its directors or other governing body

authorise any person to act as its representative (a "Representative") in connection with any meeting or proposed meeting of the Noteholders.

- 10.6 Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the Holder of the Notes to which the appointment relates and the Holder of the Notes shall be deemed for such purposes not to be the Holder.
- 10.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by Noteholders, holding not less than 51% (fifty-one percent) of the outstanding Principal Amount of all the Notes present in person, by representative or by proxy.
- 10.8 At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum.
- 10.9 At any meeting of Noteholders, any resolution put to the vote shall be first decided on a show of hands, unless a poll is demanded. A poll may be demanded by either the chairman, the Issuer, or one or more Noteholders present in person, by representative or by proxy. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy or as a representative.
- 10.10 If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 10.11 If 30 (thirty) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than 14 (fourteen) days nor more than 21 (Twenty One) days thereafter and at the same time and place. At such adjourned meeting, 2 (two) or more Noteholders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 10.12 A resolution in writing duly signed by seventy-five percent (75%) of the Noteholders holding in aggregate not less than seventy-five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all the Noteholders.

11. Taxation

The Notes issued under the Programme are short-term Zero-Coupon Notes and as such will be offered and sold at a discount to Face Value. The Notes will thus not bear interest. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.

12. Further issues

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

13. Governing Law

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

TAX CONSIDERATION

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.

The Issuer and the Issuing and Placing Agents disclaim any responsibility for advising prospective investors of such risks as they exist at the date of this Programme Memorandum or as such risks may change from time to time. An investment in the Notes involves certain risks, most of which may or may not occur and neither the Issuer nor the Issuing and Placing Agents is in a position to express a view on the likelihood of any such contingency occurring. Accordingly, prospective investors should carefully consider, amongst other things, the following risk factors together with all of the other information included in this Programme Memorandum and any Applicable Pricing Supplement before purchasing 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

This refers to the risk that 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. The Issuer recognizes the significance of operational risks, which are inherent in its business. Any lapse due to operational risk that results in severe losses could affect the Issuer's ability to meet its debt obligations. The Issuer's approach to operational risk management is intended to identify potential issues and mitigate losses by supplementing traditional control-based approaches to operational risk with risk measures, tools and disciplines that are risk-specific, consistently applied and utilized in the Company.

To monitor and control its operational risks, the Company maintains an overall framework that includes strong oversight and governance, comprehensive policies and processes, and consistent practices across the lines of business intended to provide a sound and well controlled operational environment.

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.

RusselSmith continues to stay abreast of changes and development both in Nigeria and in its industry, and ensures compliance with any directives given by the government and its regulators.

c. Credit Risk

Due to adverse business or other conditions which had adverse effects on businesses, there would be an obvious credit risk concern. Credit risk is the risk of financial loss to RusselSmith if a customer or counterparty fails to meet its contractual obligations. This could in turn affect the Issuer's ability to settle its obligations to Noteholders.

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' aging 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 Russel Smith's management.

d. *Liquidity Risks*

Liquidity risk arises when there is a mismatch between the inflows and outflows of the Issuer which could result in the inability of RusselSmith 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.

The Issuer continues to adopt a robust liquidity risk management process which helps to identify, measure and manage its exposure to liquidity risk. Liquidity risk projections like available credit facilities are incorporated in the regular management information reviewed by RusselSmith'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.

RusselSmith has a team of legal professional that understands its business responsible for legal due diligence of the day-to-day operations of the business and its risks. This serves as a mitigant for the legal risks that could face the Company.

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 behaviour of any employees or agents, hence affecting its brand and ability to retain and generate business.

RusselSmith has a team of professional employees that are competent in the delivery of the Company's services. The Company also partners with credible clients and third-parties to avoid any damage to its brand and reputation.

2. *Risks Factors Relating to the Notes*

a. *Interest Rate and Price Risks*

Commercial papers are offered at a fixed discount to the pre-determined face value and as a result, they are subject to price risk. Consequently, the price of the Notes may vary inversely with changes in prevailing interest rates. That is, a rise in interest will cause the price of the commercial paper notes to fall and when interest rates fall, the price increases. Accordingly, the extent of the fall or rise in the prices is a function of the existing yield, days to maturity, response to actual or anticipated variations in the Company's results, adverse business developments, changes in the macroeconomic environment 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.

However, these effects are only in the short term as the CPs are short-term instruments, to the extent that there are no extended roll-overs.

b. Liquidity Risk

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

To promote the liquidity of the Notes, they will be quoted on FMDQ Exchange.

c. Ranking

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. Therefore, holders of secured indebtedness, 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 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.

However, in an Event of Default, Noteholders will be paid before the Issuer settles its obligations to holders of subordinated indebtedness.

3. Risks Factors Relating to Nigeria

a. Political Risk

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

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

RusselSmith will continue to embrace a dynamic risk management approach that helps it navigate the Nigerian political climes.

b. Economic Risk

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

Oil price witnessed a downward trend caused by the outbreak of the COVID-19 pandemic and decisions from the Organization of the Petroleum Exporting Countries (OPEC) to pump more oil into the market. However, with the implementation of production cuts and rebound of economies around the world, oil price recently inched upwards and remains fairly stable. Relying on past events, a fall in oil prices has caused, and is expected to continue to

result in liquidity issues, reduced tax revenues, depreciation of foreign exchange reserves, and increased currency pressures for Nigeria. The Company's prospects may be impacted by an economic recession in Nigeria which could adversely affect the demand of its products.

RusselSmith will continue to build on the lessons learned in navigating past macroeconomic challenges which helped the Company to maintain stable growth in the fluctuating economic cycles that characterized the last two decades.

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, Following the harmonization of the exchange rates, Naira tumbled further to N1548.19/USD as at January 8, 2025.

d. *Risks Arising from the COVID-19 Pandemic and Other Pandemics or Epidemics*

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

The Company has maintained and continues to maintain strategies in response to the COVID-19 pandemic both for its employees and customers. The Company is also careful to conduct its due diligence while conducting business with parties that have been affected by the pandemic.

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 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 a central securities account for Collecting and Paying Agents/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 Authorised Participant is Providus Bank Limited and any Dealer(s) appointed by the Issuer.

Registration

- i. The Authorised Participant shall register with the CSD before dealing in CPs.
- ii. Noteholders are required to route their account opening applications and transactions through the Authorised Participant, who will officially notify the CSD to create sub-accounts for these Noteholders and attach Noteholders' mandates to this effect.
- iii. 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.
- iv. 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 Symbol and ISIN Codes for the registered CP, subject to receipt of CP registration fees from the Authorised Participant.
- v. The CSD will re-open the existing ISIN code for all tranches with same maturity dates, however new ISIN codes will be issued for tranches with different maturity dates.

Custody and Dematerialization

- 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 the 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 Authorised Participant will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by 12.00 noon on the date which is two (2) Business Days before the Maturity Date.
- iii. The CSD shall expunge (knock-off) matured CPs on the Maturity Date or Redemption Date of the CPs.
- iv. The Maturity Date shall be on a Business Day. However, if the relevant Business Day falls on a public holiday, the following Business Day shall be the Maturity Date of the CP.

Roll-Over

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

Default

- i. Where the Issuer is unable to repay the Noteholders and the CP will be in default status, the Authorised Participant shall notify the CSD, FMDQ Exchange, as well as the Noteholders, latest two (2) Business Days before the Maturity Date, no later than 3.00pm.
- ii. 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 5:00pm on the Maturity Date, failing which the Issuer shall be deemed to be in default.
- iii. The FMDQ Exchange shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The IPAs shall provide reasons for the default or imminent default e.g., the investors may not be paid due to CPA experiencing technical issues such as a market disruption or insufficient funds in the funding account to meet payment obligations on maturity date or as the case may be
- iv. In case of (i) above, the CP holdings must remain with the CSD until the CPA pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.
- v. Thereafter, the CSD will notify the public and expunge the CP from the CSD depository accordingly.

Secondary Market Trading (OTC) Guidelines

- i. Standard settlement cycle is T+2.
- ii. FMDQ Exchange shall submit the confirmed CP trade details on trade day in the specified format via the CSD authorized platform, based on the following settlement timelines:
 - a. Same Day Settlement: 12.30 p.m.
 - b. T+1 or T+2 Settlements: 3.00 p.m.
- iii. The CSD shall deliver securities and send confirmation of transfers via the CSD's authorised platform by 2.00p.m. on the settlement date to FMDQ Exchange and 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 close of business on the date which is three (3) BusinessDays before the Maturity Date.

Reporting

- i. The CSD shall effect the transfer of CPs on the settlement date as advised by the Authorised Participant and keep records of consideration for each transaction.
- ii. The CSD will advise the Authorised Participant or the FMDQ for onward communication to the authorised participant, as applicable, of successful and failed transactions on each settlement day.
- iii. The Authorised Participant can visit the CSD's website to ascertain its CP balances after each day's trade. This is available only to the institutions that subscribe to the CSD online service.

Transfer of Notes

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

Cash Settlement

Transaction parties will be responsible for effecting the payment transfers via RTGS, NEFT or any other transfer mode agreed by the transaction parties and recognized by the CBN.

PROFORMA APPLICABLE PRICING SUPPLEMENT



RC 421432

RUSSELLSMITH NIGERIA LIMITED

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

**ISSUE OF ₦[*] SERIES 1 COMMERCIAL PAPER NOTES
UNDER ITS ₦10,000,000,000 COMMERCIAL PAPER ISSUANCE**
PROGRAMME

This Pricing Supplement must be read in conjunction with the Programme Memorandum dated 14th February 2025 prepared by Cedrus Capital Limited, AVA Capital Partners Limited and Pathway Advisors Limited on behalf of RussellSmith Nigeria Limited in connection with its ₦10,000,000,000 Commercial Paper Issuance Programme, as amended and/or supplemented from time to time (the "**Programme Memorandum**").

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

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

This document has been prepared in accordance with the Central Bank of Nigeria Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Paper, issued on September 11, 2019 and the CBN circular to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the "**CBN Guidelines**") and the FMDQ Exchange Commercial Paper Registration and Quotation Rules (the "**Rules**") in force from time to time. The document is not required to be registered with the Nigerian Stock Exchange ("**NSE**") 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.

LEAD ARRANGER / DEALER / ISSUING AND PLACING AGENT**JOINT ARRANGERS / DEALERS / ISSUING AND PLACING AGENTS****AVA**
CAPITAL PARTNERS**COLLECTING AND PAYING AGENT****PROVIDUSBANK**

THIS PRICING SUPPLEMENT IS DATED 14th February 2025

Parties	
Issuer	RusselSmith Nigeria Limited
Lead Arranger/Dealer/Issuing and Placing Agent	Cedrus Capital Limited
Joint Arrangers/Dealers/Issuing and Placing Agents	AVA Capital Partners Limited, Pathway Advisors Limited
Sponsor to the Quotation on FMDQ Exchange	Cedrus Capital Limited
Co-Sponsors to the Quotation on FMDQ Exchange	AVA Capital Partners Limited, Pathway Advisors Limited
Collecting and Paying Agent	Providus Bank Limited
Auditor	Paul Fadaïro & Co (Chartered Accountants)
Registrar/Custodian	FMDQ Depository Limited
Solicitor	Pentagon Partners Legal Practitioners Limited
Provisions Relating to the Note	
Series Number	1
Programme Size	₦10,000,000,000.00
Face Value	₦[.]
Discounted Value	₦[.]
Nominal Amount Per Note	₦1,000
Tenor	[.]
Issue Date	[.]
Maturity Date	[.]
Final Redemption Amount	₦[.]
Minimum Subscription	Minimum of ₦5,000,000 and multiples of ₦1,000 thereafter
Specified Currency	Nigeria Naira (₦)
Status of Notes	Each Note constitutes a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank <i>pari passu</i> among themselves and, save for certain debts preferred by law, <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time
Form of Notes	Uncertificated
Quotation	FMDQ Securities Exchange Limited
Taxation	Please refer to the 'Tax Consideration' section in the Programme Memorandum
Method of Offer	Fixed Price Offer
Use of Proceeds	[.]
Source of Repayment	[.]
Book Closed Period	The Register will be closed from [.] to [.] until the Maturity Date
Zero-Coupon Notes	
Implied Yield	[.]%
Discount Rate	[.]%
Any Other Formula or Basis for Determining Amount(s) Payable	[.]
Day Count Fraction	Actual/Actual (actual number of days in a month and actual number of days in a year)
Business Day Convention	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria.

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	[•]
Offer Opens	[•]
Offer Closes	[•]
Allotment Date	[•]
Settlement/Payment Date	[•]
Details of Bank Account(s) to Which Payments are to be Made in Respect of the Notes	<p>(*) Bank:</p> <p>Account Name:</p> <p>Account Number:</p>
Settlement Procedure and Settlement Instruction	Purchases will be settled via direct debit, electronic funds transfer (NIBBS, NEFT, RTGS, etc.)
Issuer Rating	Agusto & Co (Bbb) Data Pro rating (Short Term A2, Long Term BBB+)

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, 2023 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], contains all information that is material in the context of the issue of the Notes.

Signed at RusselSmith Nigeria Limited, 18, Adeola Hopewell, Victoria Island, Lagos State, Nigeria.

on this _____ day of _____ 2025

For and on behalf of RusselSmith Nigeria Limited

Name:

Capacity: Director
Secretary

Who warrants his/her authority hereto
hereto

Name:

Capacity: Director / Company

Who warrants his/her authority

AUDITOR'S OPINION



PAUL FADAIRO & Co
(Chartered Accountants)

99, Old Ota Road,
Mopel Diagnostic Centre
Ile-Epo, Oke odo, Iyana Ipaja
Lagos State.
Tel: 0805-506-5136, 0809-937-4651
E-mail: paul.fadaïro@yahoo.com

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF RUSSELLSMITH NIGERIA LIMITED

Opinion

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

In our opinion, the summary financial statements derived from the audited financial statements of RusselSmith Nigeria Limited for the year ended 31 December 2023, 31 December 2022, and 31 December 2021 are consistent in all material respects with those financial statements in accordance with Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act, 2011 and International Financial Reporting Standards.

Summary of Financial Statements

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

The Audited Financial Statements and our Report Thereon

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

Accounting, Audit, Tax & Consulting Services



PAUL FADAIRO & Co
(Chartered Accountants)

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Mopel Diagnostic Centre
Ile-Epo, Oke odo, Iyana Ipaja
Lagos State.
Tel: 0805-506-5136, 0809-937-4651
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Directors' Responsibilities for the Summary Financial Statements

The Directors are responsible for the preparation and fair representation of a summary of the audited financial statements in accordance with section 355 of the Company Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act 2011, International Financial Reporting Standards, and the FMDQ commercial paper quotation rules.

Auditors Responsibility

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

Paul Fadaïro & Co

Paul Fadaïro & Co.
Chartered Accountants
Lagos, Nigeria
6 January 2025



Engagement Partner
Paul Fadaïro
FRC No. FRC/2014/ICAN/000000006033

Accounting, Audit, Tax & Consulting Services

RUSSELSMITH HISTORICAL FINANCIAL INFORMATION (FIVE YEAR FINANCIAL SUMMARY)

Statement of Financial Position					
	2023 N '000	2022 N '000	2021 N '000	2020 N '000	2019 N '000
Assets					
Non-Current Assets	3,945,995	4,497,273	1,394,212	1,512,917	1,367,917
Current Assets	4,045,776	2,684,551	2,654,940	1,813,500	2,548,652
Total Assets	7,991,771	7,181,824	4,049,152	3,326,417	3,916,569
Liabilities					
Non-Current Liabilities	1,682,821	2,559,450	2,511,019	2,388,797	2,310,959
Current Liabilities	3,381,782	2,073,265	1,727,181	1,234,594	1,595,069
Total Liabilities	5,064,603	4,632,715	4,238,200	3,623,391	3,906,028
Equity					
Share Capital	90,000	90,000	90,000	90,000	90,000
Reserves	2,696,065	2,696,065	(154)	(162)	(156)
Retained Income	141,103	(236,956)	(278,894)	(386,812)	(79,303)
Total Equity	2,927,168	2,549,109	(189,048)	(296,974)	10,541
Total Equity and Liabilities	7,991,771	7,181,824	4,049,152	3,326,417	3,916,569
	-	-	-	-	-
Statement of Profit or Loss and Other Comprehensive Income					
	2023 N '000	2022 N '000	2021 N '000	2020 N '000	2019 N '000
Revenue	5,170,628	2,685,913	1,851,986	1,346,603	4,470,706
Cost of Sales	(1,650,641)	(1,037,968)	(656,194)	(691,350)	(3,409,064)
Gross Profit	3,519,987	1,647,945	1,195,792	655,253	1,061,642
Other Operating Income	-	125,948	14,572	85,645	31,442
Movement in Credit Loss Allowance	-	-	-	11,181	8,978
Other Operating Expenses	(2,207,566)	(1,108,964)	(893,289)	(780,426)	(1,362,948)
Operating (Loss) Profit	1,312,421	664,929	317,075	(28,347)	(260,886)
Finance Costs	(627,097)	(170,266)	(183,230)	(272,430)	(209,070)
(Loss) Profit before Taxation	685,324	494,663	133,845	(300,777)	(469,956)
Taxation	(316,189)	(136,179)	(31,602)	(6,733)	(254,878)
(Loss) Profit from discontinued Operation	369,135	358,484	102,243	(307,510)	(724,834)
(Loss) Profit for the Year	369,135	358,484	102,243	(307,510)	(724,834)
Retained (Loss) Income for the Year	369,135	358,484	102,243	(307,510)	(724,834)
Statement of Cash Flow					
	2023 N '000	2022 N '000	2021 N '000	2020 N '000	2019 N '000
Cash Flow from Operating Activities	1,256,745	701,952	53,815	92,007	(1,514,626)
Cash Flow from Investing Activities	-	(794,319)	(11,002)	(771,347)	(338,189)
Cash Flow from Financing Activities	(867,705)	48,430	(2,778)	163,152	32,821
Cash Movement for the Year	389,040	(43,937)	40,036	(516,188)	(1,819,994)
Cash at the beginning of the Year	308,529	352,466	312,430	828,618	2,648,612
Total Cash at the end of the Year	697,569	308,529	352,466	312,430	828,618

EXTRACT FROM ISSUER'S RATING REPORT

2024 Corporate Rating Report

RUSSELSMITH NIGERIA LIMITED

Issuer Rating:

Bbb

A company with satisfactory financial condition and adequate capacity to meet its obligations as and when they fall due relative to all other issuers in the same country.

Outlook: Stable

Issue Date: 30 December 2024

Expiry Date: 30 June 2025

Previous Rating: N/A

Industry: Oil and Gas Servicing

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Analysts:

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Agusto & Co. Limited

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Lagos

Nigeria

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RATING RATIONALE

Agusto & Co. hereby assigns a “Bbb” rating to RusselSmith Nigeria Limited (“RusselSmith,” “RNL” or “the Company”). The assigned rating reflects the Company’s healthy earnings and cash flows driven by its expanding portfolio of oil and gas services contracts with International Oil Companies (IOCs) and the operational efficiency from the use of in-house expertise (as against expatriates), which has effectively reduced operating costs. The rating also considers RusselSmith’s diversified business structure and its predominantly dollar-denominated revenue streams, which provide resilience against currency devaluations. The rating is however constrained by RNL’s high leverage, its weak equity buffer, particularly considering the limited contribution of core equity (retained earnings and paid-up capital) to its shareholder funds, and the need for improvement in its corporate governance framework.

RusselSmith Nigeria Limited was incorporated on 26 July 2001 and commenced operations in July 2005. The Company is an integrated energy solutions provider with a core focus on asset integrity management within Nigeria’s Oil and Gas (Upstream) Industry. Its services cover topside and subsea assets integrity management, aerial inspection services and operations and production support. Since its inception, RNL has completed over 800 projects and currently has three active contracts with Mobil Producing Nigeria Unlimited (MPN), Nigeria Liquefied Natural Gas Limited (NLNG) and Shell Nigeria Exploration and Production Company Limited (SNEPCo). The Company owns a fleet of seven remotely operated vehicles (ROVs), which are capable of reaching depths of up to 2,000 meters, and two unmanned aerial vehicles (UAVs) for specialized inspections. In 2023, RusselSmith launched its additive manufacturing division, thus representing a strategic expansion beyond the traditional oil and gas services. However, the scalability of this new business segment remains to be seen considering uncertainties in both raw material supply chain and product demand. Therefore, we expect contributions from its oil & gas services to continue to drive the Company’s revenue in the near to medium term.

In the 2023 financial year, RusselSmith significantly expanded the scope of work under its contract with MPN. Consequently, the Company’s revenue in the financial year ended 31 December 2023 (FYE 2023) grew by 93% to ₦5.2 billion. The Company’s top-line was further bolstered by translation gains given that about 60% of the contract pricing is dollar-denominated. During the year, RNL strategically reduced its reliance on expatriates for contract execution, thereby optimizing costs. This resulted in a decline in direct cost-to-sales ratio to 51.4% in 2023 (2022: 62.5%). However, operating cost-to-sales ratio increased to 23.2% in FYE 2023 (2022: 17.4%), driven primarily by a 350% surge in depreciation expenses following the revaluation of

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some items of property, plant, and equipment (PPE). Notwithstanding, the Company posted a higher operating profit margin of 25.4% in FYE 2023 (2022: 20.1%). However, RusselSmith's profit before tax (PBT) margin declined to 13.3% in 2023 (2022: 18.4%) due to increased finance costs driven by the prevailing high interest rates. Nonetheless, the Company posted an improved pre-tax pre-interest return on assets (ROA) of 15% in FYE 2023 (2022: 9%) and a pre-tax return on equity (ROE) of 23% (2022: 19%), both within our acceptable band.

In October 2023, RNL secured a five-year contract with SNEPCo to deliver maintenance, engineering, and project support services for the BONGA floating production, storage and offloading (FPSO) vessel, with contract execution commencing in 2024. To initiate this new contract, RusselSmith employed the services of expatriates, with a phased plan to integrate more local staff as the contract execution progresses. Based on unaudited accounts for the ten months ended 31 October 2024, RusselSmith's revenue increased to ₦7.8 billion, surpassing its full-year 2023 performance, driven by the commencement of work under this contract. However, direct cost-to-sales ratio increased to 59.6%, reflecting the increased reliance on expatriates for the contract execution. In contrast, the operating cost-to-sales ratio improved to 15.5%, driven largely by economies of scale. RusselSmith posted an operating profit margin of 24.9% and a PBT margin of 11.2% in the period, which we consider good. This translated to an annualized ROA of 35%, surpassing our benchmark and ROE of 27% which was within our expectation. In the near term, we expect the Company's revenue to continue to grow, supported by its new contracts with NLNG secured in March 2024 and the ongoing execution of the SNEPCo contract.

In FYE 2023, RusselSmith's operating cash flow (OCF) surged by 96% to ₦1.8 billion driven by higher profits and increase in trade and other payables, notably withholding tax payable. The Company's OCF in 2023 represented 34% of revenue and was sufficient to cover returns to providers of finance (RTPOF), solely interest payments, 3.7x, which we consider good. In the near term, we expect the Company to continue generating positive OCF, supported by good profitability and favorable trade terms with its customers and suppliers.

As at FYE 2023, RusselSmith's spontaneous financing increased by 58% to ₦3.6 billion due to its expanded scope of work. RNL's spontaneous financing outstripped its working assets, leaving a short-term financing surplus of ₦206 million. As at the same date, the Company's long-term funds of ₦4.4 billion comprising equity (66%) and long-term loans (34%), were sufficient to cover its long-term assets, leaving a working capital of ₦492 million. Overall, RNL closed the year with a working capital surplus of ₦698 million. As at 31 October 2024, RusselSmith's spontaneous financing was insufficient to cover its working assets due to a sharp decline in trade payables following the recent clearance of payable backlogs. This resulted in an overall working capital deficiency of ₦927 million. In our opinion, RNL's working capital requires improvement.

As at FYE 2023, RusselSmith's interest-bearing liability (IBL) comprised solely the outstanding balance from the dollar-denominated Bank of Industry loan secured in 2018, which was fully liquidated by October 2024. The Company's finance cost to sales ratio increased to 9.3% in 2023 (2022: 6.3%) due to higher interest rates, exceeding our 5% maximum threshold. Furthermore, RusselSmith's IBL (net of cash) to equity ratio (net of revaluation surplus) and net debt to total assets ratios were elevated at 352% and 166% respectively. In our opinion, RNL's leverage is high.

RUSSELSMITH NIGERIA LIMITED

Long-Term Rating:

BBB⁺

Short Term Rating: A2

Rating Outlook: Stable

Trend: UP

Currency: Naira

Date Issued: 26 June, 2024

Valid Till: 25 June, 2025

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

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

EXECUTIVE SUMMARY

	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Gross Earning	5,170,628	2,685,913	1,851,986	1,346,603	4,470,706
Profit before Tax	685,324	494,663	133,845	(300,777)	(467,956)
Total Asset	7,991,771	7,181,824	4,049,152	3,326,370	3,916,570
Equity	2,927,168	2,558,033	(189,048)	(296,974)	10,542
Total Liabilities	5,064,603	4,623,791	4,238,200	3,938,143	3,906,028
Fixed Asset	3,945,995	4,497,273	1,394,212	1,512,860	1,367,918

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 the ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

RATING SYNOPSIS

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

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

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

Overall, the following were observed:

Positive Rating Factors:

- Good Liquidity
- Good Revenue Profile
- Good Capitalization

Negative Rating Factors:

- Potential Credit Risk Exposure
- Weak Profitability
- Low Asset Utilization

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

RusselSmith Nigeria Limited ("The Company") was incorporated in Nigeria on the 26th of July, 2001. It however commenced business on 26th July, 2005. It is an ISO 9001: 2015 and ISO 9001: 2018 Certified Integrated Energy Services Provider.

The Company's specialties include Asset Integrity, Oilfield Management, Smart Manufacturing and Sustainable Energy. Its Assets Integrity Management Services comprise Topsides Asset Integrity Management, Mechanical and Structural Integrity Inspections, Construction Support, Pipeline Integrity Management, Non-Contact Magnetometry Technology for Pipeline Inspections.

The Company has undertaken over 800 Successful Projects including Topsides, Subsea, UAV & Digital Solutions, Operations and Production. The registered headoffice of the Company is in Lagos, Nigeria with an average number of 73 employees in the year 2023.

The ownership of its shares is distributed equally between *Mr Kayode Adeleke and Mr. Leslie Oghomienor*.

DIRECTORS' PROFILE

The following are serving members of the Board; *Mr. Leslie Oghomienor - Chairman; Mr. Kayode Adeleke -Managing Director/CEO*

The Directors' profile is as follows.

1. **Name:** Mr. Lesile Merede Oghomienor
Position: Chairman
Profession: Management Consultant
Years of Experience: 25 years
Education:
 - B. Sc – University of Jos, Plateau State**Work Experience:**
 - RusselSmith Nigeria Limited
 - Andersen Consulting
 - Frank's International
2. **Name:** Mr. Kayode Adeleke
Position: Managing Director/ CEO
Years of Experience: 23 years
Education:
 - B.Sc– University of Ibadan, Oyo State
 - M.Sc – Southeastern University, USA.**Experience:**
 - RusselSmith Nigeria Limited
 - WorldBank
 - RusselSmith Toastmasters Club
 - Blaugrana Sports International

LEGAL OPINION ON THE NOTES

13 January 2025

Cedrus Capital Limited

13B, Bishop Oluwole Street,
Beside Subaru Motors,
Victoria Island,
Lagos State.

AVA Capital Partners Limited

No. 3, Glover Road,
Ikoyi
Lagos State.

Pathway Advisors Limited

13B, Anthony Etukudo Street,
Lekki Phase 1
Lagos State.

Dear Ma'am/Sir,

**SOLICITOR'S LEGAL OPINION IN RESPECT OF THE TEN BILLION NAIRA
(N10,000,000,000) COMMERCIAL PAPER ISSUANCE PROGRAMME BY RUSSELSMITH
NIGERIA LIMITED**

INTRODUCTION

1. We have been appointed as Solicitors in connection with the establishment of the ₦10,000,000,000 (Ten Billion Naira) Commercial Paper Issuance Programme (the "Programme") by RusselSmith Nigeria Limited (the "Issuer").
2. The Programme is for the issuance of discounted and/or zero-coupon commercial paper notes with a tenor of 270 days (the "Notes") in series and/or tranches and in an aggregate amount of up to ₦10,000,000,000 (Ten Billion Naira) (across all tenors), being the maximum size of the Programme.
3. This opinion is issued pursuant to the Issuing and Placing Agency Agreement dated on or about the date of this Opinion between the Issuer and the Issuing and Placing Agents.

INTERPRETATION

4. In this Opinion:

4.1 Words and expressions used in this opinion ("Opinion") and not otherwise defined herein shall have the same meanings attributed to those terms in the Issuing and Placing Agency Agreement.

4.2 The following terms, where used in this Opinion, shall have the meaning set out beside them below:

"Authorised Dealer" means a Nigerian bank licensed by the CBN to deal in foreign exchange;

"BFA" means the Business Facilitation (Miscellaneous Provisions) Act 2022;

"Board" means the Board of Directors of the Issuer;

"CAC" means the Corporate Affairs Commission - Nigeria's companies' registry;

"CAMA" means the Companies and Allied Matters Act, No.3 2020 (as amended by the BFA);

"CBN" means the Central Bank of Nigeria;

"CBN Guidelines" means:

- a. the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the CBN on 11th September 2019; and
- b. the Letter from the CBN to all Deposit Money Banks and Discount Houses dated 12th July 2016 with respect to the Mandatory Registration and Listing of Commercial Paper.

"CCI" means a Certificate of Capital Importation issued by an Authorised Dealer in electronic form;

"CITA" means the Companies Income Tax Act (Chapter C21) LFN 2004 (as amended by the Companies Income Tax (Amendment) Act, No.11, 2007 and the Finance Act 2019, Finance Act 2020, Finance Act 2021, and Finance Act 2023);

"Collecting and Paying Agency Agreement" means the Collecting and Paying Agency Agreement entered into between the Issuer and Providus Bank Plc;

"Commissioner" means the Commissioner for Stamp Duties of the FIRS;

"Company" or **"Issuer"** means RusselSmith Nigeria Limited;

"Court" means the Federal High Court;

"CP Rules" means the Commercial Paper Registration and Quotation Rules issued by FMDQ Exchange in November 2024 (as may be amended from time to time) or such other regulations with respect to the issuance, registration and quotation of commercial paper as may be prescribed by FMDQ Exchange from time to time;

"FEMM Act" means the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act Chapter F34 LFN 2004 (as amended by the BFA);

"FIRS" means the Federal Inland Revenue Service;

"FMDQ Exchange" means FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the SEC to provide a platform for, inter alia, the listing, quotation, registration and trading of securities;

"Issuing and Placing Agent" or "IPA" means Cedrus Capital Limited, AVA Capital Partners Limited, Pathway Advisors Limited, and any other additional IPA appointed pursuant to the Issuing and Placing Agency Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of an IPA pursuant to the Issuing and Placing Agency Agreement;

"Issuing and Placing Agency Agreement" means the issuing and placing agency agreement entered into between the Issuer and the IPA;

"ISA" means the Investments and Securities Act No. 29, 2007 (as amended by the BFA);

"LFN 2004" means the Laws of the Federation of Nigeria, 2004;

"₦" means the Naira, the official currency of Nigeria;

"Nigeria" means the Federal Republic of Nigeria;

“Opinion Documents” mean the documents listed in paragraphs 9.5 to 9.11;

“PITA” means the Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act, No.20, 2011, the Finance Act 2019, Finance Act 2020, Finance Act 2021, and Finance Act 2023);

“SEC” means the Securities and Exchange Commission;

“SEC Rules” mean the SEC Rules and Regulations 2013 (as amended from time to time) issued pursuant to the ISA;

“Stamp Duties Act” means the Stamp Duties Act (Chapter S8) LFN 2004 (as amended by the Finance Act 2019, Finance Act 2020, Finance Act 2021, and Finance Act 2023);

“Transaction Documents” means the documents listed in clauses 9.6 to 9.10; and

“VAT Act” means the Value Added Tax Act (Chapter V1) LFN 2004 (as amended by the Value Added Tax (Amendment) Act No. 12 of 2007 and the Finance Act 2019, Finance Act 2020, Finance Act 2021, and Finance Act 2023).

SCOPE OF OPINION

5. This Opinion is limited to Nigerian law applicable in Nigeria as at the date of this Opinion and is provided on the basis that the Opinion will itself be governed by, and construed in accordance with, Nigerian law. We express no opinion on any laws, procedures, matters, or other circumstances relating to jurisdictions other than Nigeria. This Opinion is given on the best of our knowledge and is given as at the date of this Opinion based on the information and documents set out in paragraph 9 below.
6. Except as provided in the corporate records of the Issuer with the CAC, as made available and confirmed by the Issuer, we have not carried out any investigation or verification of the facts, or the reasonableness of any assumption or statement of opinion (including as to the solvency of any other person expressed to be a party to the Transaction Documents or any other person), contained in the Transaction Documents or in determining whether any material fact has been omitted therefrom.
7. In providing this Opinion, we assume no obligation to update or supplement the Opinion to reflect any facts or circumstances which may come to our attention after the date of this Opinion or changes in law and regulations which may occur or take effect after the date of this Opinion.

8. We have made no searches or enquiries concerning any person at the Court or at the CAC (other than the Issuer) or on any corporate records of a person (other than that of the Issuer) nor have we examined any other documents other than the Opinion Documents.

DOCUMENTS EXAMINED

9. In arriving at the opinions expressed below, we have reviewed and relied on the following documents:
 - 9.1 a copy of the Memorandum and Articles of Association of the Issuer certified by the CAC;
 - 9.2 a copy of the Certificate of Incorporation of the Issuer dated 26 July 2001;
 - 9.3 a copy of the Issuer's Status Report certified by the CAC dated 22 February 2023;
 - 9.4 the resolution of the Board which was passed at a meeting of the Board held on 08 August 2024 by which the Board approved the establishment of the Programme and the issuance and offering of the Notes;
 - 9.5 the Letter on the Claims and Litigation Profile of the Issuer dated January 10, 2025.
 - 9.6 the Issuing and Placing Agreement dated on or about the date of this Opinion between the Issuer and the Issuing and Placing Agents;
 - 9.7 the Collecting and Paying Agency Agreement dated on or about the date of this Opinion between the Issuer and Providus Bank Plc;
 - 9.8 the Programme Memorandum dated on or about the date of this Opinion; and
 - 9.9 the Deed of Covenant dated on or about the date of this Opinion.
 - 9.10 the documents listed in paragraphs 9.1 to 9.10 are hereinafter collectively referred to as the "**Opinion Documents**".
10. For the purpose of giving this Opinion, we have examined only the Opinion Documents, and not any document or agreement referred to in any of the Opinion Documents save for those which are the Opinion Documents themselves.
11. We have made no searches or enquiries concerning any party (other than the Issuer) or reviewed the corporate records of any party to any of the Opinion Documents and neither have we examined any documents, other than the Corporate & Constitutional Documents of the Issuer/ its subsidiaries and the Opinion Documents, entered into by, or affecting or expressed to be by any of the Parties to the Transaction Documents.
12. No opinion is expressed as to matters of fact. We have not assisted in the investigation or verification of the facts except the Issuer as expressed above, or the reasonableness of any assumption or statement of opinion (including, without limitation: (i) as to the solvency of any entity/person expressed to be a party to any of the Opinion Documents or referenced

in the Opinion Documents; or (ii) in determining whether any material fact has been omitted therefrom.

- 13.** We have not investigated the laws of any country other than those of the Federal Republic of Nigeria and we express no opinion as to any law other than Nigerian law as applied by Nigerian courts and in effect on the date of this Opinion.

ASSUMPTIONS

- 14.** In rendering the opinion below, we have assumed that:
- 14.1** in our examination of the Opinion Documents, the documents submitted to us as originals are authentic, that all signatures are genuine and that all documents submitted to us as copies are complete, correct and conform to the originals;
 - 14.2** there are no contractual or similar restrictions binding on the Issuer which would affect the conclusions arrived at in this Opinion or affect the Issuer's ability to establish the Programme and to issue the Notes;
 - 14.3** there are no contractual or similar restrictions contained in any agreement or arrangement (other than those in the Transaction Documents) that are binding on any party to such Transaction Document which would affect the opinions expressed herein;
 - 14.4** all resolutions provided have been validly passed in accordance with the requirements of the law and the memorandum and articles of association of the Issuer, are in full force and effect, and have not been amended, modified, or superseded as at the date of this Opinion;
 - 14.5** no party has entered into any of the Transaction Documents in consequence of bad faith, fraud, coercion, duress, misrepresentation or undue influence or on the basis of a mistake of fact or law or believing it to be fundamentally different in substance or in kind from what it is;
 - 14.6** all approvals, consents, and authorisations provided to us are genuine and authentic;
 - 14.7** all statements as to matters of fact contained in the Transaction Documents are correct and not misleading other than to the extent that such statements relate to matters that we have specifically opined on in this Opinion and that all representations of facts expressed in or implied by the documents that we have examined are accurate;

- 14.8** no Notes will be issued with a tenor of more than 270 days or on the basis that the Notes may be rolled over after 270 days;
- 14.9** the Issuer has been rated in the manner required by, and in compliance with, the CBN Guidelines and the CP Rules;
- 14.10** the documents in the file of the Issuer held at the CAC are the most recent and up to date records of the Issuer;
- 14.11** no steps have been taken for the administration, bankruptcy, liquidation, dissolution or similar procedure of or in respect of the Issuer, and the Issuer is not insolvent within the meaning of the CAMA, after the dates of the searches referred to in paragraph 16.9 below;
- 14.12** the copies of the Issuer's corporate documents which we have relied on are in full force and effect and have not been amended, modified, or superseded as at the date of this Opinion;
- 14.13** the proceeds realised from the issuance of the Notes under the Programme will not cause any borrowing or similar limit binding on the Issuer from time to time to be exceeded or breached; and
- 14.14** there are no facts not disclosed to us by the Issuer which would affect the conclusions that we have arrived at in this Opinion.

OPINION

- 15.** Based on our review of the Opinion Documents and the foregoing assumptions, and subject to the further qualifications set forth in paragraph 16 below and having regard to such legal considerations as we deem relevant and subject as set out below, we are of the opinion that:

15.1 Status

Subject to the qualification in paragraph 15.2 below, the Issuer is a private limited liability company, duly incorporated and validly existing under the laws of Nigeria with corporate authority, perpetual succession, capacity to own moveable and immovable properties and the ability to sue and be sued in its corporate name as of the date hereof.

15.2 Capacity and Authority

Based on our review of the Issuer's Memorandum and Articles of Association, and Board resolution, the Issuer has full power and capacity to enter into, deliver and perform its obligations under the Transaction and each Transaction Document. The Issuer is not prohibited by its articles of association to issue the Notes and to perform its obligations under the Transaction Documents.

15.3 Authorisations

15.3.1 All regulatory authorisations, approvals, consents, exemptions and other matters required or advisable in connection with the entry into, performance, validity, and enforceability of the Transaction Documents have been obtained or effected and are in full force and effect.

15.3.2 The Transaction Documents constitute, and the Notes (when issued) will constitute, legal, valid, and binding obligations of the Issuer and are enforceable against the Issuer in accordance with their respective terms subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law and / or in equity).

15.3.3 The holders of the Notes that will be issued under the Programme will each be entitled to enforce the terms of the Deed of Covenant against the Issuer.

15.4 Non-Conflict

The execution and performance by the Issuer of its obligations under the Transaction Documents will not contravene its constitutional documents or violate any provision of Nigerian law applicable to companies generally.

15.5 Filings, Registrations or Consents

15.5.1 Save for the requirement to pay stamp duty on the Transaction Documents at the Stamp Duties Office of the FIRS and to file the Transaction Documents with FMDQ Exchange, it is not necessary under the laws of Nigeria that any document be filed, registered, recorded or notarised before or with any court, public office or other authority in Nigeria in order to ensure the legality, validity, enforceability, and the admissibility in evidence of any of the Transaction Documents or the performance by the Issuer of its obligations under the Transaction Documents (including the issuance of the Notes).

15.5.2 Subject to the qualification in paragraph 16.9 below, it is permissible for the Issuer to issue the Notes and invite investors to invest in the Notes pursuant to Section 67(1)(b) of the ISA.

15.5.3 The issuance of the Notes by the Issuer does not require SEC approval or registration with the SEC.

15.5.4 The Notes have been issued in compliance with the requirements of the CBN Guidelines and the CP Rules.

15.6 Taxation

15.6.1 The Issuer is incorporated in Nigeria. Under the respective provisions of the CITA and the PITA, the Issuer has an obligation to withhold tax on interest payments to residents and non-resident companies and individuals and to remit the tax withheld to the FIRS (in the case of corporate Noteholders), and to the relevant State Internal Revenue Service (in the case of individual Noteholders) except where such interest is specifically exempted from tax. The Notes issued under the Programme will be zero-coupon/discounted notes and, as such, will be offered and sold at discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders.

15.6.2 Other than value added tax payable on the fees due to a selling or buying agent, the Noteholders will have no obligation under the VAT Act to pay value added tax on the buying or selling of the Notes as the VAT Act exempt securities from the payment of value added tax.

15.6.3 Any sale of Notes by a Noteholder (whether resident in Nigeria or non-resident unless an exemption applies) will give rise to a capital gains tax obligation at the rate of 10 per cent on the gain realised from a disposal of such Notes.

15.6.4 The Stamp Duties Act requires stamp duty to be paid, at the rates specified therein, on instruments executed in Nigeria "or relating, wheresoever executed, to any property situate or to any matter or thing done or to be done in Nigeria", failing which payment on such instruments shall not be admissible in evidence in any civil proceedings:

- i. The Transaction Documents, being instruments executed in Nigeria or that relate to a matter or thing done or to be done in Nigeria, will

be subject to the payment of stamp duty at the applicable rate and to be stamped by the Commissioner. The applicable rate of stamp duty can only be confirmed following an assessment of the Transaction Documents by the Commissioner.

- ii. Stamp duty must be paid within 30 (thirty) days after the execution of the Transaction Documents except where they are executed outside Nigeria, in which case stamp duty must be paid within 30 (thirty) days after the date that physical or electronic copies of the documents are first brought into or received in Nigeria.
- iii. The Notes, when issued, will be liable to ad valorem stamp duty at the rate of ₦00.05 (five kobo) on every ₦50.00.

15.7 Foreign Currency Regulations

15.7.1 Under Nigerian law, residents and non-residents of Nigeria may invest in, acquire, deal in, or dispose of the Notes.

15.7.2 Pursuant to Section 15 of the FEMM Act, an investor is permitted to bring foreign exchange into Nigeria to invest in the Notes and such an investor is entitled to obtain a CCI from the relevant Authorised Dealer through which such foreign capital was brought into Nigeria. A CCI will only be issued by the relevant Authorised Dealer when the foreign capital has been received in Nigeria and converted into Naira.

15.7.3 A CCI serves as evidence that foreign currency has been inflowed into Nigeria through an Authorised Dealer and converted into Naira to invest in securities, such as the Notes. A CCI will permit a Noteholder in whose favour it is issued to have access to the Nigerian Autonomous Foreign Exchange Market to repatriate proceeds from the Notes, subject to providing appropriate documentation to the relevant Authorised Dealer. Based on the CCI, such money may be repatriated out of Nigeria without restriction and without the need to obtain any consent, approval, licence, or permission of any person or authority other than the routine approval of the Authorised Dealer through which the foreign currency will be repatriated.

15.7.4 Where an investor brought foreign capital into Nigeria to invest in the Notes and does not obtain a CCI, such an investor will not be permitted to access the Nigerian Autonomous Foreign Exchange Market to repatriate the proceeds from that investment.

15.8 Ranking of Claims

The obligations of the Issuer under the Transaction Documents rank at least *pari passu* with all other present unsecured and unsubordinated obligations of the Issuer subject to the effect of applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

15.9 Execution, Validity and Enforceability

15.9.1 Each of the Transaction Documents have been duly authorised, executed and delivered by the Issuer, and constitute legal, valid and binding obligations of the Issuer under Nigerian Law and are valid, legal, and enforceable against the Issuer in accordance with its terms.

15.9.2 The Issuer's execution of the Transaction Documents does not conflict with any Nigerian Law or regulation applicable to the Issuer.

15.9.3 The Notes, when issued in accordance with the terms of the Agreement, will constitute valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

15.9.4 To the best of our knowledge, no notice had been filed at, or registered with the Corporate Affairs Commission, in respect of the appointment of a receiver, manager, liquidator, custodian, trustee, administrator, or similar officer or person to the Issuer or any part of its assets or for the winding-up or striking off of the Issuer at the date of this Opinion and no steps have been taken to wind up the Issuer, to terminate its existence or to appoint a receiver in respect of it or otherwise to place its business or any of its assets outside the control of their directors.

15.10 Governing Law and Dispute Resolution

The parties' choice of Nigerian law as the governing law of the Transaction Documents will be upheld and applied by the courts in Nigeria.

The submission to arbitration by the parties would be upheld by a Nigerian court because parties are permitted under Nigerian law to choose arbitration as a means of settling their disputes. Nigerian law also permits parties to choose the seat and governing rules of the arbitration.

15.11 Immunity and Set Off

Neither the Issuer nor any of its assets are entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit, attachment prior to judgment, execution, or other enforcement).

15.12 Winding Up

- a. Subject to the qualification in paragraph 6.3 above, based on our review of the CAC file and documents of the Issuer, we confirm that as at the date of this Opinion, no documents had been filed at the CAC, and no proceedings or petition has been initiated at the Lagos Division of the Court, for the administration, winding up, bankruptcy, liquidation, dissolution, or similar procedure of or in respect of the Issuer.

- b. Subject to bankruptcy and insolvency laws generally applicable to Nigerian companies, in bankruptcy or insolvency proceedings involving the Issuer, the obligations of the Issuer under the Transaction Documents will remain valid, binding, and enforceable. Upon the commencement of winding-up proceedings against the Issuer at the Court, no attachment or execution can be levied against its assets that are not subject to any security interest.
- c. Subject to bankruptcy and insolvency laws generally applicable to the Issuer, upon the maturity of the Notes, in the event that the Issuer is unable to discharge all of its obligations to the Noteholders, the Noteholders (as creditors of the Issuer) are entitled to apply for the winding up of the Issuer on the ground of the Issuer's inability to pay its debts.
- d. The Notes are neither secured nor guaranteed and the Issuer has created no security interests in favour of the Noteholders by the Transaction Documents. As a result, in the insolvency of the Issuer, Nigerian law would regard the Noteholders as unsecured creditors of the Issuer for all purposes.

15.13 Domicile & Residence

Under Nigerian law, an entity that is not incorporated in Nigeria will not, by reason of its purchase of the Notes, and enforcing its rights thereunder be:

- a. required to be incorporated in Nigeria or be required to comply with any requirement as to foreign registration or qualification in Nigeria;
- b. required to make any filing with any court or other agency in Nigeria prior to any enforcement of the Transaction Documents (including the Notes); or
- c. deemed to be resident, domiciled, or carrying on business in Nigeria for tax or any other purpose and the performance by any party of any of its rights, duties, obligations, or representations under the Transaction Documents (including the Notes) will not violate any existing applicable law or regulation in Nigeria.

QUALIFICATIONS

16. The opinions expressed above are subject to the following qualifications:

16.1 This Opinion is given solely on the basis of Nigerian Law as of the date of this Opinion and is given on the basis that it will be governed and construed according to the laws of the Federal Republic of Nigeria; in the case of such laws that have been subject to

judicial interpretation or court action, we have relied on them as construed and enforced by Nigerian courts.

- 16.2** Searches and enquiries may not be complete and up to date and are not conclusively capable of disclosing whether any insolvency proceedings have been commenced in the Federal Republic of Nigeria or indicating whether or not any insolvency proceedings have commenced elsewhere. The result of the searches at the Corporate Affairs Commission is not conclusive that no security interest exists.
- 16.3** The enforcement of the Transaction Documents may be limited by bankruptcy, insolvency, liquidation, reorganization, and other similar laws affecting the rights of creditors generally.
- 16.4** The term "enforceable" as used in this Opinion means that the obligations assumed by the Issuer under the Transaction Documents are of a type that Nigerian courts enforce. It does not mean that those obligations will necessarily be enforced in all circumstances in accordance with their terms.
- 16.5** The powers of the courts to grant equitable remedies, such as specific performance and injunction, are discretionary, and such remedies may not be available where damages are considered to be an adequate remedy.
- 16.6** We express no opinion as to the effect of severability clauses contained in the Transaction Documents because the question of whether or not any provisions of them may be illegal, invalid or unenforceable, may be severed from other provisions of the Transaction Documents in order to save those other provisions is a fact-based issue to be determined by the Nigerian Court or courts of any other agreed jurisdiction; and
- 16.7** Enforceable
- The expression "enforceable" as used in this Opinion means that the obligations of the Issuer under the Transaction Documents are of a type which the courts in Nigerian will enforce. It does not mean that those obligations will be enforced in all circumstances in accordance with their terms. In addition, but without limitation, the power of a Nigerian court to order specific performance of an obligation, to stay proceedings or to grant injunctive relief or any equitable remedy, is discretionary and, accordingly, we express no opinion as to whether such remedies would be available in respect of any of the obligations of the Issuer and a Nigerian court may make an award of damages where specific performance of an obligation or any other equitable remedy was sought.

16.8 Exemption from Registration within the SEC

Section 313(1) (h) of the ISA provides that the SEC may, from time to time, make rules and regulations for the purpose of giving effect to the ISA and may, in particular, make rules and regulations, among other things, prescribing that the provisions of the ISA shall not apply or shall apply with such modifications, if any, as may be specified in the regulations to any person or any securities or to any transaction. The SEC has, on this basis, and by virtue of Rule 8 of the SEC Rules, provided that the provisions of the ISA and the SEC Rules requiring registration shall not apply to, among other things, any note, bill of exchange or banker's acceptance which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions and which has a maturity, at the time of issuance, not exceeding 9 (nine) months exclusive of days of grace, or the maturity of which is likewise limited. This means that commercial papers which have a maximum tenor of 270 (two hundred and seventy) days (such as the Notes) are not required to be registered with the SEC.

BENEFIT OF OPINION

- 17.** This Opinion is addressed to the IPA and is given for the IPA's sole benefit for the purpose of the transactions contemplated by the Transaction Documents.
- 18.** This Opinion is not to be relied upon by anyone else or quoted in any public document without our prior express written consent, other than those professional advisers or persons (such as auditors, legal advisers or insurers) who, in the ordinary course of their business, have access to the papers and records of the IPA or are entitled by law to see them on the basis that such persons will make no further disclosure without our prior express written consent.



19. This Opinion may be included in the Programme Memorandum, and you may release a copy of this opinion (a) to the extent required by any applicable law or regulation; (b) to any regulatory authority having jurisdiction over you; or (c) in connection with any actual or potential dispute or claim to which you are a party relating to the issue of any Note, in each case for the purposes of information only on the strict understanding that we assume no duty or liability whatsoever to any such recipient as a result or otherwise.

Yours faithfully,

Pentagon Partners Legal Practitioners

A handwritten signature in blue ink, appearing to read 'Gladys A. E.'.

Gladys Abegbe

Investments Advisory Unit

gladys@pentagonpartnersLP.com

A handwritten signature in blue ink, appearing to read 'Abidemi Akinloye'.

Abidemi Akinloye

Partner, Transaction Advisory Services

abidemi@pentagonpartnersLP.com

STATUTORY AND GENERAL INFORMATION

Authorisation

This CP Programme and Notes issued hereunder were approved by the resolution of the Board of Directors of RusselSmith Nigeria Limited dated 8th August 2024

Auditor

The 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, and 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. The Issuer does not anticipate the amount of CPs to be issued to exceed the Programme Size.

Going Concern

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

Material Contracts

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

- i. the Deed of Covenant dated 14th February 2025 executed by the Issuer as a deed poll in favour of the Noteholders;
- ii. the Issuing and Placing Agency Agreement dated 14th February 2025 executed by the Issuer and the Issuing and Placing Agents; and
- iii. the Collecting and Paying Agency Agreement dated 14th February 2025 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

PARTIES TO THE PROGRAMME

ISSUER	RusselSmith Nigeria Limited 18 Adeola Hopewell Street Victoria Island Lagos, Nigeria.	Chinedu Adegboye Director 18/2/2025
LEAD ARRANGER	Cedrus Capital Limited 13b, Bishop Oluwole Street Victoria Island Lagos State, Nigeria	Busola Ogburne MD Bakemoff 18/2/2025
JOINT ARRANGERS	AVA Capital Partners Limited 3 Glover Road Ikoyi, Lagos Nigeria.	Adekunle Samson Director 18/2/2025
	Pathway Advisors Limited 13B Anthony Etukudo Crescent Lekki Phase 1, Lagos Nigeria.	Adekunle Adebayo MD 18/2/2025
SOLICITOR	Pentagon Partners Legal Practitioners Limited 16 Rasheed Alaba Williams Street, Lekki Phase I, Lagos, Nigeria.	Gladys Abegboe GLP/A.E 18-02-2025
COLLECTING AND PAYING AGENT	Providus Bank Limited 114 Adeola Odeku, Lagos State, Nigeria.	Ibukun Akinpelu 18/02/2025