

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, BANKER OR AN INDEPENDENT INVESTMENT ADVISER, REGISTERED BY THE SECURITIES & EXCHANGE COMMISSION (“SEC” OR THE “COMMISSION”).

For information about risk factors which should be considered by prospective Qualified Institutional Investors and High Net-Worth Investors, please refer to the section on “Risk Factors” on page 52 – 55

Investors may confirm the clearance of the Prospectus and registration of the securities with the Securities & Exchange Commission by contacting the Commission via sec@sec.gov.ng or +234 (0) 946 21100; +234 (0) 946 21168



FIDSON HEALTHCARE PLC (The Issuer)

RC: 267435

₦10,000,000,000 BOND ISSUANCE PROGRAMME SHELF PROSPECTUS

This Shelf Prospectus has been issued in compliance with Part IX of the Investment & Securities Act No. 29 of 2007 (the “ISA” or the “Act”), Part F Rule 279 of the 2013 Rules and Regulations of the Securities & Exchange Commission (“SEC” or the “Commission”) and the listing requirements of FMDQ Securities Exchange Limited (“FMDQ”) and the Nigerian Stock Exchange (“the NSE”) and contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regards to the Programme. Instruments issued under the Programme may be issued in series. The final terms of the relevant series or tranche will be determined at the time of the offering of that series or tranche based on prevailing market conditions and will be set out in the relevant pricing supplement/supplementary prospectus.

This Shelf Prospectus is to be read and construed in conjunction with any Pricing Supplement thereto and all documents which are incorporated herein, by reference and, in relation to any tranche or series (as defined herein) of instruments, together with the applicable Pricing Supplement. This Shelf Prospectus shall be read and construed on the basis that such documents are incorporated herein and form part of this Shelf Prospectus. Copies of this shelf prospectus can be obtained at no cost at the offices of the Issuer and the Issuing Houses.

This Shelf Prospectus and the securities that it offers have been approved and registered by the Commission. It is a civil wrong and criminal offence under the ISA Act to issue a prospectus which contains false or misleading information. The clearance and registration of this Shelf Prospectus and the securities which it offers does not relieve the parties from any liability arising under the ISA Act for false and misleading statements contained herein or for any omission of a material fact. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Shelf Prospectus is provided in Sections 85 and 86 of the Act. The registration of this Shelf Prospectus and any applicable Pricing Supplement thereafter does not in any way whatsoever suggest that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statement made or opinion or report expressed therein.

This Shelf Prospectus has been reviewed and approved by the board of directors of the Issuer and they jointly and individually accept full responsibility for the accuracy of all information given and confirm that, after having made inquiries which are reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

No instrument will be allotted or issued on the basis of this Prospectus read together with any supplementary Shelf Prospectus or Pricing Supplement later than 3 (three) years from the date of this Shelf Prospectus unless the validity period (as subsequently defined) is extended by the Commission.

Lead Issuing House/Book Runner



RC 739441

Joint Issuing House/Book Runner



RC 276208

THIS SHELF PROSPECTUS IS DATED 22ND DAY OF APRIL 2021

THIS SHELF PROSPECTUS WILL BE AVAILABLE ON THE FOLLOWING WEBSITES:

www.fidson.com

www.cardinalstone.com

www.sec.gov.ng

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1. IMPORTANT NOTICE

This Shelf Prospectus has been prepared on behalf of Fidson Healthcare Plc in connection with its ₦10,000,000,000 Bond Issuance Programme for the purpose of giving information to prospective investors in respect of the Bonds described herein. The Commission has cleared and registered this Shelf Prospectus and the securities that it offers.

The Board of Directors accept full responsibility for the information contained in this Shelf Prospectus. The Board of Directors confirm (having taken all reasonable care to ensure that is the case) that the information contained in this Shelf Prospectus is in accordance with the Rules and Regulations of the Commission.

This Shelf Prospectus has been issued in compliance with Part IX of the Act, Part F Rule 279 of the 2013 Rules and Regulations of the Commission and the listing requirements of the FMDQ and contains particulars which are compliant with the requirements of the Commission for the purpose of giving information with regards to the Bond Issuance Programme.

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

Neither this Shelf Prospectus nor any other information supplied in connection with the Programme:

- a. is intended to provide the basis of any credit or other evaluation; or
- b. should be considered as a recommendation by either the Issuer or any of the parties to the Programme that any recipient of this Shelf Prospectus or any other information supplied in connection with the Programme should purchase the Bonds.

Each prospective investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs in relation to the Bonds issuance, and its own appraisal of the creditworthiness of the Issuer. Neither this Shelf Prospectus nor any other information supplied in connection with the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Issuing Houses or the Trustees to any person to subscribe for or to purchase the Bonds.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme continues to remain correct as of any time subsequent to the date indicated in the document containing the same.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice from the Issuing Houses to any prospective investor. Prospective investors should make their own independent assessment of the merits or otherwise of subscribing for the debt securities offered herein and should take their own professional advice in connection with any prospective investment by them.

The distribution of this Shelf Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Prospectus come, must inform themselves about such laws and observe any such restrictions. In particular, there are restrictions on the distribution of this Shelf Prospectus and the offer or sale of Bonds in the United States of America, the United Kingdom, the European Economic Area, Canada, Japan, Australia, the Republic of South Africa and certain other jurisdictions. The Issuer does not represent that this Shelf Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, nor does it assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Bonds or distribution of this

document in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Shelf Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations.

Certain figures included in this document have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

[The Bonds have not been and will not be registered under the United States Securities Act of 1933 (the Securities Act). The Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with Regulations under the Securities Act.]

Statements in an Applicable Pricing Supplement

Following the publication of this Shelf Prospectus, Applicable Pricing Supplement(s) will be issued in relation to each Series or Tranche of Bonds that are to be offered for issuance under the Programme. Each Applicable Pricing Supplement will be cleared and approved by the SEC.

Specific statements on a Bond as contained in the Applicable Pricing Supplement shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statements so modified shall not, except as modified or superseded, constitute a part of the Shelf Prospectus.

Amendments to the Shelf Prospectus

The Issuer, in the event of any significant change, material mistake or inaccuracy relating to information included in this Shelf Prospectus which is capable of affecting the assessment of the Bonds, shall prepare an addendum to this Shelf Prospectus for use in connection with any subsequent issue of Bonds, under the Bond Issuance Programme, which shall be subject to the Commission's clearance.

2. DEFINITIONS

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

“Applicable Pricing Supplement” or “Pricing Supplement” or “Supplementary Shelf Prospectus”	The document(s) to be issued pursuant to this Shelf Prospectus which shall indicate the final terms and conditions of a specific Series or Tranche of Debt Securities issued under the Programme and to be read in conjunction with this Shelf Prospectus
“Auditor”	Deloitte & Touche (Chartered Accountants), or any successor auditor which may be appointed in the future
“Board” or “Board of Directors” or the “Directors”	The members of the board of directors of the Issuer who as at the date of this document are those persons whose names are set out on page 16 of this Shelf Prospectus
“Bonds” or “Debt Securities”	The registered bonds issued by the Issuer from time to time in accordance with the terms of this Shelf Prospectus and any subsequent Applicable Pricing Supplement
“Bond Issuance Programme” or the “Programme”	The ₦10,000,000,000 Bond issuance programme being undertaken by the Issuer as described in this Shelf Prospectus, pursuant to which the Company may issue series and/or tranches of Bonds from time to time, provided however that the aggregate value does not exceed ₦10,000,000,000
“Bondholder”	Any registered owner or beneficial owner of Bond units to be issued under the Programme
“Book Building”	A process of price and demand discovery through which a Bookrunner seeks to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investors and High Net Worth Individuals
“Bookrunner(s)”	The Issuing House(s) duly appointed by the Issuer to manage the order book in respect of the Bonds being sold by way of Book Building or any other methods as specified in the Applicable Pricing Supplement and permitted by the SEC
“Business Day(s)”	Any day(s) except Saturdays, Sundays, and public holidays declared by the Federal Government of Nigeria on which banks are open for business in Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act 2020
“CBN”	Central Bank of Nigeria
“CIT”	Companies Income Tax
“CITA”	Companies Income Tax Act Cap C21, LFN, 2004 (as amended by the Companies Income Tax (Amendment Act No. 11 of 2007) and the Finance Act
“CGT”	Capital Gains Tax
“Conditions” or “Terms and Conditions”	Terms and conditions in accordance with which the Bonds will be issued, set out in the section headed “Terms and Conditions of the

	Bonds” in this Shelf Prospectus, the Programme Trust Deed and the relevant Series Trust Deed
“Coupon”	The interest payable to Bondholders as specified in the Applicable Pricing Supplement
“Coupon Commencement Date”	In relation to the Bonds of any Series, the date specified in the Applicable Pricing Supplement or a supplement to the Shelf Prospectus from (and including) the date on which such Bond starts to bear Coupon or, if no such date is specified therein, the Issue Date (other than in relation to Zero Coupon Bonds)
“Coupon Payment Date”	The date on which coupon is to be paid to Bondholders as specified in the Applicable Pricing Supplement
“Coupon Period”	Coupon Period as defined in the Programme Trust Deed
“CSCS”	Central Securities Clearing System Plc
“CSD”	CSCS or FMDQ Depository Limited or any central securities depository registered or recognized by SEC and appointed by the Issuer or as may be specified in the Applicable Pricing Supplement
“Daily Official List”	A publication of FMDQ or NSE, published daily, providing information on all securities quoted on its Exchange
“Event of Default”	All such events of default as are defined under the Programme Trust Deed and as stated in a Series Trust Deed
“Exchange”	The FMDQ or the NSE or any other securities exchange recognized by the Commission
“Federal Government” or “FGN”	Federal Government of Nigeria
“Finance Act”	Finance Act 2020 (as may be amended from time to time)
“Fixed Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis and will not change during the life of the Bonds
“Floating Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a floating rate basis in accordance with a variable benchmark rate as prescribed in the Applicable Pricing Supplement
“FMDQ”	FMDQ Securities Exchange Limited
“GCR”	Global Credit Rating Co. Limited
“IASB”	International Accounting Standards Board
“IFRS”	International Financial Reporting Standards
“ISA”	Investments and Securities Act (No 29 of 2007) (as amended)
“Issue Date”	The date for any particular Series of Bonds, or such other date as may be specified in the Applicable Pricing Supplement on which a Bond is issued and when accrual of Coupon on the Bond commences
“Issue Price”	The price at which a Bond is issued as specified in the Applicable Pricing Supplement
“Issuer” or “Fidson” or the “Company”	Fidson Healthcare Plc, a public limited liability company incorporated under the laws of Nigeria with registration number 267435

“Issuing Houses”	CardinalStone Partners Limited, FSDH Capital Limited and any other person that may be appointed as an Issuing House
“Joint Issuing House/Bookrunner”	CardinalStone Partners Limited, FSDH Capital Limited and any other person that may be appointed as a Joint Issuing House/ Bookrunner
“Joint Trustees”	ARM Trustees Limited and FBNQuest Trustees Limited granted fiduciary power by the Issuer to enforce the terms and conditions of the Bond Issuance Programme and such other Trustees that may be appointed from time to time by the Issuer
“Lead Issuing House/Book Runner”	CardinalStone Partners Limited
“LFN”	Laws of the Federation of Nigeria
“Maturity Date”	The final redemption date as specified in each Pricing Supplement on which the Redemption Amount and Coupon is due to be paid
“Naira”, “NGN” or “₦”	The Nigerian Naira
“NBS”	National Bureau of Statistics
“Nigeria”	The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly
“NSE”	The Nigerian Stock Exchange
“OTC”	Over the Counter
“PFA”	Pension Fund Administrator
“PIT”	Personal Income Tax
“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 Act
“Principal Amount”	The nominal amount of each Bond, as specified in the Applicable Pricing Supplement
“Programme Trust Deed”	The programme trust deed made between the Issuer and the Joint Trustees, by which the Bond Issuance Programme is constituted
“Qualified Institutional Investor”	As defined in the SEC Rules, institutional purchasers of securities, including Fund Managers, Pension Fund Administrators, Insurance Companies, Investment/Unit Trusts, Multilateral and Bilateral Institutions, Registered and/or Verifiable PE funds and Hedge Funds, Market Makers, Staff Schemes, Trustees/Custodians, and Stock Broking Firms
“Rating Agencies”	GCR or any other rating agency that may be appointed
“Record Date”	The date on which the list of the Bondholders is extracted from the Register for the purposes of making Coupon payments
“Receiving Bank”	FCMB Limited and Fidelity Bank Plc or any other bank that may be appointed by the Issuer.
“Redemption Amount”	The aggregate Principal Amount and any applicable Coupon outstanding in respect of a Bond on the Maturity Date as specified in the Applicable Pricing Supplement
“Register”	The Register of Bondholders kept at the specified office of the Registrar at 213 Herbert Macaulay, Yaba, Lagos in which shall be

	entered the names, addresses of each Bondholder and the particulars, transfers and redemption of Bonds held by each Bondholder in a Series or Tranche
“Registrar”	Meristem Registrars and Probate Services Limited or any other Registrar so appointed by the Issuer
“Reporting Accountants”	KPMG Professional Services (“KPMG”) Nigeria or any other Reporting Accountants that may be appointed by the Issuer
“Reverse Floating Rate”	Bonds in respect of which interest is calculated to have an inverse relationship to the referenced benchmark rate
“SEC Rules” or “Rules and Regulations”	The Rules and Regulations of the Securities & Exchange Commission issued pursuant to the ISA from time to time
“SEC” or the “Commission”	Securities and Exchange Commission
“Series”	Series or Tranche of Bonds together with any further Tranche or Tranches of Bonds which are: <ul style="list-style-type: none"> – expressed to be consolidated and form a single series; and – are identical in all respects (including as to listing) except for their respective Issue Dates, Coupon Payment Dates and/or Issue Prices
“Series Trust Deed”	A deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustee(s) with regards to a specific Series and empowering the Trustee(s) to hold, administer and manage the applicable assets
“Shelf Prospectus” or “Prospectus”	This Shelf Prospectus that Fidson Healthcare Plc has filed in accordance with SEC Rules, which contains details of the Bond Issuance Programme
“Special Resolutions”	A resolution passed by at least three fourths (3/4) majority or 75 percent of the total number of Bondholders in accordance with the provisions contained in clause 14 of the Terms and Conditions of the Bonds delineated on page 38
“Tranche”	Bonds which are identical in all respects
“Transaction Documents”	The Shelf Prospectus, each Applicable Pricing Supplement, Programme Trust Deed, Series Trust Deed(s), and all related documents issued from time to time in respect of a Bond issuance herein and as may be required by the Commission
“Trust Deeds”	The Programme Trust Deed and the Series Trust Deed(s)
“Validity Period”	A period expiring three (3) years from the date of SEC approval of this Shelf Prospectus, during which bonds may be issued under the Programme
“VAT”	Value Added Tax
“WHT”	Withholding Tax as provided for in section 78(2) of CITA
“Zero Coupon Bond”	A Bond issued at a discount to its face value

3. DECLARATION BY THE ISSUER



Fidson Healthcare Plc INC 2019

Corporate Head Office:
290, Borealis Road, Oshodi,
P.O. Box 7218, Shomolu, Lagos.
Tel: +234 081 730 8080,
+234 01-3407203,
e-mail: info@fidson.com
www.fidson.com

FIDSON HEALTHCARE PLC RC 267435

DECLARATION OF THE ISSUER

This Shelf Prospectus has been prepared by the Issuing Houses on behalf of Fidson Healthcare Plc (the "Issuer") for the purposes of providing information to prospective investors on relevant aspects of the issuer in connection with the establishment of a ₦10 billion Bond Issuance Programme.

On behalf of the Board of Directors, we hereby make the following declarations:

1. We confirm that the information contained in this Shelf Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import;
2. There has been no significant change in the financial condition or material adverse change in the prospect of the issuer as at the date of this document; and
3. The issuer or any of its subsidiaries is not in breach of any terms and conditions in respect of borrowed monies which resulted in the occurrence of any event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of this Shelf Prospectus.

Signed for and on behalf of
Fidson Healthcare Plc
by its duly authorised representatives:


Dr. Fidelis Ayeboe
Managing Director


Imokha Ayeboe
Chief Financial Officer


Yami Adebajo
Company Secretary




20/Jan/2021
NOTARIZED & ATTESTED BY
ABDULLAH ADAM AL-ILORY
ABDULLAH ADAM ABDULLAH & CO.
NOTARY PUBLIC
8, ADEBARE STREET OGUDIF, LAGOS
Email: bamilory@yahoo.co.uk
08033082914

Board of Directors: Oluwole S. Adebajo, FCA (Chairman), Fidelis A. Ayeboe (MD/CEO), Olufunmilola O. Ayeboe, Emmanuel E. Ineagosi, Anshel P. Sadauki ODN, Oluwaseun O. Oluyeye (Executive), Abisola A. Adebayo (Executive)

Factory Address: Yapepe Avenue, Km 33, Lagos Abokuta Expressway, Sangu Ota, Ogun State, Nigeria.



4. INFORMATION RELATED TO THE SHELF PROSPECTUS

1. Presentation of Information

The information set forth herein has been obtained from official sources that are believed to be reliable, but the fairness, accuracy, completeness or correctness of the information or opinions contained herein have not been verified. The Issuing Houses and Issuer take responsibility for information contained in the Shelf Prospectus; and to the best of their knowledge and honest belief, the information provided is accurate. The information and expressions of opinion herein are subject to change and any proposed changes to the information provided in the Shelf Prospectus shall be subject to the Commission's prior review and approval. Neither the delivery of this Shelf Prospectus nor any issue made hereunder or any future use of this Shelf Prospectus shall, under any circumstance, create any impression that there has been no change in the affairs of the Issuer since the date hereof.

All financial and other information presented or incorporated by reference in this Shelf Prospectus has been provided by the Issuer from their records, except for information expressly attributed to other sources. The presentation of certain information, including tables of receipts and other revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

2. Financial Information

The Issuer maintains its books of accounts and prepares its statutory financial statements in Naira in accordance with IFRS as promulgated by the IASB.

Unless otherwise indicated, the financial information regarding the Issuer indicated in this Shelf Prospectus has been derived from the Reporting Accountants' Report on the Issuer's audited financial statements for the five years ended December 31, 2019. The Issuer's financial statements for the years ended 31 December 2015, 2016, 2017, 2018 and 2019 have been prepared in accordance with IFRS as issued by the IASB and are presented in Naira.

3. Rounding

Certain numerical figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

4. Forward-Looking Statements

Certain statements included herein and in any Pricing Supplement may constitute forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward looking statements can be identified by the use of words such as "estimates", "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "would", "would be", "seeks", "approximately" or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminologies. These forward-looking statements include all matters that are not historical facts and include statements regarding the Issuer's intentions, beliefs or current expectations concerning, amongst other things, the Issuer's operating results, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates.

Prospective investors should be aware that forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity, and the development of the industry in which the Issuer operates, as this may differ materially from those made in or suggested by the forward-looking statements contained in this Shelf Prospectus. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized.

Neither the Issuer is obliged to, nor do they intend to, update or revise any forward-looking statements made in this Shelf Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributed to the Issuer, the Issuing Houses or persons acting on the Issuer's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Shelf Prospectus. A prospective investor of the Bonds should not place undue reliance on these forward-looking statements.

Factors that could cause actual results to differ materially from the Issuer's expectations are contained in the cautionary statements in this Shelf Prospectus and include, among other things, the following:

- a. overall political, economic and business conditions in Nigeria;
- b. economic and political conditions in international markets, including governmental changes;
- c. changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- d. changes in government regulations, especially those pertaining to the Issuer's industry;
- e. competitive factors in the industries in which the Issuer and its customers operate;
- f. the demand for the Issuer's products and services;
- g. interest rate fluctuations and other capital market conditions;
- h. the effects of, and changes in, fiscal, monetary and trade policies, and currency fluctuations;
- i. Issuer's ability to achieve its strategic objectives, including improved performance, reduced risks, lowered costs and more efficient use of capital;
- j. operational factors such as systems failure, human error or the failure to implement procedures properly;
- k. hostilities and disruption in Nigeria;
- l. technological changes;
- m. the adverse resolution of litigation, regulatory proceedings and/or other contingencies;
- n. the timing, impact and other uncertainties of future actions; and
- o. the Issuer's success at managing the risks involved in the foregoing

The list above is not exhaustive. The sections of this Shelf Prospectus titled "**Risk Factors**", "**Description of Fidson Healthcare Plc**", "**Reporting Accountants Report**" and "**Statutory and General Information**" contain more detailed discussions of the factors that could affect the Issuer's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Shelf Prospectus may not occur.

5. Third Party Information

The Issuer obtained certain statistical and market information that is presented in this Shelf Prospectus in respect of the Nigerian pharmaceutical sector, the Nigerian economy and the Nigerian political landscape in general from certain government and other third-party sources as identified where it appears herein.

There is no uniformity of views among such sources as to such information provided. The Issuer has not independently verified the information included in this section. Some of the information in this Shelf Prospectus have been derived substantially from publicly available information, such as annual reports, official data published by the Nigerian government or regional agencies or other third-party sources as indicated in the text. The Issuer has accurately reproduced such information and, so far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Nevertheless, prospective investors are advised to consider these data with caution. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. Neither the Issuer nor the Issuing Houses have independently verified the figures, market data or other information on which third parties have based their studies.

Certain statistical information reported herein has been reproduced from official publications of, and information supplied by, a number of government and intergovernmental agencies and organisations, including the CBN; the International Monetary Fund; the Debt Management Office; the NBS and the World Bank.

5. PRICING SUPPLEMENTS

Following the publication of this Shelf Prospectus, an Applicable Pricing Supplement(s) shall be prepared by the Issuer for each Series or Tranche of Bonds issued under the Programme.

Statements contained in any such Applicable Pricing Supplement(s) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Shelf Prospectus.

In the event of any significant new matter, material mistake or inaccuracy relating to the information included in this Shelf Prospectus which is capable of affecting the assessment of the Bonds, the Issuer will prepare an addendum to this Shelf Prospectus or publish a new Shelf Prospectus for use in connection with any subsequent issuances of Bonds.

6. THE PROGRAMME

A copy of this Shelf Prospectus, together with the documents specified herein, has been delivered to the SEC for clearance and registration. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Bonds to be issued under the Programme or assumes responsibility for the correctness of any statements made or opinions or reports expressed herein.

This Shelf Prospectus is issued pursuant to the Rules and Regulations of the Commission and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regards to the ₦10,000,000,000 Bond Issuance Programme established by the Issuer. The specific terms of each Series of the Bonds in respect of which this Shelf Prospectus is being delivered will be set forth in the Applicable Pricing Supplement and shall include the specific designation, aggregate principal amount, the currency or currency unit for which the Bonds may be purchased, maturity, interest provisions, authorized denominations, Issue Price, any terms of redemption and any other specific terms. In the event that any issue under the Programme is to be listed, an application will be made to the NSE and/or to the FMDQ for the admission of such Bonds to its official list.

The Directors of the Issuer collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading or untrue.

Lead Issuing House/Book Runner



Joint Issuing House/Book Runner



on behalf of



FIDSON HEALTHCARE PLC

is authorized to issue this Shelf Prospectus in respect of
the ₦10,000,000,000 Bond Issuance Programme

This Shelf Prospectus contains:

1. on page 9, the declaration to the effect that the Issuer and its subsidiaries did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an Event of Default and an immediate recall of such borrowed monies during the twelve (12) calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;
2. on pages 82 to 83 the Reporting Accountants' Report prepared by KPMG Nigeria for the years ended December 31, 2015 - 2019 audited financial information by the Issuer for incorporation into this Shelf Prospectus;
3. on pages 81, an extract of the Rating Report on the Issuer GCR for incorporation in this Shelf Prospectus; and
4. on pages 90 to 91, the legal opinion issued by the Solicitors to the Issue, G. Elias & Co. on the effect of claims and litigation against the Issuer on the Programme.

Validity Period of the Shelf Prospectus and Delivery of Documents:

This Shelf Prospectus is valid until 22 APRIL 2024. No Bonds shall be issued on the basis of this Shelf Prospectus read together with any Pricing Supplement issued pursuant hereto later than three (3) years after the Issue Date indicated on the cover of this Shelf Prospectus. This Shelf Prospectus can be obtained at the office of the Issuer and the Issuing Houses throughout its validity period.

7. PARTIES TO THE PROGRAMME

Directors and Company Secretary of the Issuer

<p>The Issuer</p>	<p>Fidson Healthcare Plc 268, Ikorodu Road, Obanikoro Lagos info@fidson.com www.fidson.com 0807 700 8888</p> <p><i>Dr. Fidelis A. Ayebae</i></p>
<p>Directors</p>	<p>Mr. Olusegun S. Adedunji Chairman 268, Ikorodu Road, Obanikoro Lagos</p> <p>Dr. Fidelis A. Ayebae Managing Director/ Chief Executive Officer 268, Ikorodu Road, Obanikoro Lagos</p> <p>Mr. Olugbenga O. Olayeye Executive Director 268, Ikorodu Road, Obanikoro Lagos</p> <p>Mr. Abiola A. Adebayo Executive Director 268, Ikorodu Road, Obanikoro Lagos</p> <p>Mr. Ola Ijmakin Executive Director 268, Ikorodu Road, Obanikoro Lagos</p> <p>Mrs. Olufunmilola O. Ayebae Non- Executive Director and Member of Audit Committee 268, Ikorodu Road, Obanikoro Lagos</p> <p>Mr. Emmanuel E. Imoagene Non-Executive Director and Member of Audit Committee 268, Ikorodu Road, Obanikoro Lagos</p>



	<p>Mrs. Aisha P. Sadauki Non-Executive Director and Member of Audit Committee 268, Ikorodu Road, Obanikoro Lagos</p> <p>Dr. Vincent Ahonkhai, FAAP Independent Non-Executive Director 268, Ikorodu Road, Obanikoro Lagos</p> <p>Mr. Ekwunife Okoli Independent Non-Executive Director 268, Ikorodu Road, Obanikoro Lagos</p>
Company Secretary	<p>Mr. J. Abayomi Adebajo, FCIS 268, Ikorodu Road, Obanikoro Lagos</p>

Professional Parties to the Programme

Lead Issuing House/Bookrunner	<p>CardinalStone Partners Limited <i>MOHAMMED GARUBA</i> 5 Okotie Eboh Street Ikoyi Lagos</p>
Joint Issuing House/Bookrunner	<p>FSDH Capital Limited UAC House, 4th Floor 1/5 Odunlami Street Lagos <i>Tom Oshiki</i></p>
Joint Trustees	<p>ARM Trustees Limited 1 Mekunwen Road Ikoyi, Lagos <i>GOZIE ALWZIEUWA</i></p> <p>FBNQuest Trustees Limited 10 Keffi Street Ikoyi, Lagos <i>Adekunle Awojobi</i></p> <p><i>Joint Trustees Advised by:</i> <i>Obanwa Ajayi LP</i> <i>Plot 12, 403 Close</i> <i>Banana Island</i> <i>Ikoyi, Lagos</i></p>
Solicitor to the Issue	<p>G Elias & Co. 6 Broad Street Lagos Island, Lagos <i>Fidelis A. Awolowo</i></p>

Solicitor to the Issuer	<p>Tokunbo Orimobi LP 1963B Buraimoh Kenku Street Off Oyin Jolayemi Street Victoria Island, Lagos</p> <p><i>[Signature]</i> MICHAEL ORIMOBİ</p>
Joint Stockbrokers to the Issue	<p>Meristem Stockbrokers Limited 124, Norman Williams Street Ikoyi S/W, Lagos</p> <p><i>[Signature]</i> Subeod Basins</p> <p>Imperial Asset Managers Limited 148A, Ikeja Way Off Association Road Dolphin Estate, Ikoyi, Lagos</p> <p><i>[Signature]</i> Tayo Abimbola</p>
Registrar	<p>Meristem Registrars and Probate Services Limited 213, Herbert Macaulay Way Yaba, Lagos</p> <p><i>[Signature]</i> Martina Osagie</p>
Auditor	<p>Deloitte & Touche Civic Towers, Ozumba Mbadiwe Road Victoria Island, Lagos</p> <p><i>[Signature]</i> Chigozie Okoro</p>
Rating Agency	<p>Global Credit Rating Co. Limited New Africa House (17th Floor) 31 Marina Lagos</p> <p><i>[Signature]</i> Hafsa Okunola Alley.</p>
Reporting Accountant	<p>KPMG Professional Services Limited KPMG Tower Bishop Aboyade Cole Street Victoria Island, Lagos</p> <p><i>[Signature]</i> Bukola Obidopo</p>
Receiving Banks	<p>Fidelity Bank Plc Fidelity Place, 2 Kofo Abayomi Street Victoria Island, Lagos</p> <p><i>[Signature]</i> Alkanu V. Dazie</p> <p>First City Monument Bank Limited Primrose Tower 17A Tinubu Street, Lagos</p> <p><i>[Signature]</i> Chinyere Muba-Sinus</p>

8. SUMMARY OF THE PROGRAMME

The following information should be read in conjunction with the full text of this Shelf Prospectus, from which it is derived. The information provided below is a brief summary of the key features of the proposed Bonds to be issued under the Programme and a description of the Issuer. This summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Shelf Prospectus as a whole, any supplementary Shelf Prospectus and/or the Pricing Supplement and other documents, if any, incorporated by reference into this Shelf Prospectus.

Terms	Definitions
Issuer	Fidson Healthcare Plc
Programme Description	<p>A Bond Issuance Programme being undertaken by Fidson through which a Bond or a series of Bonds will be issued.</p> <p>The Programme covers convertible and non-convertible Bonds, Senior or Subordinated and/or Unsecured Bonds, Fixed Rate Bonds, Floating Rate Bonds, Reverse Floating Bonds, Zero Coupon Bonds and any combinations thereof, with a minimum tenor of 1 year, all of which shall be denominated in Naira or in such other currency as may be agreed between the Issuing Houses and the Issuer and specified in the Applicable Pricing Supplement.</p> <p>No Bonds shall be offered on the basis of this Shelf Prospectus or a Pricing Supplement after the expiration of the three (3) year validity period of the Shelf Prospectus.</p> <p>The Bonds shall be constituted by the Programme Trust Deed and the relevant Series Trust Deed(s). The provisions of the Programme Trust Deed shall apply separately and independently to the Bonds, provided that any terms and conditions relevant to additional Bonds, if any, under the Programme shall be governed by the relevant Series Trust Deed(s)</p>
Programme Limit	₦10,000,000,000 (Ten Billion Naira)
Issuing Houses/Book Runners	CardinalStone Partners Limited and FSDH Capital Limited and any other issuing house(s) appointed from time to time either in relation to the Programme or for a specific Series issued under the Programme
Joint Trustees	ARM Trustees Limited, FBNQuest Trustees Limited, or any other Trustee appointed by the Issuer
Use of Proceeds	The Issuer seeks to raise medium to long term debt under the Programme. The application of the proceeds of each Series and or Tranche in relation to the above will be specified in the Applicable Pricing Supplement
Maturity Date	As specified in the Applicable Pricing Supplement
Payment Date	As specified in the Applicable Pricing Supplement
Methods of Issue	Bonds under this Programme may be issued and sold by way of a public offer, private placement, Book Building process, or any other methods permitted by the SEC as specified in each relevant Pricing Supplement
Issuance in Series	The Bonds will be issued in series and each Series may comprise one or more Tranches issued on same or different dates. The Bonds in each Series will be subject to identical terms, whether as to currency or maturity or otherwise, except that the Issue Date, Maturity Dates, the Issue Price, Coupon Commencement Dates and related matters may be different. Details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement

Interest Rates	Bonds may be interest-bearing or non-interest bearing. Interest (if applicable) may be fixed or floating rate as indicated in relevant Pricing Supplement(s)
Currency	The Bonds shall be denominated in Naira (₦) or any other currency as may be agreed between the Issuer and the Issuing House(s) and specified in the Applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements. Where any currency other than the Naira is specified in the relevant Supplement, the selling restrictions and additional disclosure requirements applicable to such other currency will be specified in the relevant Supplement
Fixed Rate Bonds	Fixed Rate Bonds will bear Coupons which will be payable in arrears on each Coupon Payment Date as may be specified in the relevant Pricing Supplement(s)
Floating Rate Bonds	Floating Rate Bonds will bear interest at a rate on such basis as may be agreed between the Issuer and Issuing Houses as is specified in the relevant Pricing Supplement. The basis of calculating the amounts of interest payable may be by reference to a variety of financial instruments, currency exchange rate or any other index or formula or as otherwise provided in the relevant Pricing Supplement
Index-Linked Bonds	The Issuer may offer Bonds which provide for payments of principal or interest which are linked to a currency, securities exchange or commodities exchange index or other index as stated in the relevant Pricing Supplement. Specific provisions regarding the manner in which such payments are to be calculated and made will be set forth in the relevant Pricing Supplement
Zero Coupon Bonds	Zero Coupon Bonds may be issued at a discount to par and will not bear interest other than in the case of default interest for late payment as prescribed in the Applicable Pricing Supplement
Other Bonds	Terms applicable to High Interest Bonds, Low Interest Bonds, Step-Up Bonds, Step-Down Bonds, Dual Currency Bonds, and any other type of Bonds which the Issuer and the Issuing Houses may agree to issue under the Programme, subject to compliance with all applicable relevant laws, regulations and directives, as set out in the relevant Pricing Supplement
Issue Price	The Bonds may be issued at their Principal Amount or at a premium or discount to their Principal Amount, as specified in the relevant Pricing Supplement
Denominations	The Bonds will be issued in such denominations as may be agreed between the Issuer and the Issuing Houses and as specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements
Event of Default	The events of default under this Programme are as specified in the Trust Deeds
Form of Bonds	The Bonds shall be issued in registered form and shall be transferable. The issue and ownership of the Bonds will be effected and evidenced by the particulars of the Bonds being entered in the Register by the Registrar and the Bonds being electronically registered in the CSD account of the Bondholder
Tenor	The Bonds will have such maturities as may be agreed between the Issuer and the Issuing Houses, subject to such minimum or maximum maturities as may be allowed or required from time to time by the SEC (or equivalent body) or any laws or regulations applicable to the Issuer. The tenor of a particular series of Bonds shall be specified accordingly in the relevant Pricing Supplement

Other Terms and Conditions	Terms applicable to each Series as specified in the Pricing Supplement other than those specifically contemplated under this Shelf Prospectus which the Issuer and the Issuing Houses may agree to issue under the Programme subject to compliance with all relevant applicable laws and regulations		
Interest and Principal Payment	The Issuer may pay interest and principal on each Series to Bondholders the dates stated in the Applicable Pricing Supplement		
Principal Redemption	Each Series will be redeemed on the date(s) specified in the relevant Pricing Supplement		
Early Redemption	Early redemption will be permitted only to the extent specified in the relevant Pricing Supplement and then only subject to any applicable legal or regulatory limitations		
Redemption Amounts	The relevant Pricing Supplement will specify the redemption amount or, if applicable the basis for calculating the redemption amounts payable		
Taxation	The Bonds issued under the Programme are tax exempt in line with the tax exemptions granted by the President of the Federal Republic of Nigeria – as contained in the CIT (Exemption of Bonds and Short-Term Government Securities) Order 2011, the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 and PIT (Amendment) Act 2011. The CIT and VAT became effective in 2012 and are valid for a period of ten (10) years while the PIT is indefinite. Please refer to the section on Tax Considerations on page 32 for a detailed description of the tax considerations		
Issuer's Rating	Rating Agency	Year	Credit Rating (Long Term)
	GCR	2021	BBB+
Bond Ratings	Ratings for each Series under the Programme will be stated in the relevant Pricing Supplement		
Ranking	The Bonds may be senior or subordinated Bonds as indicated in the relevant Pricing Supplement		
Status of the Bonds	<p>The Bonds, subject to modification in the Series Trust Deed and relevant Pricing Supplement, constitute senior/subordinated, direct, unsecured/secured and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds and in respect of principal and any coupon on the Bonds shall at all times rank at least equally with all other similar obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally.</p> <p>The Bonds qualify as securities in which Trustees may invest under the Trustees Act. In addition, the Bonds are securities in which PFAs may invest under the Pension Act, 2014 and the regulations on Investment of pension fund assets issued by National Pension Commission.</p>		
Listing	Each Series of the Bonds will be listed on the FMDQ and/or the NSE, or as may be agreed between the Issuer and Issuing Houses; as specified in the relevant Pricing Supplement.		
Pricing Supplement/Supplementary Shelf Prospectus	The Final terms of each Series will be set forth in a Pricing Supplement/Supplementary Shelf Prospectus		
Negative Pledge	The Issuer hereby covenants that, for as long as any of the Bonds are outstanding; the Issuer shall not, without the prior written consent of the Joint		

	Trustees, directly or indirectly secure any other financial indebtedness or Debt Securities which are, or are capable of being, traded, noted or listed on any stock exchange or over-the-counter or similar securities market unless otherwise stated in the applicable Final Terms to a Series PROVIDED THAT where the Joint Trustees so consent, the Issuer shall at the same time as the creation of such indebtedness, grant to the Joint Trustees (for the benefit of the Bondholders), the same or equivalent security as is granted in relation to the indebtedness.
Governing Law	The Bond Issue, the Trust Deeds and all other related Transaction Documents will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria.



9. TERMS AND CONDITIONS OF THE PROGRAMME

The following are the terms and conditions which (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed and/or Pricing Supplement (the “Final Terms”), and, save for the italicised text) will be incorporated by reference into the Bonds issued under this Deed.

Further information with respect to Bonds of each Series will be given in the relevant Final Terms which will provide for those aspects of these terms and conditions which are applicable to such Series of Bonds. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.

The provisions of the terms and conditions set out below (the “Conditions”) which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provisions 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; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.

*The Bonds are constituted by a Programme Trust Deed (the “Programme Trust Deed”) dated 22 April 2021 between Fidson Healthcare Plc (as **Issuer**), and ARM Trustees Limited and FBNQuest Trustees Limited (as the **Bond Trustees**) which expression shall include all persons for the time being acting as Bond Trustee under the Programme Trust Deed), as supplemented by a separate Trust Deed applicable to each Series of Bonds.*

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to them. Copies of the Programme Trust Deed are available for inspection between the hours of [10:00am and 3:00pm] on any Business Day at the principal offices of the Bond Trustees at 1, Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos or 10 Keffi Street, Off Awolowo Road S.W. Ikoyi, Lagos, Nigeria provided no less than 24 (twenty-four) hours’ notice is given for the inspection.

Words and expressions defined in the Programme Trust Deed (as same has been and may be amended, varied or supplemented from time to time with the consent of the Parties thereto) are expressly and specifically incorporated to and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed unless the context otherwise requires, or unless otherwise stated.

1. FORM, DENOMINATION AND TITLE

- 1.1. Unless otherwise specified in any Final Terms, the Bonds shall be issued in dematerialised form in denominations specified in the Final Terms relating to the relevant Series and registered with a separate securities identification code with the CSD.
- 1.2. The Bonds may be issued at once or may be issued in separate Tranches which together with other Tranches, may form a Series; Provided that they are identical in all respects (including as to noting) except for their respective issue dates, Coupon Commencement Dates, and/or issue prices.
- 1.3. The Coupon Rate applicable to any Series of Bonds may be specified as being fixed rate, floating rate or indexed linked and the amount of Coupon payable in respect of such Bond shall be determined in accordance with, the applicable Final Terms.
- 1.4. A Series of Bonds may be listed on a Recognised Securities Exchange, subject to any Applicable Laws.

- 1.5. The title to the Bonds shall be effected in accordance with the rules governing transfer of title in securities held by the CSD. In these Conditions, Bondholders and (in relation to a Bond) Holder means the person in whose name a Bond is registered. Title to the Bonds will pass in accordance with the rules of the Recognised Securities Exchange.
- 1.6. Except as may subsequently be agreed between the Parties in a Series Trust Deed, the Bondholder (or his legal representative) shall be deemed and regarded as the legal and beneficial owner of the Bonds registered in his name for all purposes including but not limited to the payment of the Principal Amount and Coupon.
- 1.7. The records of the Register as to the aggregate number of such Bonds standing to the credit 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 Bond Trustees as the legal and beneficial owner of such aggregate number of Bonds for all purposes.

2. Repayment

The principal on the Bonds will be repaid in accordance with the terms of the relevant Series agreed in the relevant Series Trust Deed on such Bonds.

3. Redemption

- 3.1 *Redemption at Maturity:* Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Bonds on such dates as specified in the relevant Series Trust Deed.
- 3.2 *Redemption by Instalments:* The Bonds may be partially redeemed by instalments on such dates and at such amounts specified in the applicable Final Terms and the payments made in instalments shall reduce the Principal Amount Outstanding on such Bonds until fully redeemed at the Maturity Date.
- 3.3 *Redemption Prior to Maturity/Early Redemption*
 - 3.3.1 Subject to the terms of the relevant Series Trust Deed, the Issuer shall be entitled at any time to redeem the whole or any part of the Bonds upon giving the Holders of the Bonds to be redeemed, a minimum of thirty (30) days and maximum of sixty (60) days' notice of its intention to do so ("Early Redemption").
 - 3.3.2 The Issuer shall only redeem the Bonds on a Coupon Payment Date and not otherwise.
 - 3.3.3 At the expiration of the notice in Clause 3.3.1 above, the Issuer shall be entitled and bound to redeem the Bonds in respect of which such notice has been given. Such notice shall state the amount of the Bond due for redemption and the condition under which such redemption is to be effected.
 - 3.3.4 Upon Early Redemption, the Issuer shall, (upon the expiration of the redemption notice), be obliged to pay the Bondholders the outstanding principal and accrued interest.
 - 3.3.5 The Issuer shall not incur any penalty on account of Early Redemption.

The Issuer shall be entitled to a 10 (ten) Business Days period from the service of the redemption notice within which it can cancel the redemption process.
- 3.4 The sum payable on the Maturity Date is the Redemption Amount which unless otherwise provided in the Final terms of a Series, is the outstanding sum in respect of each Bond, together with applicable Coupon at the time of redemption.
- 3.5 Upon redemption, the obligations of the Issuer in respect of any such Bonds shall be discharged.

4. Purchase, Redemption and Cancellation of Bonds

4.1. *Purchase of Bonds*

The Issuer may at any time and from time to time purchase any part of the Bonds through the Recognised Securities Exchange on which the Bonds are listed, but not otherwise. All purchases and sales of Bonds may be made by way of Offer for Subscription, Private Treaties and/or Over the Counter.

4.2. *Cancellation*

4.2.1 All Bonds which are redeemed in accordance with the provisions of the Trust Deed shall be cancelled and such Bonds may not be reissued or resold to other Bondholders.

4.2.2 Prior to the Maturity Date, all Bonds so cancelled shall not be subject to any additional Coupon or other payment in respect of such cancellation.

4.2.3 All Bonds so cancelled shall thereafter be forwarded to the Issuer and the obligations of the Issuer in respect of any such Bonds shall be discharged. For so long as the rules of the Relevant Securities Exchange require, the Issuer shall promptly inform the Relevant Securities Exchange of the cancellation of any Bonds under this Condition 4.

4.3. *Re-issue*

Where the Issuer has redeemed, cancelled or repurchased any Bond(s) in accordance with this Condition 4 (*Purchase, Redemption and Cancellation of Bonds*), the Issuer shall not re-issue such Bond(s).

5. **Status of the Bonds**

5.1. *Status of Bonds*

The Bonds shall constitute direct, general, and irrevocable obligations of the Issuer. The payment obligations of the Issuer under the Bonds and in respect of principal and any interest on the Bonds shall at all times rank at least equally with all unsecured/secured obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally.

6. **Negative Pledge**

For as long as any of the Bonds are outstanding, the Issuer shall not, without the prior written consent of the Bond Trustees, directly or indirectly secure any other financial indebtedness or debt securities which are, or are capable of being, traded, noted or listed on any stock exchange or over-the-counter or similar securities market unless otherwise stated in the applicable Final Terms to a Series PROVIDED THAT where the Bond Trustees so consent, (such consent not to be unreasonably withheld), the Issuer shall at the same time as the creation of such indebtedness, grant to the Bond Trustees (for the benefit of the Bondholders), the same or equivalent security as is granted in relation to the indebtedness

7. **Coupon**

The Fixed Rate Bonds, Floating Rate Bonds and Indexed Linked Bonds of any Series will bear Coupon from (and including) the Coupon Payment Date (or the Coupon Commencement Date in respect of the first Coupon Period only) at the Coupon Rate and such Coupon will be payable in respect of each Coupon Period on the Coupon Payment Date(s) specified in the applicable Final Terms to a Series. The Coupon payable on the Bonds of any Series for a period other than a full Interest Period shall be determined in the manner specified in the Final Terms.

7.1. *Coupon on Fixed Rate Bonds*

Coupon on Fixed Rate Bonds (being Bonds that specify a predetermined Coupon Rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on such other dates as

may be indicated in the applicable Final Terms) shall be paid on the Coupon Payment Dates specified in the applicable Final Terms.

7.2. *Coupon on Floating Rate Bonds*

7.2.1. The Floating Rate Bonds (being those Bonds that specify that coupon is payable at a floating rate) shall bear Coupon on its principal amount on such basis as may be described in the Pricing Supplement or Series Trust Deed by reference to a specified floating rate benchmark plus a margin.

7.2.2. Coupon on the Floating Rate Bonds shall accrue from (and including) the Coupon Commencement Date and the Coupon payable from time to time in respect of each of the Floating Rate Bonds will be determined in the manner specified in the Final Terms.

7.3. *Coupon on Indexed Linked Bonds*

If the Indexed Coupon Bond provisions are specified in the Pricing Supplement as being applicable, the Coupon Rate(s) applicable to the Bonds for each Coupon Period will be determined in accordance with the manner specified in the Pricing Supplement.

7.4. *Zero Coupon Bonds*

Zero Coupon Bonds (being those Bonds that specify that no Coupons are payable) shall not bear Coupons on its Principal Amount, and no Coupons shall be payable by the Issuer in respect of such Zero-Coupon Bonds, other than in the case of default interest for late payment as prescribed in the applicable Pricing Supplement.

8. *Transmission*

8.1. In the case of the death of a Bondholder, the survivor(s) (where the deceased was a joint holder) and the Executor or Administrator of the deceased where he was a sole or only surviving holder shall be the only person(s) recognised by the Issuer as having any title to such Bond.

8.2. Any person becoming entitled to the Bonds in consequence of the death, bankruptcy, winding-up or dissolution of the Bondholder thereof may, upon producing such evidence that he has or is entitled to the capacity in respect of which he proposes to act under this Condition or of his title as the Bondholder shall think sufficient, be regarded as the Bondholder of such Bonds, or subject to the preceding Conditions as to transfer, may transfer the same.

9. *Method of Payment of Principal and Coupon*

9.1. Payment of the Principal and Coupon due on all or any part of the Bond will be credited to the Bank Account nominated for this purpose by the Bondholder (or in the case of joint registered Bondholders) by the joint Bondholders.

9.2. Whenever any part of the Bond is redeemed, a proportionate part of each holding of the Bond shall be repaid to the Bondholders.

9.3. The Bond Trustees shall give to the Bondholders a minimum of thirty (30) days and maximum of sixty (60) days' notice in writing of the time and mode for repayment of the Bonds to be redeemed and each such notice shall state the amount of the Bond for redemption.

9.4. At the time and place so fixed for redemption, each Bondholder shall, where applicable, deliver to the Bond Trustees evidence of title to the Bonds issued by the CSD in order that the same may be cancelled together with a receipt for the redemption moneys payable in respect of the Bonds, and upon such delivery, the Bond Trustees shall pay the Bondholder the amount payable to him in respect of such redemption, together with all accrued coupon.

- 9.5. If, on a Payment Date, any Bondholder whose Bonds are liable to be redeemed fails or refuses to accept payment of the redemption moneys payable in respect of the Bond, the money payable to such Bondholder shall be held in trust for such Bondholder by the Bond Trustees and Coupon on such Bonds shall cease to accrue as from the date fixed for redemption of the Bond and the Issuer shall subsequently be discharged from all obligations in connection with such Bonds. The Bond Trustees may place the money so paid to them (but shall not be bound to) on deposit at a Commercial Bank or invest the same in the purchase of securities for the time being authorised by law for the investment of Trust Funds, the Bond Trustees shall not be responsible for the safe custody of such money or for any interest on it, except such interest (if any) as the said money may earn whilst on deposit or invested, less any expenses incurred by the Bond Trustees.

10. Trusts

- 10.1. Except as required by law or as ordered by a court of competent jurisdiction, the Issuer will recognise the Bondholder of any Bond as the absolute owner of such Bond and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bond may be subject.
- 10.2. The receipt by a Bondholder for the time being of any Bond (or in the case of joint registered holders, the payment to the joint Bondholder whose name stands first in the Register) or the principal of such Bond or of any other money payable in respect of the Bond shall be good discharge of the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to such principal, interest or other money. No notice of any Trust whether express, implied or constructive shall (except as provided by statute or as required by a court of competent jurisdiction) be entered on the Register in respect of any Bond.

11. Freedom from Equities

Every Bondholder will be recognised by the Issuer as entitled to his Bond, free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Bond.

12. Transfer of Bonds

- 12.1. The Bonds shall be transferable in amounts or integral multiples of an amount specified in the Series Trust Deed.
- 12.2. Transfers of the Bonds shall be by an instrument in writing in the form approved by Issuer and the Bond Trustees.
- 12.3. The Bonds shall be transferred on the Recognised Securities Exchange in accordance with its rules.
- 12.4. Every instrument of transfer must be signed by or on behalf of the transferor or where the transferor is a corporation, properly executed according to its constitutional documents, and the transferor shall be deemed to remain the owner of the Bonds until the name of the transferee is entered in the Register.
- 12.5. Every instrument of transfer must be left for registration at the place where the Register is kept accompanied by such evidence as the Issuer may require to prove the title of the Transferor or his right to transfer the Bond and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.
- 12.6. The Issuer and the Registrar shall retain all instruments of transfer after registration.
- 12.7. Registration of any Bond transfer shall not be carried out within fifteen (15) days ending on the due date for any payment of principal or Coupon on that Bond.

13. Notices

13.1. *Notices to the Bondholders*

- 13.1.1 All Notices to the Bondholders will be valid if sent via email to the Bondholders at their respective email addresses provided to the Bond Trustees. Any Notice sent pursuant to this Sub-Clause shall be deemed to have been given on the second day after being so mailed.
- 13.1.2 Any Notice, or other communication to the Bondholders will be validly delivered to the Bondholders if given to the Bond Trustees hereunder by sending the same through the post in a prepaid letter addressed to the Bond Trustees at its registered offices in Nigeria or email.
- 13.1.3 Any Notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the Notice or document his name has been removed from the register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.
- 13.1.4 Any Notice shall be deemed to have been served on the 5th day following the day which the letter containing the Notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the Notice or the Notice itself was properly addressed, stamped and posted. Any Notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

13.2 *Notices from the Bondholders*

Notices to be given by any Bondholder shall be in writing and given by lodging the same, with the Bond Trustees.

14. Waiver of Right of Set-Off

Subject to Applicable Law, no Bondholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it, by the Issuer arising under or in connection with the Bonds and each Bondholder shall, by virtue of being the holder of any Bond, be deemed to have waived all such rights of such set-off, counterclaim or retention. Notwithstanding, the preceding sentence, if any of the rights and claims of any Bondholder are discharged by set-off, such a Bondholder will immediately pay an amount equal to the amount of such discharge to the Issuer, or if applicable, the liquidator or Bond Trustees or receiver in insolvency of the Issuer as the case may be, and until such time as payment is made, will hold a sum equal to such amount in trust for the Issuer or, if applicable, the liquidator or Bond Trustees or receiver.

15. Events of Default

- 15.1. If any of the Events of Default occur and is continuing, the Bond Trustees at their discretion shall, and if so requested in writing by Majority Bondholders or if so directed by an Extraordinary Resolution, give written Notice to the Issuer at its specified office that an Event of Default has occurred:

- 15.1.1 Non-Payment: default by the Issuer in the payment when due of any Redemption Amount in respect of the Bonds and the continuance of any such default for a period of ten (10) Business Days in the case of the Principal Amount or fourteen (14) Business Days in the case of Coupon after the relevant Coupon Payment Date. The Issuer shall not be in default, however, if during the said ten (10) or fourteen (14) Business Days period, the Issuer satisfies the Bond Trustees that such sums (Withheld Amounts) were not paid:
- 15.1.1.1 in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the Bond Trustees or the relevant Bondholder; or
 - 15.1.1.2 on account of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of fourteen (14) or ten (10) Business Days by independent legal advisers acceptable to the Bond Trustees.

Proof that, as regards any specified Bonds, the Issuer has made default in paying any amount due in respect of such Bonds shall (unless the contrary is proved) be prima facie evidence that the same default has been made as regards all other Bonds, in respect of which the relevant amount is due and payable.

- 15.2. Breach of Other Obligations: the Issuer does not perform or comply with any one or more of its other obligations under the Trust Deed which default has not been remedied for a period of thirty (30) days (or such longer period as the Bond Trustees may reasonably determine is not materially prejudicial to the interest of the Bondholders) 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 Bond Trustees (except where such default is not, in the reasonable opinion of the Bond Trustees after consultation with the Issuer, capable of being remedied, in which case no such notice as is mentioned above will be required).
- 15.3. 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 90 (ninety) 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 certified in writing by the Bond Trustees to be in their opinion materially prejudicial to the interests of the Bondholders;
- 15.4. Seizure/Compulsory Acquisition of Assets: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer;
- 15.5. Inability to Pay Debts: The Issuer stops or suspends payment of substantial part of its debts due to financial difficulties;
- 15.6. Cessation of Business: If the Issuer ceases to conduct all or substantially all of its business as it now conducts or changes all or substantially all of the nature of its business without the prior written consent of the Bond Trustees, or merges or consolidates with any other entity other than in compliance with the provisions of this Deed;
- 15.7. Insolvency: The appointment of a Liquidator (other than in respect of a solvent liquidation or reorganization), receiver, manager or other similar officer in respect of the Issuer, any of its assets;
- 15.8. Material Adverse Change: If a Material Adverse Change has occurred; and
- 15.9. Obligations Unenforceable: any of the Bonds or the Trust Deed is or becomes wholly or partly void, voidable or unenforceable, and which adversely affects the payment obligations of the Issuer.

16. Enforcement

At any time after the occurrence of an Event of Default which is continuing, the Bond Trustees may, in their discretion, institute proceedings and or take other actions against or in relation to the Issuer or any other person as they may think fit to enforce the obligations of the Issuer under the Bonds.

17. Proceeding Against the Issuer

Only the Bond Trustees may enforce the performance of the Issuer's obligations under this Deed. Subject to the provisions of CAMA, no Bondholder or a person claiming through a Bondholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the obligations under this Deed or any Series Trust Deed.

18. Taxation

All payments of principal, coupon and any other sum due in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Federal Republic of Nigeria or any political subdivision or any Authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to the Bondholders as a result thereof.

19. Prescription

Claims against the Issuer for payment in respect of the Bonds shall be time-barred and become void unless made within six (6) years from the appropriate Relevant Date in respect of the Principal Amount and the Coupon due on such Bonds.

20. Meetings of Bondholders

The rights and duties of the Bondholders in respect of attendance at meetings of Bond holders are set out in the Second Schedule (Provisions for Meetings of Bondholders). Decisions taken at Bondholders' meetings may only be exercised by the Bond Trustees in accordance with this Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Bond can only be amended with the consent of the Parties as that term is defined in this Trust Deed.

21. Governing Law and Dispute Resolution

21.1 This Deed and all rights and obligation arising therefrom shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

21.2 In the event of any dispute arising out of or under this Programme Trust Deed, the Parties shall within five (5) Business Days from the date the dispute arose, notify the SEC of the existence of the dispute.

21.3 Any dispute which cannot be mutually resolved by the Parties within ten (10) Business Days shall be referred to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, Cap A18, LFN, 2004. The Arbitral Tribunal shall consist of three (3) Arbitrators. The Issuer and the Bond Trustees shall each appoint one (1) Arbitrator within five (5) Business Days of the referral of the dispute to arbitration. The two (2) Arbitrators so appointed shall appoint the third Arbitrator within five (5) Business Days of the request to appoint the third arbitrator. PROVIDED THAT if either Party is unable each appoint it own Arbitrator or the first two (2) Arbitrators are unable to agree on a third arbitrator within two (2) weeks of the appointment of the second arbitrator, then such Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria)

Branch) on the application of any Party and when appointed, the third Arbitrator shall convene an Arbitrators' Meeting and act as Chairman of the same. The Arbitrators shall also have a maximum period of twenty-five (25) Business Days to resolve the dispute after the submission of final addresses by the Parties.

21.4 The seat of arbitration shall be Lagos, and the language of arbitration shall be English.

10. TAX CONSIDERATION

Please note that this information about the tax-exempt status of Bonds and income accruing there from is meant to serve only as a guide and should not be considered as or deemed to be tax advice which can be acted upon by an investor. Investors are advised to seek specific tax advice regarding investment in the Bonds from their professional tax advisers.

Under the provisions of the Companies Income Tax Act Cap. C21 LFN 2004 (as amended by the Finance Act 2020) ("CITA"), income accruing in, derived from, brought into, or received that are not subject to tax under the Capital Gains Tax Act, Petroleum Profits Tax Act and Personal Income Tax Act, in respect of dividends, interest, royalties, discounts, charges or annuities is subject to tax. Where an interest becomes due from the issuer to a bondholder, the issuer is required at the date when payment is made or credited, whichever occurs first, to deduct 10% withholding tax and remit the amount deducted to the appropriate tax authorities. However, where the holder of the bonds is a foreign company or person who is resident in a country with which Nigeria has a double taxation treaty (which has been ratified by the Nigerian National Assembly), the issuer is required to deduct 7.5% withholding tax on the interest payment and remit the amount deducted to the appropriate tax authorities. For a non-resident bondholder and persons subject to income tax under the Personal Income Tax Act Cap. P8 LFN 2004 (as amended by the Finance Act 2020) (PITA) such as an individual bondholder, the withholding tax when paid over to the appropriate tax authorities, shall be the final tax due on the interest payment.

However, pursuant to the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011 ("CIT Order") and the PITA, income and interest earned by holders of bonds issued by corporate bodies is exempt from income tax under the CITA and PITA, respectively. The CIT Order became effective on January 2, 2012 and are valid for a period of ten years from that date while the exemption contained in the PITA is not time bound. Accordingly, the Issuer would not be required to deduct tax on interest payments made to Bondholders that are non-resident companies or Nigerian companies (during the subsistence of the CIT Order) or to individual Bondholders under PITA.

Similarly, under the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 ("**VAT Order**") proceeds from the disposal of the bonds are exempt from VAT. However, the VAT Order expires on January 02, 2022. Consequently, the proceeds derived from the sale of the Bonds will be subject to VAT at the rate of 7.5% after expiration of the VAT Order, unless a new Order with the same effect is put in place.

Further, pursuant to the Capital Gains Tax Act, Chapter C1 LFN 2004 (as amended by the Finance Act 2020) ("**CGT Act**") capital gains of 10% is imposed on the gains derived from the disposition of chargeable assets. The CGT Act defines chargeable assets to include options, debts and incorporeal property.

Furthermore, the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 2014 exempted the imposition of VAT on (a) commissions earned on traded value of the shares, and (b) commissions payable to the SEC, the NSE and the CSD for a period of five (5) years from the commencement date of the order - 25th July 2014. In light of the fact that this Order expired in 2019 and was not extended, VAT will be required to be paid on commissions payable to the SEC, NSE and Depository, in respect of the Bonds.

11. MACRO-ECONOMIC OVERVIEW OF NIGERIA

Introduction

The Federal Republic of Nigeria (“Nigeria” or the “Country”) is located in the West African Sub region of Africa occupying a land area of c.923.777 square kilometres. With an estimated population of over 195 million people, Nigeria is the most populous country in Africa and ranks 7th in the world. The country’s population is forecast to grow at an average of 2.75% annually with its total population expected to reach 230 million by 2025. The NBS estimates a labour force of 89.51 million with an average life expectancy of 55 years, according to the United Nations Population Fund (UNFPA).

Political Overview

Nigeria became an internationally recognised independent nation in 1960, after a period of colonialism under the British government which spanned about a century beginning with the formal annexation of Lagos in 1861. In October 1963, it became a Federal Republic and in May 1999 returned to democratic rule after thirty-three years of primarily military rule. For four years, between 1979 and 1983, democracy surfaced briefly under the civilian government led by Alhaji Shehu Shagari, until it was ended by a military coup. Chief Olusegun Obasanjo became the first democratically elected President on the platform of the People’s Democratic Party (“PDP”). After serving the constitutionally permitted two terms in office, Chief Olusegun Obasanjo handed over power to Alhaji Umaru Musa Yar’Adua on 29th May, 2007. However, President Yar’Adua’s tenure was short lived due to his demise on 5th May, 2010; following which Dr Goodluck Ebele Jonathan (“GEJ”) was sworn in as President on 6th May, 2010. GEJ contested and won the 2011 presidential election.

The most recent presidential election was held on 23rd February, 2019 and saw the re-election of the incumbent, President Muhammadu Buhari, under the platform of the All Progressives Congress (“APC”) thereby ensuring continuity in governance for the country and enabling the administration of President Buhari build on policies enacted in his first term. The election was marred by sporadic reports of violence with election observers describing the polls as overcome with logistical shortcomings as the election was postponed by one-week despite being the most expensive elections held in Nigeria with the budget presented to the national assembly putting the cost at ₦242 billion. The main challenger, Atiku Abubakar of the PDP contested the results of the election which the Supreme Court upheld.

Beginning in 1963, Nigeria has had four different republics and each republic came with its own constitution. Nigeria is currently running its fourth republic which was inaugurated in May 1999. The present constitution provides for a tripartite structure in which power is divided among the executive, legislative and judicial arms of government to entrench the concept of the separation of powers. It establishes the (a) office of the President, who is Commander-in-Chief of the Armed Forces and it sets out the powers and functions of the President (executive); (b) National Assembly (legislative) with its powers and functions; and (c) judicial system (judiciary) with its powers and functions. The Constitution also prescribes the qualifications and requirements which individuals must possess to hold any of the offices created by the Constitution.

Economic Overview

On the heels of the worst downturn in recent history in 2020, owing to the COVID-19 pandemic and the oil price shock, the Nigerian economy is seen experiencing growth in 2021 as demand domestically and abroad recover. However, the outlook remains fragile, clouded by uncertainty regarding the oil price trajectory, rising inflation, elevated unemployment, security challenges and social tensions.

The table below provides a summary of Nigeria’s key economic indicators:

Economic indicators	2015	2016	2017	2018	2019	2020
Nominal GDP (US\$, bn)	495	405	376	397	400	283*
Real GDP growth (YoY ¹ , %)	2.79	-1.58	0.82	1.91	2.27	-3.62
Population (million)	181	186	191	196	201	206 ³
Inflation (YoY ¹ average)	9.01	15.70	16.50	12.10	11.40	13.21
Oil production (thousands bpd ²)	2,119	1,831	1,890	1,922	2,028	1,670 ³
Exchange rate (USD/NGN), average	227	381	398	362	361	380

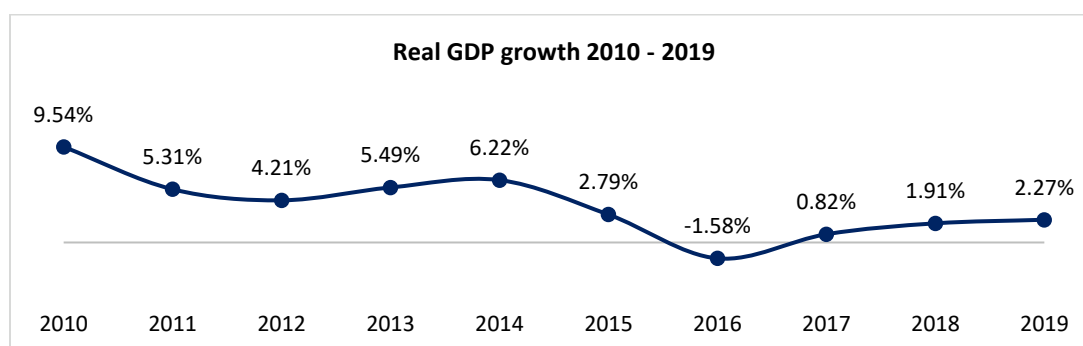
Sources: Central Bank of Nigeria (CBN), Nigeria Bureau of Statistics (NBS), International Monetary Fund (IMF), World Bank, Bloomberg, Nigeria National Petroleum Corporation (NNPC)

Notes

1. YoY – Year on Year
2. bpd – barrels per day
3. Figures are based on estimates across the respective indicators

*As at September 2020

Gross Domestic Product (GDP)



Following the 2008-2009 global financial crisis, the economy sustained a strong growth path since the early part of the last decade (2010 – 2014) driven by a booming crude oil price and domestic production of crude oil on which the economy is highly dependent.

Between 2010 and 2014, Nigeria’s GDP grew at an average rate of 6.14%. Following the oil price collapse in 2014-2016, combined with militant attacks on oil and gas infrastructure in the Niger Delta region, detrimental economic policies, including foreign exchange restrictions, the GDP growth rate dropped to 2.79% in 2015. In 2016 during its first recession in 25 years, the economy contracted by 1.58%.

GDP growth turned positive in 2017 as oil prices recovered and output stabilized. Economic recovery through 2018 and 2019 has been supported by growth in oil exports and the positive impact of increased foreign exchange liquidity on the non-oil sector. In addition, growth has also been buoyed by the development and implementation of the Economic Recovery and Growth Plan (ERGP) which has focused on economic diversification, infrastructure development, amongst others, which are expected to drive more robust growth and sustainable near-term growth. According to the NBS, each quarter in 2019 grew by at least 2.00% compared to corresponding quarters in 2018. This culminated in a 2.27% GDP growth in 2019, representing the highest economic growth recorded since 2015.

The rapid spread of COVID-19 clearly altered the global economic outlook for 2020. The pandemic catalysed shutdown across economies with knock-on effects that negatively distorted global trade and mobility. This risk was further accentuated by the oil price war stoked by the failed OPEC resolution on oil production cuts. The domestic economy was not immune to the impact of deteriorating global macros and collapse of major commodity prices.

Nigeria's economy officially slid into a recession after a second negative performance in Q3 2020 largely due to the lingering impact of the pandemic on oil price and international trade

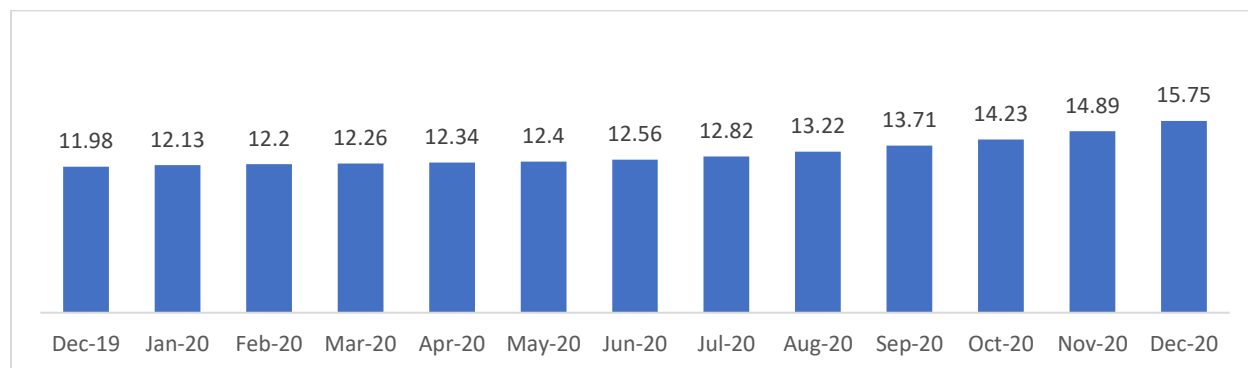
In 2021, we expect to see slowdown in the country's growth on drawback in both oil and non-oil GDP components. Outlook for oil production was hit by the twin effects of depressed oil prices and significant plunge in global oil demand. Nevertheless, we believe the domestic business environment is better equipped to combat these external shocks compared to the 2016 oil price crash due to increased banks risk framework, greater local supply chains and backward integration as well as lower foreign obligations. A couple of fiscal reforms and policies passed in early 2020 are expected to improve the 2021 economic environment as well as provide support for Federal Government revenues such as VAT increment to 7.5%, amendment of royalty payment structure in Deep Offshore and Inland Basin Production Sharing Contract and improved border regulation.

Inflation

The Consumer Price Index (CPI), which tracks inflation in the country, increased by 15.75% (YoY) in December 2020, 0.86% higher than the rate recorded in November 2020 (14.89%) and the highest rate recorded in 33 months since March 2018 when headline inflation was 13.71%. On a month-on-month basis, the headline index increased by 1.61%, little-changed from a 1.60% increase in the prior month.

The non-food index stood at 11.37% in December 2020, 0.32% higher than the rate recorded in November 2020. The highest increases were recorded in prices of passenger transport by air, hospital services, medical services, pharmaceutical products, maintenance and repair of personal transport equipment, vehicle spare parts, motor cars, passenger transport by road, miscellaneous services relating to the dwelling, repair of furniture and paramedical services. Furthermore, it is worthy of note that as the imported food inflation increased on a Year-to-date basis, overall food inflation increased thus suggesting that food price pressures stem from merchants sourcing FX. The uptick in imported food inflation may also reflect the impact of a weaker naira on the parallel market.

Overall, inflationary pressures are expected to increase in 2021 as the IMF expects inflation to off the plunge in oil prices and the economic impact of COVID-19 on Nigeria's economy.



Source: *Nigeria Bureau of Statistics (NBS)*

Interest Rates

Nigeria's monetary policy is carried out by the Central Bank of Nigeria through its Monetary Policy Committee (MPC). The committee is responsible for managing the country's inflation rate by controlling money supply. The MPC achieves its objectives by modifying benchmark interest rates (such as the Monetary Policy Rate (MPR)), conducting money market operations and changing banks' reserve requirements.

Monetary policy has been somewhat consistent over the last few years with MPR kept constant at 14% for the period of 2017-2018 until it was reduced to 13.5% at the start of 2019. As part of its effort to control money supply, ease liquidity in the financial sector especially following the implementation of the loan to deposit ratio (LDR) for commercial banks and generally spur lending activities to the real sector, the MPC at its January 2020 meeting decided to maintain the monetary policy rate (MPR) of 13.5% adjust the corridor around the MPR to +200 basis points (bps) / -500bps from ± 200 bps and increase the cash reserve requirement (CRR) to 22.5% from 27.5%.

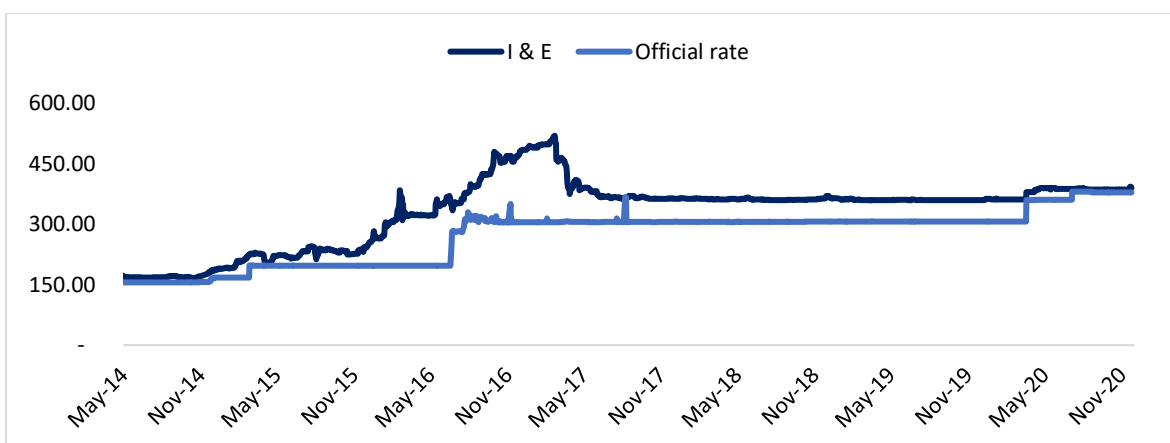
However, against the backdrop of rising inflation and declining foreign currency reserves, at its second Monetary Policy Committee (MPC) meeting of 2019 held on the 22nd of March, the CBN opted to tighten money supply by reducing the MPR from 13.5% to 12.5%. In addition, the Asymmetric Corridor for Standing Lending and Deposit Facilities were retained at -500 basis points to +200 and -500 basis points. The Cash Reserve Ratio was also kept at 27.5%.

At the MPC meeting held in September 2020, the CBN held the MPR from 12.5% to 11.5% with the Cash Reserve Ratio and Liquidity Ratio kept constant at 27.5% and 30% respectively in addition to the Asymmetric Corridor which was adjusted from +200/-500 to +100/-700 basis points around the MPR.

All rates were kept constant at the latest MPC meeting in January 2021.

Foreign Exchange

Nigeria's exchange rate relative to the US dollar has historically been very sensitive to fluctuations in the price of crude oil. Increasing crude oil prices in the past resulted in current account surpluses and the appreciation of the naira. Following significant decline in oil prices in 2014, pressure on the Naira increased, causing the CBN to adopt a number of defensive/corrective strategies such as devaluation of the Naira, in order to maintain the country's foreign reserves.



Up until the month of March 2020, Nigeria operated a fixed exchange rate regime with the naira fixed at ₦305/US\$. Following increased pressure on the naira resulting from reduced Federal Government FX earnings and declining FX reserves, the CBN began a series of unification of exchange rates which resulted in the adjustment in the value of the Naira currency from ₦305/US\$ to ₦360/US\$ by March 2020. However, the currency still trades at c. ₦470 on the parallel market.

To shore up its foreign exchange reserves, which sat at US\$36 billion as at June 2020, the CBN limited its supply of foreign exchange into the interbank market and imposed several foreign exchange allocation/utilization rules. Furthermore, the CBN retained the restriction on foreign exchange access to 41 import products, with the CBN recently adding maize to the list of items not qualified for FX in July 2020. In July 2020, the NGN/US\$ rate was adjusted from c. ₦360 to c. ₦385 at the Secondary Market Intervention Sales (SMIS), this was following the approval

of a US\$3.4 billion financial instrument intervention by the IMF to help cope with the economic impacts of the COVID-19 pandemic, the lowered demand in oil and the corresponding decline in global oil prices.

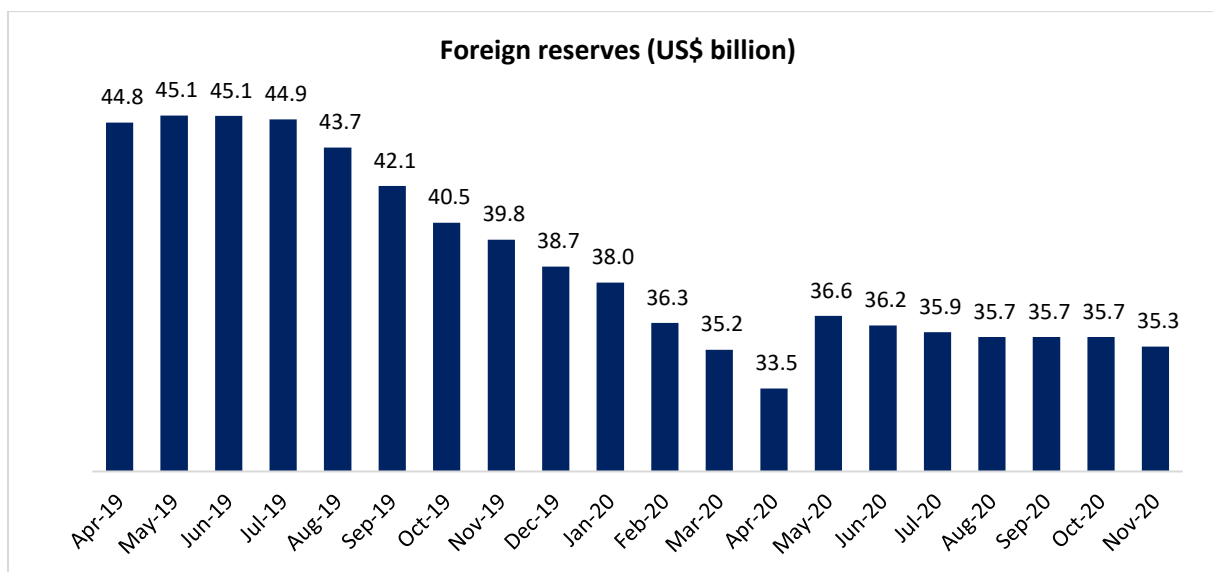
According to the most recent data available, the CBN’s foreign exchange reserve currently stood at c.US\$35.7 billion. This figure represents a decline of US\$9.4 billion from the 2019 year high of US\$45.1 billion recorded in May 2019, owing to the interventions and aggressive measures taken to improve liquidity at the interbank market and narrow the gap between the various market segments. In March 2020, the CBN moved the official rate from ₦305 to ₦360 in an initial adjustment to unify Nigeria’s multiple exchange rates. Subsequently in July 2020, the CBN adjusted the value of the Naira from ₦360 to ₦380 at the Secondary Market Intervention Sales (SMIS), this was following the approval of a US\$3.4bn rapid financial instrument intervention by the IMF to help cope with the economic impacts of the COVID-19 pandemic.

The CBN is expected to continue to favour maintaining the value of the local currency within a narrow band, with weekly intervention through the wholesale secondary market intervention sales (SMIS) and the small & medium enterprise (SMEs) and autonomous windows.

The outlook for the Naira remains bleak at best, as the CBN navigates around the potential adverse impact of lengthy regime of depressed crude oil prices. The pace and efficiency of the pandemic containment remains the major driver of the Naira outlook in 2021.

Foreign Reserves

As shown below, Nigeria’s foreign reserves dropped by US\$2.6billion from US\$38.0billion recorded at the beginning of 2020 to US\$35.4billion in December 2020.



Historically, Nigeria’s foreign reserves is pegged against crude oil earnings and inflow of foreign investments. Hence, movement in the foreign reserves is largely as a result of corresponding changes in value of oil traded (which is largely dependent on oil price) and changes in foreign investments.

The foreign reserves declined by c.US\$766.1 million between January and March 2019 corresponding to an average oil price of US\$63.64 per barrel within the same period. However, for the next four months between April and June, the reserves recorded an upward trend reaching a peak of c.US\$45.1 billion corresponding to an average oil price of

US\$68.69 per barrel (with a peak price of US\$74.96 per barrel) within the same period. The upward trend in Q2-2019 was also supported by strong portfolio investment flows within the period.

From July to December 2019, the foreign reserves kept a downward trend eventually crossing the US\$40 billion mark in late November 2019 for the first time in almost two years. Within the same period global oil price experienced significant fluctuations with average oil price hovering around US\$62.30 (with a trough price of US\$56.66 per barrel). In addition, the continuous CBN interventions in the foreign exchange market to ensure exchange rate and price stability also contributed to this decline.

The foreign reserves have continued to decline in 2020 largely driven by the twin effects of depressed oil prices and significant plunge in foreign direct investments. Despite the aforementioned, the CBN continues to support liquidity in the foreign exchange market. As at December 2020, foreign reserves stood at US\$35.4billion.

Foreign Direct Investments

Foreign investments into Nigeria is categorized into three according to the NBS namely Foreign Portfolio Investments (FPI), Foreign Direct Investments (FDI) and Other Investments with the FPI consistently accounting for a larger share of foreign investments. The country recorded a drastic decline in FDI from its position as one of the top five host economies in Africa for FDI inflows with a value of US\$2.28 billion in 2014 to a low of US\$0.98 billion in 2017. The decline was as a result of the prolonged insecurity issues, widening infrastructural deficit, weak legal framework and bureaucratic hassles which dampened long term investment appetite.

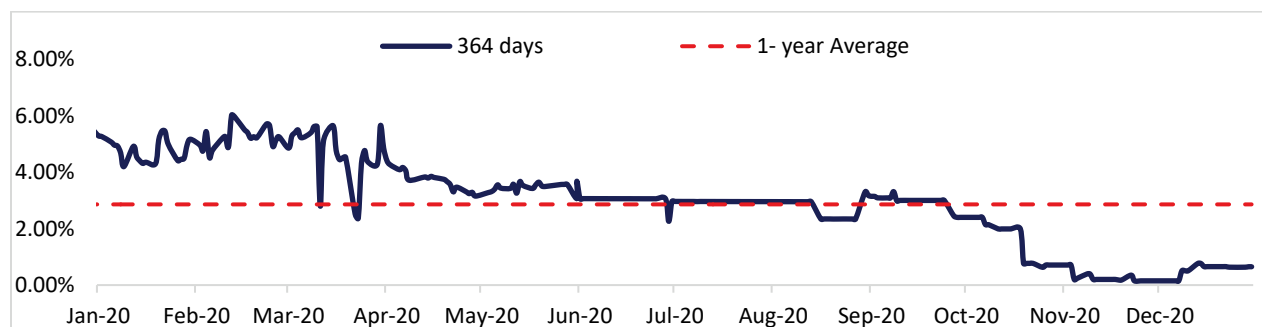
The narrative however changed in 2018 as the FDI experienced an upturn with an estimated value of US\$1.19 billion with corresponding improvements in FPI to US\$11.80 billion (highest values since 2016). At the end of 2019, FDI was estimated as US\$0.93 billion with FPI being US\$16.37 billion. As at September 2020, Nigeria had attracted \$1.59billion in FDI

Since the lockdowns and the crash in oil prices, Nigeria has attracted fewer foreign portfolio investments – going from US\$4.3billion in the first quarter to US\$385million and US\$407million in the second and third quarter of 2020 respectively

Fixed Income Market

In 2020, activities in the fixed income market were driven by the lower interest environment which was largely due to policy stance of central banks of the developed markets, the oil market and the CBN Open Market Operations (OMO) policy.

Below is a chart of treasury bills rates in 2020:



In Q1-2019, the initial hawkish position of the US Federal Reserves (the “Fed”) deprived the market of significant FPI inflows largely till a period the Fed signalled a halt. Uncertainties surrounding the 2019 general elections further spiked funding rates. However, the success of the general elections and impressive performance of the oil market in Q2-2019 helped to contain further hikes in rates.

However, in October 2019, the CBN announced the exclusion of non-bank locals (individuals and corporates) from participation in OMO auction at both primary and secondary markets. This led to a drastic reduction in rates to single digits.

This further declined in 2020 as the restriction of non-bank locals from the OMO auction persisted, further cut the Monetary Policy Rate (MPR) rates by 100 bps to 11.5% in September 2020 and the increase in Loan to Deposit Ratios (LDRs) for the Commercial Banks to 65%. These initiatives have created excess liquidity in the economic system thereby forcing lending rates low to stimulate real sector lending and the expectation is that the FGN will continue to utilize monetary and fiscal instruments to keep lending rates low in line with its plan to stimulate more real sector lending and reduce the cost of government borrowings.

The CBN's policy will likely remain pro-growth in the short term, despite rising inflation expectations and increased FX shortages. Over the medium term however, the CBN would likely reprice interest rates to a more fundamentally sustainable level

Credit Rating

Moody's Investors Service revised its credit rating on Nigeria from B2 with a stable outlook to B2 with a negative outlook in December 2019, citing further decline in already weak government finances given a narrow revenue base and persistently sluggish growth that hinders fiscal consolidation. Similarly, Fitch Ratings downgraded Nigeria's credit rating from B+ with a stable outlook to B+ with a negative outlook.

S&P 500 in its latest credit review of hydrocarbon exporting countries in March 2020 downgraded Nigeria's credit rating from B+ to B- on the significant contraction in crude oil prices and crude oil demand.

Nigeria Policy Overview in 2020: Bold Steps and Reforms

As a fallout of the public health and economic crisis created by the coronavirus pandemic, policy reforms in Nigeria have been bold. Notably, the Nigerian authorities have had to implement sweeping policy reforms to adjust to the new reality.

With the sudden plunge in crude oil prices (down 56.0% YTD), which contributes above 80.0% and 50.0% to Nigeria's export and FG's earnings, respectively, the CBN weakened its official exchange rate (for the first time since mid-2016) by 15.0% (from N307.0/\$ to N360.0/\$) and commenced a convergence of its various foreign exchange (FX) windows.

Notably, in April-2020, the IMF approved Nigeria's request for emergency financial assistance, and disbursed SDR2.45bn (\$3.4bn, 100% of quota) under the Rapid Financing Instrument (RFI), to support the economy against Covid-19 shock. It is worth noting that the \$3.4bn RFI is the country's first lending arrangement with the IMF since becoming a member in 1961 and the largest emergency financing provided by the IMF to any country since the Covid-19 pandemic. However, to further access an additional World Bank facility, the CBN further devalued the naira from N361/\$ to N379/\$-N390/\$. By Dec-2020, the World Bank approved a US\$1.5bn facility to help bolster Nigeria's recovery effort post Covid-19 based from erstwhile graduated rates to a uniform scale for deep offshore PSCs. The new policy effectively reduces royalty payment for offshore players with 200m-500m depth, while increasing that of players exploring greater depths (a terrain in which major IOCs play). This is expected to contribute significantly to fiscal revenue in 2020.

Electricity tariff review set to arrest liquidity crunch

Additionally, the Ministry of Power implemented the long-awaited cost-reflective power tariff while working with the German government and Siemens AG to overhaul Nigeria's power generation, transmission, and distribution infrastructure, under the 3-phase Presidential Power Initiative (PPI).

Specifically, the President kicked off the implementation of the phase 1 part of the deal as he directed the power and finance ministers to commence the pre-engineering and concessionary financing aspects of the project.

12. OVERVIEW OF THE NIGERIAN PHARMACEUTICAL SECTOR

Nigeria's dominant position in Africa as the most populous and with one of the largest and fastest growing economies in Africa, coupled with its high incidence of diseases makes the country a vibrant pharmaceutical market. The National Bureau of Statistics puts Nigeria's official population at 200 million with an average annual growth rate of 4% p.a. emphasising the country's high demand for adequate and efficient health care at all levels.

Emerging Opportunities

The pharmaceutical industry in Nigeria has a huge potential for growth. The ever-increasing demand for drugs and medical care will continue to remain an advantage to domestic producers as well as an opportunity for growth and development of the critical sector. The federal government has shown its commitment towards making the sector self-sufficient as well as improving the overall standard and quality of its products and service delivery thereby making the constituent companies able to compete internationally.

The government's commitment was demonstrated through the reenergizing of the National Agency for Food and Drug Administration (NAFDAC). NAFDAC has made concerted efforts at stemming the prevalence of counterfeit and substandard drugs, recording huge successes in the process. This strategy has also helped reduce the level of corruption within the system and improved the overall quality of its product delivery. NAFDAC has been regarded as one of the most effective and influential government agencies since

Nigeria, which is one of the more developed, African-Anglophone pharmaceutical markets is projected to grow at a CAGR of 9% up to 2030. 44% of the market constitutes over-the-counter (OTC) medicines, 38% are generic medicines while the remainder are patented medicines. Import restrictions on certain drugs and increased import duties on finished pharmaceutical products are driving the growth in capacity utilization of local drug manufacturers; this could potentially set the country on the path to self-sufficiency in pharmaceutical products.

Aggressive campaigns by "NAFDAC" are positively impacting the reduction of counterfeit drugs trade in Nigeria. Some of the laudable efforts by these regulatory bodies to standardize the pharmaceutical industry include:

- Collaboration with National Health Insurance Scheme ("NHIS") to combat drugs counterfeiting and the illegal sale of prescription drugs; and
- Launch of a Mobile Authentication Service ("MAS") to check the authenticity of pharmaceutical products purchased

The outlook for the industry is favourable as the focus on disease awareness, prevention and treatment by the government, coupled with a rapidly growing population is expected to increase the demand for medicines across the country. Low-cost generic and OTC medicines are expected to drive overall market growth as demand patterns are framed by a cost-conscious government and a low-income population.

Competitive Landscape

- There are eleven pharmaceutical and biotech companies listed on the NSE; some of the leading quoted manufacturers include Fidson, GlaxoSmithKline Nigeria, Neimeth International Pharmaceuticals and May and Baker
- The multinational companies operate within the sector largely through partnerships, joint ventures or affiliations with local players or via direct imports
- The current strategy of local players border around the production of generic drugs given that low cost remains integral to success in a market dominated by low purchasing power
- The government in its effort to boost local manufacturing of generic drugs, has placed a ban on importation of Paracetamol, Folic Acid, Vitamin B Complex, Multivitamin Tablets, Aspirin, ointments, and intravenous fluids (as contained in the import prohibition list) amongst others

- In collaboration with NAFDAC, the World Health Organisation (“WHO”) is continually working towards raising the standards of locally produced medicines and supporting Nigerian drug makers in their pursuit of WHO prequalification status
- The sector in Nigeria has also witnessed a few completed and proposed acquisitions of local players by international manufacturers looking to tap into Nigeria’s growing drug market

13. DESCRIPTION OF FIDSON HEALTHCARE PLC

13.1 History and Overview

Fidson was incorporated in 1995 and commenced operations as a local drug distributor. The Company has since evolved into manufacturing and marketing of its branded pharmaceutical products. The Company is also publicly listed on the NSE. The Company currently sells over 150 unique drug products and formulations across different therapeutic classes and pharmacological segments and has a strong distribution infrastructure with wide geographical spread across Nigeria.

Fidson made the transition into production in 2002 and commissioned its first manufacturing plant in the same year; the Company subsequently increased its production capacity with the acquisition of a new factory in 2007. In 2016, Fidson commissioned its WHO compliant, ultra-modern facility with high-tech machinery for manufacturing pharmaceutical products and built in compliance with global standards. Fidson has also continuously maintained its high standards of processing and operations as evidenced by its long-standing NIS:ISO 9001:2008 certification.

On a financial note, Fidson's revenue has been relatively stable in recent operating periods, with a CAGR of about 14.4% from FY 15 – FY 19, while EBITDA attained a CAGR of 12.9% in the same period.

A steep decline in oil prices and the subsequent devaluation of the Nigerian naira created a challenging operating environment which led to decline in sales in FY 16 as manufacturers struggled to obtain adequate foreign exchange to import raw materials due to the dollar scarcity in Nigeria at the time.

Notwithstanding, Fidson saw an enormous uptick in performance in FY 17 which was on the back of a growing revenue base driven by increased capacity from the new plant and a more favourable operating environment as Nigeria recovered from its FY 16 economic slump.

The impact of the 2019 General Elections in Nigeria drove a decline in revenue (-13.4%) for the year ended 31 December 2019. The reduction in turnover was also driven by the company's attempt to manage sales to government institutions, heightened control over, and reduction of current trade receivables. Sales orders from customers with debts above the credit days were not attended to in order to bring the receivables down and this in turn affected the turnover. Despite the reduction in turnover, operating profit increased because of improvement in cost of sales and savings in operating expenses driven by several cost optimization initiatives across all segments of the business. The Company intends to continue in this direction into the future.

On a positive note, the COVID-19 pandemic is providing opportunities to explore development of new products for treating infectious diseases. The pandemic has also compelled the government to prioritize the healthcare sector, with the pharmaceutical industry set to benefit from these policy changes. Growing demand for Fidson's existing products are expected to drive top line growth in the near and medium term.

Fidson also expects an increase in its operational and financial efficiency in the years ahead. This will be largely driven by an optimal operating cost structure and a significant decline in financing costs as the Company pays down expensive debt and operates a more efficient working capital cycle.

13.2 Principal activities

The principal activities of the Company continue to be the manufacture and distribution of pharmaceutical products which include drugs, infusion and injectables.

13.3 Product Offerings

	<p>Arthemed Tablet is an orally active Artemisinin-Based Combination Therapy (ACT) medication for the treatment of acute, uncomplicated malaria. It contains Arthemeter and Lumefantrine in a twice daily (12 hourly) dosage regimen.</p>
	<p>Arthocare Forte is specially formulated with Chondroitin, Glucosamine, MSM as major ingredients. The product is used in the management of mild to moderate osteoarthritis, relief of pain and regeneration of articular cartilage.</p>
	<p>Astymin is one of Fidson's most notable products and a unique combination of essential amino-acids and multivitamins formulated with nutrients that improve energy metabolism, accelerate physical and mental growth, improve the body's immune systems and quicken recovery from sickness. Astymin is available in liquid, capsules, drops. It is also available as an amino acid infusion (Astymin SN) for the critically ill.</p>
	<p>Avipol[®] is a brand of Paracetamol paediatric suspension. It is pleasantly flavoured and alcohol-free. It is used as an antipyretic (to relieve feverish conditions) as well as an analgesic agent. Avipol suspension is indicated for the relief of headaches, aches and pains in children.</p>
	<p>Ciprotab is one of our flagship brands and a market leader among quinolone antibiotics in Nigeria. A premium brand of Ciprofloxacin, Ciprotab is highly differentiated in the market as the only brand of Ciprofloxacin tablet enrobed in soft gelatin. It is presented in several SKUs, including CIPROTAB-TN (a combination of Ciprofloxacin and Tinidazole).</p>
	<p>Cestra is a range of premium nutritional and probiotic supplements that provide health benefits including the prevention and treatment of diseases. Cestra comes in unique variants: Cestra 50 Plus Once A Day, Cestra Multi-nutrient Once A Day, Cestra Omega 3 & 6, Cestra Pre Natal Once a Day and Cestra ProBiotix</p>
	<p>Ferobin is a complete everyday blood builder, which is used for the treatment and prevention of anaemia in pregnancy, folic acid deficiency, poor nutritional status and other conditions where there is a need for rapid restoration of haemoglobin level. It comes as Ferobin Syrup, Ferobin Plus Syrup and Ferobin capsules.</p>
	<p>Gascol is a range of pleasantly flavoured antacid (Suspension and chewable tablets) for quick and effective relief from acid-induced pain (due to ulcer of the stomach and duodenum), indigestion, flatulence and heartburn. Gascol suspension has a gel-like consistency and is currently available in four (4) flavours: Gascol Classic, Gascol Strawberry, Gascol Banana and Gascol Sugar-free.</p>

	<p>Meprasil (capsules and Injection) is a brand of Omeprazole, a proton pump inhibitor (PPI) used for the management of peptic and duodenal ulcer diseases and other acid-related disorders. Meprasil's unique features include its quick onset, reliable acid control and convenient dosage regimen. Meprasil capsules is the first PPI to be locally produced in Nigeria, making it the flagship brand of Omeprazole in the market.</p>
	<p>Pladox[®] is a brand of Clopidogrel, an orally active antiplatelet agent (blood thinner) used in the management of cardiovascular conditions. It prevents platelets from clumping together and forming blood clots, thus playing a critically important role in the prevention of heart attack, ischemic stroke and peripheral vascular disease.</p>
	<p>Emal is a brand of α/b - arteether used for the curative treatment of severe malaria, including cerebral malaria in adults and children. Its convenient dosage of one injection (150mg/2ml) per day for 3 days and excellent efficacy profile make the product a favourite among clinicians for the treatment of malaria in the tropics</p>
	<p>Tribotan is a topical preparation with effective antifungal and anti-itching properties. Tribotan comes in two variants: Triboban Baby cream (for itchy skin and nappy rash in babies) and Tribotan Adult cream (for itchy skin, jock itch, fungal infections and itchy conditions under the breast, armpit and rubbing thighs).</p>
	<p>Tuxil is a range of cough syrups for adults and children. It is an effective remedy for symptoms of cough and congestion, runny nose and sneezing associated with hay fever and allergies. The unique ingredients in Tuxil quickly dry up secretions in the nose and chest, relieving congestion and making breathing easier. It comes as Tuxil D (Children and Adult), Tuxil N (Children and Adult), Tuxil Runny Nose and Catarrh, Tuxil 4 and Tuxil C. For every type of cough, there is a Tuxil that is specially made to provide fast and effective relief for children and adults.</p>

STRENGTHS

- A. Attractive Industry Dynamics:** Growing prevalence of diseases amongst Nigeria's large and increasingly urbanized population creates a growing domestic demand for pharmaceutical products.
- I. Strong future growth potential**
 - Growing population with increasing health consciousness.
 - Emergence of a growing, urbanized middle class.
 - Implementation of the National Health Act will make Nigeria a more attractive market for drug makers due to increased transparency for sector funding and policies.
 - Growth in local drug manufacturing further enabled by recent increase in import duties on finished pharmaceutical products.
 - II. Regional integration**
 - Regulatory harmonization (in progress) through the West African Drug Regulatory Authorities Network (WADRAN) will increase trade within the West African sub region.

- Trade incentives for pharmaceuticals introduced by the Economic Community of West African States (ECOWAS) to promote the movement of pharmaceuticals within the sub-region. This also opens up opportunities to earn foreign exchange on exports.

III. Disease Epidemiology

- Traditional ailments (like malaria) remain a major concern in children and pregnant women, highlighted as a leading cause of death in children under 5 years.
- Lifestyle changes causing Nigerians to be more susceptible to lifestyle diseases and more chronic conditions thus creating treatment opportunities in the industry.
- Efforts by various donor organizations and government programmes to prevent the scourge of diseases presents an increasing demand for drugs and medical care.

IV. Consolidation in the Industry

- Highly fragmented industry with over 130 manufacturers and many more importers of finished products.
- Smaller players will be acquired by bigger players with better bargaining power thus providing opportunities for Mergers & Acquisitions in the industry.
- Fidson is the ideal platform to consolidate a growing but fragmented industry.

V. Regulatory Environment

- NAFDAC has made concerted efforts at stemming the prevalence of counterfeit and substandard drugs which has dropped from 19.6% in 2012 to 3.6% in 2015.
- Increased support from the regulatory agencies for the local pharmaceutical manufacturing industry as the government continues to designate and prioritize medicines as an issue of National Security.

B. Increasing Support for Local Manufacturing: Increasing Government support for local manufacturers which is expected to drive growth in the manufacturing industry.

- Since the decline in crude earnings coupled with the significant devaluation of the Naira in 2016, the cost of imports into Nigeria has materially increased; this has resulted in increased production costs and instability in feedstock supply for most local manufacturers who largely rely on imported raw materials and machinery.
- The prohibitive pricing of imported items which were erstwhile in high demand, is driving effective demand for local substitutes.
- In addition, the current Government administration is focused on diversifying the economy from oil, thus employing various fiscal and monetary policies to reduce the current import dependency and stimulate growth of local manufacturing capacity.
- Some of these fiscal initiatives include providing financing at single digit interest rates, developing industrial clusters and improving the ease of doing business; specifically, the federal government has now commenced the implementation of the 20% import duties on finished pharmaceutical products which is expected to make locally manufactured drugs more price competitive.
- It is anticipated that these factors will significantly boost manufacturing activity in Nigeria over the mid to long term while local manufacturers explore the feasibility of sourcing raw materials locally to the extent possible.

C. WHO Compliant Manufacturing Plant: In 2016, Fidson announced the completion of its WHO-compliant, world class and state-of-the-art manufacturing facility, named as one of the largest pharmaceutical manufacturing facilities in Africa and is equipped to produce six distinct product lines. The plant which boasts of an unmatched capacity for drug production in Nigeria, is equipped with six distinct production lines – Tablets, Capsules, Liquids, Cream and Ointments, Dry Powder and Intravenous fluids.

- D. Diverse & Growing Product Portfolio:** The Company has a diverse and growing portfolio of drug products and formulations across different therapeutic classes and pharmacological segments. Fidson is an innovative leader in the manufacturing segment of the Nigerian healthcare industry.
- The Company focuses on building innovative brands, in line with its vision to become the preferred healthcare products manufacturer in the West African sub-region.
 - With well over 200 different drug products and formulations across different therapeutic classes and pharmacological segments, Fidson provides offerings and options to prescribers and patients that are second to none.
 - Some of the Company's major achievements in providing a wide range of innovative pharmaceutical products include:
 - pioneering the manufacture of Proton Pump Inhibitors (PPI) utilized for the treatment and management of gastric ulcer conditions;
 - the Company's use of amino-acids as nutritional supplements set a new standard in the Multivitamin market;
 - becoming the first company in West Africa to manufacture Anti-retroviral (ARVs) drugs; and
 - the efficacy of Fidson's product offerings over the years has widened its influence across various strata of the market
- E. Proven Management & Sales Team:** The Company is led by an experienced and committed management team with world class healthcare management experience and over 150 years of combined relevant technical expertise.
- F. Strong International Partnerships:** Fidson has international partnerships with various overseas manufacturers which support growth in manufacturing capacity, transfer of technology and knowledge as well as provision of research support to Fidson's In-House research team.
- V. S. International India is Involved in the manufacture and export of pharmaceutical products, medical and laboratory devices. V. S. has executed several turn-key projects and has strategic joint ventures in Africa (Nigeria and South Africa) and Asia. Fidson has enjoyed a long-standing successful relationship with V. S. which spans over 20 years.
 - TIL Healthcare Pvt Limited India is a member of the Jhaver Group of Companies and a leading manufacturer of various pharmaceutical formulations in India.
 - The brand Astymin, which has won the 'most trusted brand' award in the nutritional supplements category for the last three years is manufactured by TIL.
 - Ohara Pharmaceutical Co Limited is a leading Japanese healthcare company. Ohara, being a major player in the Asian pharmaceutical market, will bring cutting edge technology and innovation through technology transfer, expertise, and knowledge sharing to enhance Fidson's excellence and ascendancy in the Nigerian pharma space.
 - GSK Consumer Nigeria has partnered with Fidson as its local contract manufacturer of wellness and respiratory products.
 - Quest Vitamins Limited, UK & Middle East is a leading manufacturer and supplier of vitamins and other supplements. Quest is the only company to exclusively use amino acid chelated minerals and pioneered inhouse laboratory methods to ensure standardized active herbal ingredients. Quest is also an industry leader in sensitive "2-piece" oil encapsulation technology.
 - Fidson has fostered partnership with the University of Sunderland which is also expected to bolster the company's Research & Development capabilities.
- G. Socially Responsible Institution:** Fidson is a socially responsible company which supports impact initiatives including treatment for Diarrhoea in children; manufacture of products for patients in the IHVN HIV/AIDS programs in Nigeria and provision of safe drinking water to identified rural areas.
- I. Clinton Health Access Initiative:** Fidson, in partnership with Clinton Health Access Initiative (CHAI), worked together to drive the adoption of Zinc as the first line treatment for Diarrhoea in children in Lagos, Kano and Rivers states.

- CHAI is responsible for training healthcare workers and PPMV license holders, while Fidson provides required products at prices agreed on by both organizations.
 - After 12 months of collaboration (done between 2014 and 2015), Zinc acceptability increased significantly from 3% to 56%; 0% to 28%; and 4% to 41% in Kano, Rivers and Lagos respectively. It is now the number 1 treatment option for Diarrhoea in infants.
- II. Institute of Human Virology:** Fidson collaborates with Institute of Human Virology, Nigeria to provide safe drinking water to those without access to same in Nigeria.
- Fidson manufactures the Water Safe for patients in the IHVN HIV/AIDS programs in Nigeria; this product is also supplied to patients under similar programs run by other NGOs.
 - The balance that is not taken up is sold to the private sector at agreed prices.
- III. Fidson's CSR Initiatives:** The core of Fidson's CSR initiatives revolves around children and maternal health, education and community service & development. Beneficiaries of Fidson's CSR initiatives include: Little Saints Orphanage, Onipanu; Old People's Home, Yaba; Pacelli School for the Blind; Children Developmental Centre (CDC), Surulere; Obanikoro Community, Lagos; Sango Ota Community, Ogun State, Federal Medical Centre, Abeokuta and the Nigerian Police.

13.4 Profiles of Board of Directors and Key Management Team

Mr. Olusegun Adebajji - Chairman

Mr. Adebajji attended Yaba College of Technology and obtained his Ordinary National Diploma (Accounting) in 1973. He completed the Chartered Association of Certified Accountants' examinations in June 1975 and served his articles with Peat, Marwick Cassleton Elliot & Co (now KPMG) in Nigeria between June 1973 and May 1976. He was admitted a Fellow of both the Chartered Association of Certified Accountants (FCCA) and the Institute of Chartered Accountants of Nigeria (FCA) in December 1982 and November 1988 respectively.

Mr. Adebajji joined UAC of Nigeria in 1976 and in 1992, he was seconded to Unilever South Africa as Audit Manager with sub-regional responsibilities for Unilever plc subsidiaries in South Africa, Zimbabwe, Malawi, Tanzania, Kenya and Ghana. He returned to Nigeria in October 1995 to serve as the Financial Director of Nigerian Breweries Plc (appointed in January 1996) and was later seconded to Heineken International in the Netherlands as Group Treasurer from 1998 to 2001. He also served Heineken as Managing Director of Ghana Breweries Limited and Namibia Breweries Ltd between 2001 and 2007. He retired from the Heineken Group after his assignment in Namibia and practiced as a Financial Consultant until he joined African Capital Alliance (a leading private equity firm in Nigeria) in January 2011 as a Principal. In 2018, Mr. Adebajji joined the Board of Fidson as the Chairman.

Mr. Adebajji is a non-executive Director of Nigerian Breweries plc, Bankers Warehouse Ltd, Beloxi Industries Ltd, Multimedia Group (Ghana) Ltd and Gas Terminalling & Distribution Ltd. He also serves as the Chairman of Bevpak Nigeria Ltd, Filmhouse Ltd and Crest Agro Products Limited.

Dr. Fidelis Ayebae – Managing Director

Dr. Ayebae graduated from the Mainland Institute of Technology in 1976 with a Diploma in Civil Engineering. He obtained Advanced Diploma in Business Administration from the University of Lagos in 1999. He holds an Honorary Doctorate in Science from Igbinedion University (2008) and an Honorary Fellowship Award from Auchi Polytechnic (2010). He is an Associate of the Chartered Institute of Administration and is also a member of the Nigeria Institute of Management.

Dr. Ayebae commenced his career as a Project Manager at Metalum Limited between 1976 and 1985. He afterwards rose to the position of Assistant Vice President, Operations at Citibank Nigeria Limited where he worked from 1985 to 1991. Dr. Ayebae founded Fidson Healthcare Limited in 1995 where he has been the Managing Director/Chief Executive Officer to date. He is currently serving on the Boards of several other companies including being the current Chairman of NEM Insurance Plc.

Mr. Olugbenga Olayeye – Director, Sales & Marketing

Mr. Olaleye is a Pharmacist with a Bachelor of Science degree from the University of Ibadan obtained in 1993 and an Executive Leadership Development Certificate from Stanford Graduate School of Business (2013). He has largely pursued a career in the pharmaceutical industry with Fidson since 1996, working across diverse functions within the Company including sales and marketing, business development, manufacturing, research and development and operations. He has been pivotal in determining Fidson's policy direction, strategy execution and has managed organizational change and transformation over the period. In 2004, he joined the Board of Fidson as the Director, Sales & Marketing

In his present role, Gbenga leads a team of over 200 salesmen and has the responsibility to formulate and implement the Company's sales and marketing strategies. He is committed to team building and development of leadership skills and ability which he believes is the critical requirement for organizational growth and corporate success.

Prior to joining Fidson, Mr. Olaleye worked as a Pharmacist at Mopson Pharmaceutical Industries Limited (1994 - 1995) and at BSK Limited (1995 – 1996).

Mr. Biola Adebayo – Director, Operations

Mr. Adebayo graduated from the School of Pharmacy, University of Lagos in 1988. He also holds a Diploma in Advanced Computer Techniques and Applications (1998) from the University of Ibadan (Consultancy Unit). He began his career with Glaxo Nigeria Limited in April 1991 as a medical representative and later joined the pharmaceutical division of CAP Plc in July 1994 where he developed his skills and competencies in the sale and marketing of healthcare products and FMCGs. He continued his career with Fidson in 1996 and has held various positions in the sales and marketing division, rising through the ranks to become the Sales and Marketing Director, a position he occupied till July 2009 when he became the Director of Operations.

Mr. Adebayo is a member of the Institute of Directors (IOD). He also completed a top executive leadership programme jointly organized by Nigeria Institute of Management (NIM) and Manchester Business School in Manchester, England, United Kingdom in 2007.

Mr. Ola Ijimakin – Director, Commercial

Mr. Ijimakin joined the organization in July 2002 as Regional Manager in the North-eastern region. He graduated from the University of Jos in 1994 where he was awarded a Bachelor of Pharmacy (B.Pharm) degree. He won the prize for the best graduating students in pharmacy among other prestigious awards. He holds a Master of Business Administration (MBA) degree from the Business School Netherlands, Buren (2014) where he finished with a distinction

Ola is a seasoned professional who has grown through the ranks over the years. He served as Group Marketing Manager from May 2005 to December 2006; General Manager Marketing from April 2011 to May 2016 and General Manager Sales and Marketing from May 2016 till date. In January 2021, Mr. Ijimakin was appointed to the Board as the Director of Commercials

Over the years as GM sales and marketing, his drive for results reflected in more than 100% revenue sales growth from ₦7.6 billion to over ₦17 billion

He is vastly experienced having served in large corporations both home and abroad. He is a fellow of the Pharmaceutical Society of Nigeria

Mr. E. E. Imoagene – Non-Executive Director

Mr. Imoagene obtained a B.Sc. Degree in Business Administration from the University of Benin in 1979 and a Master's in Industrial and Labour Relations (MILR), University of Ibadan in 1990. He has attended several management development programmes both locally and abroad including Harvard Business School, USA (2000), Wharton Business School, USA (2002) and Erasmus University, Netherlands (2008). Mr. Imoagene was the Human Resources Director

(West Africa) for Cadbury Nigeria Plc. Prior to joining Cadbury, he worked with Shell Petroleum Development Company Limited as a Personnel Officer between 1981 and 1985. He also worked in Nigerian Breweries as a Personnel Director, Logistics Director and HR Director between 1985 and 1992. In 2011, he joined the Board as a Non-Executive Director

He is a seasoned and professional corporate leader with diverse private sector experience. An astute administrator and human resources expert, Mr. Imoagene is a fellow Chartered Institute of Personnel Management of Nigeria and is a member of the advisory board of the Lagos Business School.

Mrs. Olufunmilola Ayebae – Non-Executive Director

Mrs. Ayebae completed her Professional Secretaries Diploma from The London College of Secretaries in the United Kingdom in 1979. She worked in many organizations in various capacities for a number of years before establishing her own business - Goodness Supermarket in 1995 where she served as the Managing Director/CEO for 3 years. Mrs. Ayebae became a director of Fidson Healthcare Plc. in 2001. She is also the Managing Director/Chief Executive of Townhouse Limited. In 2001, she joined the Board as a Non-Executive Director.

Chief (Mrs.) A.P. Sadauki, OON - Non - Executive Director

Chief (Mrs.) Sadauki holds a B.Sc. Degree in Home Economics with a major in Community Nutrition from Iowa State University, Iowa USA in 1968. She has attended several courses and seminars on board development evaluation within and outside the country. Having served as an accomplished civil servant in the position of Chief Agricultural Officer (State home Economist) till 1986, Chief (Mrs.) Sadauki was appointed Kaduna State Commissioner, Social Development, Youth and Sports in 1988, Commissioner of Education in 1989 and Deputy Governor, Kaduna State from 1990 to 1992.

She was conferred with Merit Award by Nigerian Veterinary Medical Association of Farmers in 1999 and National Honour of Officer of the Order of the Federal Republic of Nigeria (OON) in 2000. Chief (Mrs.) Sadauki sits on the board of several other companies. In 2011, she joined the Board as a Non-Executive Director

Dr. Vincent Ahonkhai, FAAP – Independent Non - Executive Director

Dr. Ahonkhai holds an M.B.B.S Degree in Medicine from the University of Lagos, Nigeria where he graduated in 1972. He is a member of various professional societies such as Infectious Disease Society of America (Fellow), American Medical Association, Pediatric Infectious Disease Society to mention just a few.

Dr. Ahonkhai is an expert in Global Health and biopharmaceutical Research and Development. He is currently an independent consultant and principal at Gwynedd Consultancy, LLC in Pennsylvania, the USA from where he consults for organisations like Bill & Melinda Gates Foundation amongst others. Dr. Ahonkhai joined Fidson as an Independent Director in January 2021 and brings to the board, experience in research and development which is crucial to development of the pharmaceutical industry

Mr. Ekwunife Okoli – Independent Non - Executive Director

Mr. Okoli holds a Bachelors Degree in Marketing from the University of Nigeria, Nsukka where he graduated with First Class Honors in 1980. He also earned a Masters in Business Administration (MBA) from the University of Benin in 1992.

Mr. Okoli is versatile in the field of Sales and Marketing having worked for many years in the FMCG industry. He was an Executive Director, Marketing at Diageo Plc. He was also Managing Director of the same company in Cameroon and Ghana and Managing Director for Africa and Regional Markets. He is an experienced Non-Executive Director who sits on the board of Cornerstone Insurance Plc. He is expected to enrich the expertise in the Sales and Marketing department. Mr. Okoli joined Fidson in January 2021

Mr. Adebajo Abayomi, FCIS, ACMR. – Company Secretary

Mr. Abayomi holds Post-Graduate Diploma in Banking and Finance from Ondo State University, Ado Ekiti in 1998 and a Bachelor's degree in Banking and Finance from Ambrose Alli University, Ekpoma, obtained in 2005. He began his

career with National Oil & Chemical Marketing Plc (now Conoil Plc) in 1992 as an administrative officer and later joined Lateef Dawodu & Co as a trainee accountant in July 1996.

Between 1998 and 2002, Mr. Abayomi served as a Practitioner at The Company Secretaries and Nominees (now Corporate Mission Consultants) and as the Company Secretary/General Manager at La Mond Nominees Limited. Prior to joining Fidson in 2009, he was the Director & Chief Executive Officer of City Secretaries Limited – The Secretarial Affiliate of Balogun Badejo & Co from 2002 –2009.

13.5 Employees

As at 31 December 2020, Fidson had 405 full-time employees excluding contract staff.

13.6 Corporate Governance

Fidson remains committed to institutionalizing corporate governance principles as part of the Company’s corporate structure. It continues to ensure adherence to the implementation of corporate governance rules of the relevant regulatory agencies.

As in the past, the Board continues to operate in line with its responsibilities as contained in regulatory Codes of Corporate Governance, the Issuer’s Articles of Association and CAMA.

Essentially, fair value corporate governance depends on the quality and integrity of the company’s Fidson’s directors. Consequently, the Company has undertaken to create the institutional framework conducive for defending the integrity of its directors and is convinced that on account of this, its Board is functioning in a highly effective manner.

13.7 Board Committees

Board committees are currently constituted as follows:

S/N	NAME OF COMMITTEE	MEMBERS
1	Nomination Committee	Mrs. O. O Ayebae (Chairman) Mr. E. E Imoagene Mrs. A. P. Sadauki
2	Remuneration & Governance Committee	Mrs. A.P Sadauki (Chairman) Mr. E. E Imoagene Mr. O. S Adebajji, FCA Mrs. O. O Ayebae
3	Finance and General-purpose Committee	Mr. E. E Imoagene (Chairman) Mr. O. S Adebajji, FCA Dr. F. A Ayebae Mr. O. O. Olaleye Mr. A. A. Adebayo Mr. O.E. Ijimakin
4	Risk Management & Credit Control Committee	Mr. O. S Adebajji, FCA (Chairman) Mr. E. E Imoagene Dr. F. A Ayebae Mr. O. O. Olaleye Mr. A. A. Adebayo

14. USE OF PROCEEDS

Unless otherwise stated in the Applicable Pricing Supplement, the net proceeds from each issuance of the Bonds under this Programme will be used to refinance existing short-term debt obligations, extending the Issuer's debt maturity profile and to take advantage of opportunistic investments.

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

15. RISK FACTORS

Investment in Bonds involves certain risks. Accordingly, prospective investors should carefully consider, amongst other things, the risk factors described below, together with all of the detailed information set out elsewhere in this Shelf Prospectus and reach their own views before making an investment decision. The following section does not describe all the risks of an investment in the Bond. Additional risks and uncertainties not presently known to the Issuer, or that they currently believe are immaterial, could also impair the Issuer's business operations and as a result, the ability of the Issuer to service its respective obligations under any Bonds. Investors should reach their own views or obtain such professional advice as they deem appropriate, before making an investment decision in respect of the Bonds.

15.1 General Bond Related Risks

Limited two-way quote trading market for Corporate Bonds

There may not be an active two-way quote trading market for the Bonds when issued, and thus the liquidity of the Bonds may be limited. Therefore, Investors may not be able to sell their Bonds in a transparent and efficient system. However, a vibrant Over the Counter (OTC) market exists for state government and corporate bonds, and the continuous development and deepening of the bonds market will likely help ensure increased liquidity of the Bonds.

Credit ratings may not reflect the potential impact of the Bond risks

The Bonds will be assigned a rating by at least one rating agency (duly registered with the SEC) appointed by the Issuer as specified in the relevant Pricing Supplement. The ratings may not reflect all the risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Early redemption

The Bonds may be subject to early redemption therefore Bondholders may face the risk that the Bonds may be redeemed before maturity in a falling rate environment, forcing the Bondholders to reinvest the proceeds at a lower rate of return.

Exchange rate

Payments of principal and interest on the Bonds will be made in Naira. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the Naira. These include the risk that exchange rates may significantly change, including changes due to the devaluation of Naira or revaluation of the investor's currency.

Changes in interest rates may affect the price of the Bonds

Bonds offered with a fixed interest rate are subject to price risk. Consequently, the price of the Bonds may vary inversely with changes in prevailing interest rates. That is, a rise in prevailing interest rate will cause the price of a Fixed Rate Bond to fall and vice versa. Accordingly, the extent of the fall or rise in the price is dependent on the existing coupon, days to maturity and the increase or decrease in the level of the prevailing interest rates. Increased interest rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Bonds.

Risks relating to possible fluctuations in market price of the Bonds

A number of factors may cause significant volatility in the market price of the Bonds. These may include adverse business developments, changes in the regulatory landscape in which the Company operates, actual or expected variations in the Company's operating results and changes in financial estimates by securities analysts.

Legal Considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its independent legal advisers to determine whether and to what extent (i) the Instruments are a legally permissible investment for it, (ii) the Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their independent legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

Tax risk

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

Inflation risk

According to the NBS, in December 2020, inflation increased to 15.75% year-on-year compared to 11.98% recorded in December 2019, making it the highest inflation rate since November 2017. Although tighter monetary policies may help to curb inflation, there can be no assurance that inflation will not continue to remain at current levels or that the inflation rate will not rise in the future.

The effects of inflation may reduce the purchasing power of an investor's cash flows and may lead to higher market rates, which in turn lead to lower bond prices. Where the Instruments are not inflation-indexed and there is no specific structure to remove the effects of inflation, investors may be exposed to the possibility of diminished purchasing power and contracted cash flow hinged on numerous other market forces.

15.2 Risk Factors Relating to Nigeria

Economic risk

The Nigerian economy is largely dependent on crude oil production which has, in the past, been affected by incessant security crisis and political disturbances in the Niger Delta region. Up until recently, activities in this region have been volatile affecting the entire spectrum of the oil and gas industry. Also, delays in passing the Petroleum Industry Bill have also contributed to the uncertainties regarding the future legal and fiscal environment of the industry.

In addition, a number of manufacturing/trading companies have been impacted by the difficulty in accessing foreign exchange for the purchase of raw materials or finished goods, leading to a significant decline in output. This has hindered the ability of such companies to service their loan facilities, thereby impacting the profitability of some banks and increasing their impairments.

Furthermore, the COVID-19 outbreak has severely impacted economic activity in Nigeria, creating large external and fiscal financing need in 2020. The contraction in global economic activity has also constrained the economic recovery momentum, following the recession experienced in 2016.

In 2020, the Nigerian economy slipped into a recession for the second time in four years as oil prices plunged in the midst of the COVID-19 pandemic.

The country's gross domestic product (GDP) contracted by 3.62% year-on-year in real terms in the third quarter of 2020, the National Bureau of Statistics (NBS) reported, attributing the contraction to slow oil production and the COVID-19 pandemic.

Given the global nature of the COVID-19 pandemic, there is uncertainty around the severity and duration of the impact across markets, and impact on Nigeria's near-term growth.

Instability in key areas across the globe can adversely affect the movement of trade and foreign exchange in Nigeria. Investors are also advised to pay attention to key indicators in the global economy that may have an impact on investments in Nigeria.

Political risk

Nigeria's political, economic and social stability has been characterized by political and religious conflicts, terrorism, and social and religious tensions, any or all of which may materially and adversely impact economic conditions and growth in the country. The Nigerian political climate is predominantly controlled by two political parties – People's Democratic Party (PDP) and the All Progressives Congress (APC), the latter being the incumbent.

In recent years, Nigeria has experienced considerable unrest, terrorism and political and religious conflicts. Divisions based on geography can be magnified by religious differences, particularly between the north, which has a predominantly Muslim population, and the south, which has a predominantly Christian population. These regional affiliations have in the past contributed to, and may continue to contribute to, political and religious tension, which can also lead to social unrest. Insurgent activities in the north-east region of the country have also resulted in social and economic damage. Despite the recent successes in combating insurgent groups, the risk of insurgents regrouping remains. Until the Government is able to address the root of the problems that contribute to this (such as poverty, low level of education, religious intolerance, weak enforcement of law and order and insecurity), insurgent groups are expected to continue to operate, especially in the north-eastern part of Nigeria.

In recent times, the country has witnessed political tensions including calls for restructuring; increasing rifts between the executive and legislative arms of government; protests around protecting the principles of the Rule of Law, Constitutionalism, amongst others. Amidst these was the signing of the "Not Too Young to Run Act" by President Muhammadu Buhari on 31st May, 2018.

Emerging markets risk

Emerging markets such as Nigeria are subject to greater risk than more developed markets and financial turmoil in any emerging market could cause the price of securities to decrease. Generally, investments in emerging markets are only suitable for sophisticated investors who understand the instruments and fully appreciate the significance of the risks involved in investing in emerging markets.

Investors should also note that emerging markets, such as Nigeria, are subject to rapid change and that the information set forth in this Shelf Prospectus may become outdated relatively quickly. with investing in emerging markets. Investors should also note that emerging markets such as Nigeria are subject to rapid change and that the information set forth in this Shelf Prospectus may become outdated relatively quickly.

Moreover, financial turmoil in any emerging market country tends to adversely affect prices in equity markets of all emerging market countries as investors move their money to more stable, developed markets. Financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Nigeria and adversely affect the Nigerian economy as companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Thus, even if the Nigerian economy remains relatively stable, financial turmoil in any emerging market country could adversely affect the Issuer's business, as well as result in a decrease in the price of the securities

15.3 Risks Relating to the Issuer

The following are descriptions of the risk factors which are material in respect of the financial situation of Fidson. The sequence in which they are listed is not an indication of their likelihood of occurrence or the extent of their

commercial consequences. The following statements are complete but not exhaustive, thus prospective investors must consider all the information provided in this Prospectus.

Credit risk

Credit risk refers to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of each customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Foreign exchange risk

This is the risk of losing earnings and capital which may arise from the change in price of one currency against another. The Company undertakes transactions for the purchase of equipment and raw materials which are dominated in foreign currencies. Unfavourable movement in exchange rates may affect the Company's foreign currency transactions, the cost of the Company's foreign currency liabilities and consequently have a negative impact on its financial condition.

Competition/Operational risk

The Company faces competition from the importation of generic low-cost drug producers in Asian markets, with imports of consumed medicine accounting for up to 60% of medicine consumed in Nigeria. The signing of the Africa Continental Free Trade Area (AFCFTA) also presents risk of flooding the market with imports from neighbouring West-African counties which have witnessed a rise in the increase of generic Asian low- cost drug manufacturers.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its obligations as they become due. This may arise where the cushion provided by liquid assets is not sufficient to meet outstanding obligations. It may be triggered by consequences of other financial risks like credit risk and market risk such as interest rate risk, foreign exchange risk and security price risk.

Regulatory Changes Risk

The Nigerian pharmaceutical industry and the regulatory environment is subject to the policies and changes as directed by the National Agency for Food and Drug Administration. The industry is further regulated by the National Agency for Food and Drug Administration Act Cap N1 LFN 2004. The changes in law and regulation may not be favourable to investors and participants in the industry.

16. EXTRACTS FROM THE PROGRAMME TRUST DEED

1. Appointment of Bond Trustees

- 1.1 The Issuer hereby creates and establishes a trust for the benefit of the Bondholders.
- 1.2 The Issuer hereby appoints the Bond Trustees to act on behalf of the Bondholders, to hold the benefit of the payment obligations and other covenants herein on behalf of the Bondholders (according to their respective interests) and themselves in accordance with the terms of this Deed from the date of this Deed.
- 1.3 All sums received by the Bond Trustees in respect of the Bonds or amounts payable under this Deed shall be received by the Bond Trustees on trust to apply same in accordance with the rights of each Bondholder as set out in this Deed and the relevant Series Trust Deed.

2. Declaration of Trust

2.1 *The Bond Trustees*

The Bond Trustees hereby accept the appointment and declare themselves Trustees for the Bondholders with effect from the date of this Deed to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained, in trust for the Bondholders and themselves (according to their respective interests) subject to the terms of this Deed.

2.2 *Duration of Trusts*

- 2.2.1 For the avoidance of doubt, the Parties to this Deed agree that the common law rules against perpetuities will apply to this Deed and the Deed shall not enure beyond twenty-one (21) years from the date of its creation.
- 2.2.2 Subject to Clause 2.2.1, the trusts created by this Deed remains in full force and effect until:
 - 2.2.2.1 the Bondholders have been paid all outstanding obligations or the Bond Trustees unconditionally confirm in writing to the Issuer that there is no longer any outstanding Financial Indebtedness which is secured by this Deed; or
 - 2.2.2.2 the date on which the Issuer receives an unconditional release in writing by the Bond Trustees (for the Issuer) from all of its respective obligations under this Deed or other documents pursuant to this Deed, if any.

3. Programme Trust Deed Binding on all Parties

The provisions of this Deed shall be binding on the Issuer, the Bond Trustees, the Bondholders and all persons claiming through the Bondholders, respectively as if such Bondholders, and persons are Parties to this Deed.

4. Covenant to Repay

- a. The aggregate Principal Amount of the Bonds to be issued by the Issuer pursuant to this Deed is limited to N10,000,000,000.00 (Ten Billion Naira).
- b. The Issuer covenants with the Bond Trustees that it will, in accordance with these provisions, on the Payment Date, or on such earlier date as the Bonds may become due and repayable thereunder, pay or procure to be paid unconditionally in immediately available freely transferable funds in Nigerian Naira, to or to the order of the Bond Trustees, the Principal Amount repayable, and applicable Coupon (which shall accrue from day to day) on the Principal Amount at the Coupon Rate; PROVIDED THAT:

- i. every payment to any Bondholder in respect of the Principal Amount or Coupon of the Bonds held by him shall operate in satisfaction *pro tanto* of the covenant of the Issuer in this clause contained except to the extent that there is default in the subsequent payment thereof in accordance with this Deed; and
 - ii. in any case where payment is not made to the Payment Account as and when due, interest shall continue to accrue on the amount due, (both before and after any judgment or other order of a court of competent jurisdiction) at the rate prescribed in the Terms and Conditions of the Bonds, from the date of such default to and including the date which the Bond Trustees determine to be the date on and after which payment is to be made to the Bondholders in respect thereof as stated in a notice given to the Bondholders in accordance with Clause 37 (*Notices*).
- c. Every payment of principal on the Bonds shall be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income, which the Issuer may by any Applicable Law be required to deduct.
 - d. The Issuer shall ensure that all payments due to the Bondholders shall be paid to the Payment Account as provided hereunder.

5. Purpose

- a. The net proceeds of the Bonds (after deduction of the costs and expenses incurred in connection with the issuance of such Series of Bonds) shall be utilised in accordance with the purpose specified in the relevant Final Terms.
- b. Without prejudice to the generality of the foregoing and the subsequent provisions of this Deed, the Bond Trustees shall be entitled to but shall not be bound to enquire as to the application of the proceeds of the Bonds.

6. Issuance of the Bonds

1.1 Mode of Issuance and Offering

The Bonds constituted under this Trust Deed may be issued in Series by way of an offer for subscription or private placement through a book building process, auction or any other method, in an aggregate nominal amount from time to time, not exceeding the Programme Limit and for the purpose of determining such aggregate nominal amount and the mode of issuance, the provisions of the applicable Pricing Supplement shall apply.

1.2 Status of the Bonds

The Bonds constitute:

- 1.2.1 direct, general, and irrevocable obligations of the Issuer and shall qualify as securities in which Pension Fund Administrators may invest under the Pension Reform Act, 2014 and will also qualify as securities in which the Bond Trustees may invest under the Trustees' Investment Act.
- 1.2.2 The payment obligations of the Issuer under the Bonds and in respect of principal and any interest on the Bonds shall at all times rank at least equally with all secured or unsecured obligations of the Issuer (as may be applicable under any Series), present and future except for obligations mandatorily preferred by law applying to companies generally.
- 1.2.3 Each issue of Bonds shall form a separate Series. The provisions of this Deed shall apply *mutatis mutandis*, separately and independently to the Bonds of each Series. Each Series shall be constituted by a separate Trust created by a Series Trust Deed under which the Bond Trustees shall

hold the benefit of the covenant in Clause 5 (*Covenant to Repay*) in this Deed in trust for the Bondholders of the particular Series. The provisions contained in any other Series Trust Deed shall apply only in relation to the Series to which it relates. If there is any conflict between the provisions of a Series Trust Deed relating to a Series and the provisions of this Trust Deed, the provisions of the Series Trust Deed shall prevail over the provisions of this Trust Deed in respect of the relevant Series.

1.3 Terms of Issue

The Terms and Conditions of the Bonds, subject to compliance with all Applicable Laws, will be set out in the Terms and Conditions of the Bonds annexed hereto and as may be amended in the Final Terms.

1.4 Minimum subscription of Bonds

The minimum subscription of the Bonds shall be specified in the relevant Series Trust Deed.

1.5 Coupon Rate

The Coupon payable in respect of the Bonds shall be specified in the relevant Series Trust Deed.

1.6 Currency of payments

All payments in respect of, under and in connection with this Deed, shall be denominated in Nigerian Naira and subject to compliance with all applicable legal or regulatory requirements.

7. Form of the Bonds

7.1 Bonds to be in Registered Form

- 7.1.1 The Bonds shall be delivered in dematerialised or book entry form and held by the CSD. Dealings in the Bonds shall be in accordance with CSD procedures and the rules of the FMDQ and /or NSE, as applicable.
- 7.1.2 Notwithstanding Clause 7.1.1 above, a Bondholder may elect to receive a certificate, covering the aggregate Principal Amount of his beneficial interest in the Bonds. PROVIDED THAT joint Bondholders shall be entitled to only one (1) certificate in respect of the Bonds jointly held by them which certificate shall be delivered to that one of the joint Bondholders whose name appears first in the Register and the delivery of a certificate to one of such persons shall be deemed to be sufficient delivery to all.
- 7.1.3 Any Series of the Bonds may be senior bonds, secured, unsecured, subordinated bonds, or guaranteed under terms to be provided in the applicable Final Terms.

7.2 Title to Bonds

- 7.2.1 Title to the Bonds shall pass upon the registration of transfers by the Registrar and/or CSD in respect thereof in accordance with the provisions of this Clause 7.2.
- 7.2.2 The records of the Register maintained by the Registrar and/or the CSD as to the aggregate number of Bonds standing to the credit of any Bondholder shall be conclusive and binding for all purposes except in the case of manifest error.

7.2.3 The Bondholders shown in the records of the Registrar and/or CSD are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of this Deed and any relevant Series Trust Deed.

7.3 Transfer of Bonds

Transfers of Bonds will be effected through the records of the CSD, CSD procedures and the rules of the FMDQ and /or NSE, as applicable.

7.4 Ranking

The ranking of the Bonds as and when issued shall be as specified in the relevant Final Terms.

7.5 Persons to be treated as Bondholders

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Bond Trustees and the Registrar (notwithstanding any notice to the contrary and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may:

7.5.1 for the purpose of making payment thereon or on account thereof and for the purpose of voting, giving consents and making requests pursuant to these provisions; deem and treat the registered holder of any Bond as the absolute legal and beneficial owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the registered Bondholder; and

7.5.2 for all other purposes; deem and treat the registered holder of any Bond as the absolute owner thereof free from all encumbrances and shall not be required to obtain proof of such ownership (other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of the Bond Trustees or any other form of record made by it) or as to the identity of the registered holder of any Bond.

7.6 Rights of Bondholders

The Bondholders shall not have or acquire any right against the Bond Trustees in respect of the Bonds except as expressly conferred upon them by this Deed or by law, regulation or court order and no person shall be recognised as a Bondholder except in respect of Bonds registered in his name.

7.7 Certificates of the Registrar

The Issuer and the Bond Trustees may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on (without liability) as sufficient evidence thereof, a certificate or letter of confirmation issued by the Registrar or any form of record made by the Registrar or such other form of evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Bonds and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

8. Establishment of Accounts

8.1 *Establishment of Payment Account* - Subject to the applicable Final Terms, the Issuer shall not later than the relevant Closing Date, open with the Account Bank the Payment Account in respect of any relevant Series of Bonds in the name and under the sole control of the Bond Trustees.

8.2 *Funding of Payment Account* - The Payment Account shall be funded by the Issuer in such frequency as may be specified in the applicable Final Terms for the purpose of accumulating monies to pay any Coupon due and where applicable repay principal on the applicable Payment Date. The money standing to the credit of the Payment Account on any Payment Date shall not be less than the aggregate Principal Amount Outstanding and Coupon due on the relevant Series on the relevant Payment Date.

8.2.1 The Issuer shall pay all monies due under the Bonds into the Payment Account no later than ten (10) Business Days before the Payment Date or as may be specified in the applicable Final Terms.

8.2.2 The Issuer shall no later than 10.00a.m. on the Business Day immediately succeeding the date on which the payments referred to in Clause 8.2.1 is made, send a payment confirmation by authenticated SWIFT acknowledgment or other acceptable form or notification to the Bond Trustees confirming that the relevant payment has been made into the Payment Account.

8.2.3 The Bond Trustees shall utilise the funds in the Payment Account for the purposes of effecting payments on the Bonds to the Bondholders as and when due in accordance with the relevant Final Terms.

8.2.4 The Bond Trustees shall, at the expense of the Issuer, immediately notify the Issuer:

8.2.4.1 if it has not by close of business on the relevant date received the full amount required for payment to the relevant Bondholders, that it has not received the full amount required for payment to the Bondholders; or

8.2.4.2 if it has received the full amount of any sum payable in respect of the Bonds, that it has received the full amount required for payment to the Bondholders and the Issuer is accordingly discharged of its payment obligations then due.

8.2.4.3 Upon receipt of the notice specified in Clause 8.2.4.1, the Issuer shall, not later than five (5) Business Days before a Payment Date, remit sufficient funds into the Payment Account to meet such shortfall in the Principal Amount or Coupon due on the Bonds as calculated by the Bond Trustees.

8.2.4.4 Where a Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day. If same falls into the next calendar month, such Payment Date shall be brought forward to the immediately preceding Business Day. The Bondholder shall not be entitled to any further Coupon, return or other payment in respect of any such delay.

8.3 *Establishment of Debt Service Reserve Account*

8.3.1 Unless otherwise provided in the applicable Final Terms, the Issuer may, in respect of any Series or Tranche of Bonds, open a Debt Service Reserve Account prior to the relevant Issue Date, in the name and under the control of the Bond Trustees.

8.3.2 The Issuer shall at such times and in such amounts specified in the applicable Final Terms, deposit funds in the Debt Service Reserve Account, as security for the fulfilment of its repayment obligations to the Bondholders, to protect the Bondholders against unexpected volatility, or interruption, in the cash flow available to service the payment obligations of the Issuer under this Deed and the relevant Series Trust Deed.

9. Distribution of Monies

- 9.1 Payment of the Coupon and Principal Amount for the time being owing or due on all or any part of the Bonds will be credited electronically to the nominated bank account of the Bondholder, for this purpose (or in the case of joint registered Bondholders, of the joint Bondholders).
- 9.2 Provided that where a Bondholder has not nominated any bank account, the Bond Trustees shall, as soon as they become aware, notify the Bondholder and pending the time the Bondholder provides the account details, the Bond Trustees will withhold payment of such amount. The Bond Trustees shall hold such moneys in trust for such Bondholder and interest on such amount shall cease to accrue. The Bond Trustees shall not be responsible for the safe custody of such moneys (unless such moneys are deposited in a Bank that is not an Account Bank or a Bank agreed by the Parties) or for interest thereon except such interest (if any) as the said money may earn whilst on deposit or invested as aforesaid less any expenses incurred by the Bond Trustees.
- 9.3 For the avoidance of doubt, no interest pursuant to Clause 9.2 shall accrue from the period commencing on the date of notification of the Bondholder to the date on which the Bondholder shall be paid.
- 9.4 Without prejudice to the provisions of the Final Terms, the receipt by each Bondholder or in the case of joint Bondholders by any one of such joint Bondholders of any Principal Amount or Coupon payable in respect of Bond(s) held by such Bondholder or joint Bondholders shall constitute a discharge of the payment obligations of the Issuer to pay such Principal Amount or Coupon.

10. Fees, Duties and Taxes

- 10.1. The Issuer shall, where applicable, duly and punctually pay and discharge all Taxes (a) for which it reasonably believes it is liable pursuant to any self-assessment procedure; and (b) assessed upon it or its assets under Applicable Law within the time period allowed without incurring penalties, except solely in the case of (b) above, to the extent:
- 10.1.1. that such payment is being contested in good faith;
 - 10.1.2. adequate reserves are being maintained for those taxes and any interest or penalties; and
 - 10.1.3. that such payment can be lawfully withheld.
- 10.2. All payments to be made in respect of repayment due under the Bonds shall be subject to any applicable Tax deductions required under Applicable law to be deducted or withheld by the Issuer.

11. Covenant of Compliance

The Issuer covenants with the Bond Trustees that it will comply with and perform and observe all the provisions of this Deed and the Terms and Conditions which are expressed to be binding on it. The Terms and Conditions of the Bonds shall be binding on the Issuer and the Bondholders. The Bond Trustees shall be entitled to enforce the obligations of the Issuer under the Bonds and the Final Terms as if the same were set out and contained in this Deed, which shall be read and construed as one document with the Bonds. The Bond Trustees shall hold the benefit of this covenant upon trust for themselves and the Bondholders according to their respective interests.

12. Cancellation of Bonds and Records

The Issuer shall procure that all Bonds issued by it which are: (i) redeemed or (ii) purchased by it or on its behalf, shall be cancelled, in accordance with the rules of the CSD, by or on behalf of the Issuer, and the Issuer shall not keep such Bond valid for the purpose of re-issue or resell. For so long as the Bond is listed on the Recognised Securities Exchange, the Bond Trustees shall promptly inform the CSD of the cancellation of any Bonds under this Clause 12 (*Cancellation of Bonds and Records*).

13. Redemption of Bonds

The mode and terms of redemption of the Bonds will be in accordance with Condition 4 (*Purchase, Redemption and Cancellation of Bonds*).

14. Representations and Warranties

14.1. *Representations and Warranties of the Issuer*

The Issuer hereby represents and warrants on the date of this Deed that:

- 14.1.1. it is a public limited liability company duly incorporated under Nigerian law and has full power and authority, and all licences, authorisations, consents and approvals necessary, to:
 - 14.1.1.1. execute and deliver the Offer Documents; and
 - 14.1.1.2. perform its obligations under the Offer Documents.
- 14.1.2. its execution and delivery of the Offer Documents and its performance thereunder:
 - 14.1.2.1. have been duly authorised by all necessary corporate action (including any necessary board resolution or similar action);
 - 14.1.2.2. do not contravene any Applicable Law material in the context of the transactions contemplated in the Offer Documents; and
 - 14.1.2.3. do not contravene or constitute a default under any contractual obligation, judgment, injunction, order or decree binding upon it or its assets.
- 14.1.3. the entry into and performance by the Issuer of, and the transactions contemplated by, the relevant Offer Documents do not and will not conflict with:
 - 14.1.3.1. its constitutional documents; or
 - 14.1.3.2. any document which is binding upon it.
- 14.1.4. each of the Offer Documents has been duly executed and delivered by it and (with respect to any Bonds, upon its authentication and delivery by the Bond Trustees) constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- 14.1.5. it is in substantial compliance with all Applicable Laws;
- 14.1.6. it has obtained the corporate approvals required for the issuance of the Bonds;
- 14.1.7. the obligations of the Issuer to the Bondholders under the Offer Documents are direct, general and unconditional obligations of the Issuer will rank *pari passu* with all other present and future unsecured/secured and unsubordinated/subordinated Financial Indebtedness (as may be applicable under any Series), if any, of the Issuer;

- 14.1.8. it is neither unable nor has it admitted its inability to pay its debts as they fall due nor has it suspended making payments on any of its debts (other than debts disputed in good faith) or, by reason of actual or anticipated financial difficulties, commenced negotiations with or sought moratorium from one or more of its creditors with a view to rescheduling any of its Financial Indebtedness on account of inability to pay;
- 14.1.9. all the information in the Offer Documents (as supplemented from time to time) that has been made available to the Bondholders by the Issuer or any director, officer, employee, or representative of the Issuer in connection with the transaction contemplated herein is and will at all times be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made;
- 14.1.10. while any Bonds are outstanding, it agrees to timeously supplement any of the information referred to in Clause 16 (*Covenants of the Issuer*) below from time to time so that the representations and warranties contained in this Clause 14.1 (*Representations and Warranties of the Issuer*) remain correct at all times and acknowledges that each of the Bondholders is acting in reliance upon the accuracy of information supplied by the Issuer without any independent verification.
- 14.1.11. Other than as disclosed in the Shelf Prospectus, no litigation, arbitration, administrative proceedings or other proceedings are current or, to the knowledge of the Directors of the Issuer (having made all due enquiries), pending or threatened in writing, against the Issuer or against any of its Directors or its assets which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

14.2. *Representations and Warranties of the Bond Trustees*

Each Bond Trustee represents and warrants to the Issuer that:

- 14.2.1. it is a company duly registered under the laws of the Federal Republic of Nigeria;
- 14.2.2. it is duly registered and licensed by the Commission to act as a Bond Trustee in connection with capital market transactions and provide corporate trust services in Nigeria;
- 14.2.3. it has the full power, consent and authority to enter into this Deed, exercise its rights and perform its obligations under this Deed and such authorisations and consent are in full force and effect;
- 14.2.4. it has the resources, capacity and expertise to act on behalf of the Bondholders with regard to the issue of Bonds under the Programme and it shall comply with the provisions of the ISA, SEC Rules and Regulations, the Trustees Investment Act, this Deed, the Shelf Prospectus, relevant Series Trust Deeds and other Applicable Laws in the performance of its obligations;
- 14.2.5. the obligations expressed to be assumed by it under this Deed are legal and valid obligations binding on it in accordance with their terms;
- 14.2.6. it shall provide any information, which are within its knowledge that the Issuer may require in connection with its obligations to act on behalf of the Bondholders;
- 14.2.7. it shall not allow any conflicts to occur between its obligations in connection with the Bonds and its commercial interests;

- 14.2.8. the operations of the Bond Trustee in respect of the Programme are, have been and will be, conducted at all times in compliance with applicable financial record keeping and reporting requirements and money laundering statutes in Nigeria, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency applicable to the Bond Trustee (collectively, "Money Laundering Laws") and except as otherwise disclosed, there are no pending actions, suits or proceedings by or before any court or governmental agency, authority or body or any arbitrator involving the Bond Trustee with respect to Money Laundering Laws, which could have a material adverse effect on the Bond Trustee's ability to perform its obligations under this Agreement.
- 14.2.9. it does not have any subsisting and undisclosed fiduciary relationship with the Issuer; and
- 14.2.10. it shall comply with its obligations under this Deed and the terms and conditions specified in this Deed.

15. Covenants of the Issuer

The Issuer covenants to the Bond Trustees that it shall:

- 15.1. comply with and perform all the obligations expressed to be undertaken by it under this Deed and the Bonds. The Bond Trustees shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in the Deed, which shall be read and construed as one document with the Terms and Conditions of the Bond;
- 15.2. to the extent that any Bonds are constituted under the relevant Series Trust Deed and issued, be indebted to the Bondholders up to the Principal Amount of the Bonds specified in such Series Trust Deed in respect of the relevant Series and undertakes to the Bond Trustees that the Bonds, to the extent constituted and issued, shall be redeemed together with any outstanding Coupon and other interest/monies on the Redemption Date (or earlier on an amortised basis) in the relevant currency provided for in the relevant Final Terms or such earlier date as the same or any part may become due and repayable;
- 15.3. pay into the Payment Account in immediately available funds, the full Principal Amount of the Bonds and/or such part of the Bonds as ought to be redeemed on the Redemption Date as may be payable, and shall in the meantime and until such date (both before and after any judgment or other order of a court of competent jurisdiction) pay unconditionally to or to the order of the Bond Trustees, interest (which shall accrue from day to day) on the Principal Amount of the Bonds;
- 15.4. in the event that it fails to make payment into the Payment Account on or before the due date or improperly withholds or refuses to make such payment, interest shall continue to accrue on the Principal Amount so withheld or refused (both before and after any judgment or order of a court of competent jurisdiction) at the Coupon Rate up to and including the date on which payment is eventually made to the Bondholders;
- 15.5. pay into the Debt Service Reserve Account, in immediately available funds, such amounts specified in the applicable Final Terms, as security for the fulfilment of its repayment obligations to the Bondholders;
- 15.6. ensure every payment of principal and/or interest on the Bonds will be made free of all costs, commissions, charges, fees, or other payments or deductions, other than any tax on income which the Issuer may by any Applicable Laws be required to deduct;
- 15.7. obtain and keep in full force and effect all authorisations required for the validity and enforceability of the Offer Documents against the Issuer;

- 15.8. comply in all respects with all Applicable Laws, permits, and licences to which it may be subject and which in each case is material to its business and its obligations under the Offer Documents for as long as any Bonds are outstanding under the Programme, and shall obtain and maintain such permits and licences except where such non-compliance will not result in a Material Adverse Effect on its business or its obligations under the Offer Documents;
- 15.9. furnish the Bond Trustees and Rating Agencies with [(4) copies] of its Audited Financial Statements, including its statements of financial position as at the close of that fiscal year; statements of profit or loss and other comprehensive income; statements of changes in equity and; statements of cash flows for that fiscal year, prepared in accordance with IFRS and other Applicable Law and confirmed by the Auditors as fairly representing the financial condition of the Issuer as at the close of that fiscal year, at the same time as such statements are being sent to the Issuer;
- 15.10. for as long as any Bonds are outstanding, subject to obtaining the prior written consent of the Bond Trustees (such consent not to be unreasonably withheld), be entitled to enter into any amalgamation, de-merger, merger, consolidation or corporate restructuring or enter into any transaction which effect would be similar to that of a merger, de-merger, consolidation or corporate reconstruction, provided that:
- 15.10.1. no consolidation, corporate restructuring, merger or other change in the status of the Issuer shall be interpreted to avoid the Issuer's obligations imposed by this Deed and in the event of any change in status of the Issuer, the successor or successors-in-title of the Issuer shall be held and deemed responsible for the due performance of the obligations intended by this Deed, and the successor or successors-in-title of the Issuer shall expressly assume by a supplemental trust deed to this Trust Deed in form and substance satisfactory to the Trustees, all of the obligations of the Issuer under this Deed;
- 15.10.2. immediately before and after giving effect to such consolidation or merger, no Event of Default shall have occurred and be continuing;
- 15.10.3. a Rating Reaffirmation is obtained in respect of such merger or consolidation or transfer of assets, as the case may be; and
- 15.10.4. the Issuer or its successor-in-title, as the case may be, shall have delivered to the Bond Trustees, a certificate signed by two (2) of its directors or by one (1) director and its Chief Financial Officer, stating that the consolidation or merger complies with the provisions of subparagraphs 16.10.1 and 16.9102 above;
- 15.11. unless with the prior written consent of the Bond Trustees first had and obtained (which consent shall not be unreasonably withheld), not reduce its issued share capital or otherwise amend or change its share capital in a manner which, in the Bond Trustees' reasonable opinion would adversely affect its ability or obligation to pay the principal and or interest on Bonds and or any monies payable under this Deed except such amendment is required by an Applicable Law;
- 15.12. in any other case of alteration of capital, and/or amendment of its Memorandum of Association and Articles of Association, give the Bond Trustees prior written notice of the proposed amendment and/or, giving full particulars of the status of its share capital after the proposed amendment, of its Memorandum of Association and Articles of Association accompanied with a formal representation by the Issuer confirming that such alteration or amendment shall not adversely affect its ability or obligation to pay principal and or interest on the Bonds issued under this Deed. In addition, the Issuer shall give answers to any reasonable queries of the Bond Trustees in respect of such alteration or amendments;
- 15.13. ensure that all information in supplementals to the Offer Documents, to be made available to the Bondholders by the Issuer or any director, officer, employee, or representative of the Issuer in connection

with the transaction contemplated herein, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements are made;

- 15.14. retain a reputable firm of auditors as its Auditors at all times;
- 15.15. duly and punctually pay and discharge all taxes for which:
 - 15.15.1. it reasonably believes it is liable, pursuant to any self-assessment procedure; and
 - 15.15.2. assessed upon it or its assets under any Applicable Law within the period allowed, without incurring penalties, except:
 - 15.15.2.1. such payment is being contested in good faith;
 - 15.15.2.2. adequate reserves are maintained for those taxes and any interest or penalties; and
 - 15.15.2.3. such payment can be lawfully withheld.
- 15.16. bear and pay any Stamp Duties and charges (including interest and penalties, payable or imposed by any Authority or government agency in Nigeria), in connection with the execution, delivery and performance of this Deed, and shall indemnify each Bondholder against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, any properly incurred legal fees and any applicable VAT) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same;
- 15.17. ensure that it maintains its legal status and complies with all Applicable Laws required to maintain such status;
- 15.18. ensure the information it makes available to the Bondholders directly or through any of its directors, officers, employees, or representatives in connection with the transactions contemplated by this Deed shall be complete and correct in all material respects; and not contain any untrue statement of a material fact or omit to state a material fact necessary in order to ensure the statements contained therein are not misleading in light of the circumstances under which such statements were or are made;
- 15.19. give notice in writing to the Bond Trustees immediately upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Bond Trustees to take any further action;
- 15.20. keep proper books of account and, at any time after an Event of Default has occurred or if the Bond Trustees reasonably believe that an Event of Default may have occurred or may be about to occur, allow the Bond Trustees and the Auditor free access to such books of accounts at all reasonable times during normal business hours, until such Event of Default ceases;
- 15.21. for as long as any Bonds are outstanding and, without the prior written consent of the Bond Trustees (such consent not to be unreasonably withheld), ensure that there is no change in Control of the Issuer;
- 15.22. not declare or pay any dividend in cash or otherwise or make a distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital if a Potential Event of Default or an Event of Default has occurred and is continuing;
- 15.23. use its best endeavours to maintain the listing of the Bonds on the Recognised Securities Exchange and if it is unable to do so having used such endeavours, use its best endeavours to obtain and maintain a quotation or listing of such Bonds on such other stock exchange or securities market as the Issuer may decide and upon obtaining a quotation or listing of such Bonds issued by it on such other stock exchange or exchanges or securities market or markets, enter into a Deed supplemental to this Deed or the relevant Series Trust Deed to effect such consequential amendments as shall be necessary to comply with the

requirements of any such stock exchange or securities market. Provided that the Issuer shall be able to delist the Bonds from any Exchange for any reason whatsoever with the prior approval of the Majority Bondholders;

- 15.24. provide the Bond Trustees with all documents and information the Bond Trustees may reasonably require in connection with the performance of its obligations under this Deed, within ten (10) Business Days of receipt of a written request from the Bond Trustees or, in the event that the Issuer may require a longer period to obtain such documents or information from third parties, as soon as is reasonably practicable after such request and in any event by such longer period as may be agreed with the Bond Trustees;
- 15.25. by [31st December] in each year in which any part of the Principal Amount on the Bonds and accrued interest are outstanding, issue a certificate stating that:
 - 15.25.1. all arrangements required during the next financial year to meet the payment obligations of the Issuer have been or will be put in place by the Issuer; and
- 15.26. to the best of its knowledge, it is not aware of any facts or circumstances in the ordinary course of its business that will affect its ability to meet its payment obligations as and when due. ensure that all payments due to the Bondholders shall be paid to the Payment Account(s) as provided in the relevant Final Terms;
- 15.27. where the day on which a payment is due to be made is not a Business Day, ensure that payment shall be effected on or by the next succeeding Business Day unless that succeeding Business Day falls in a different Month in which case payment shall be made on or by the immediately preceding Business Day.

16. Events of Default

If any of the following events (“Events of Default”) occurs and is continuing, the Bond Trustees at its discretion may, and if so requested in writing by the Majority Bondholders, or if so directed by an Extraordinary Resolution of the Bondholders shall, give written notice to the Issuer at its specified office that an Event of Default has occurred:

- 16.1. Non-Payment: default by the Issuer in the payment when due of any Redemption Amount in respect of the Bonds and the continuance of any such default for a period of ten (10) Business Days in the case of the Principal Amount or fourteen (14) Business Days in the case of Coupon after the relevant Coupon Payment Date. The Issuer shall not be in default, however, if during the said ten (10) or fourteen (14) Business Days period, the Issuer satisfies the Bond Trustees that such sums (Withheld Amounts) were not paid:
 - 16.1.1. in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the Bond Trustees or the relevant Bondholder; or
 - 16.1.2. on account of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of fourteen (14) or ten (10) Business Days by independent legal advisers acceptable to the Bond Trustees.

Proof that, as regards any specified Bonds, the Issuer has made default in paying any amount due in respect of such Bonds shall (unless the contrary is proved) be prima facie evidence that the same default has been made as regards all other Bonds, in respect of which the relevant amount is due and payable.

- 16.2. Breach of Other Obligations: the Issuer does not perform or comply with any one or more of its other obligations under the Trust Deed which default has not been remedied for a period of thirty (30) days (or such longer period as the Bond Trustees may reasonably determine is not materially prejudicial to the

interest of the Bondholders) 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 Bond Trustees (except where such default is not, in the reasonable opinion of the Bond Trustees after consultation with the Issuer, capable of being remedied, in which case no such notice as is mentioned above will be required).

- 16.3. 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 90 (ninety) 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 certified in writing by the Bond Trustees to be in their opinion materially prejudicial to the interests of the Bondholders;
- 16.4. Seizure/Compulsory Acquisition of Assets: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer;
- 16.5. Inability to Pay Debts: The Issuer stops or suspends payment of substantial part of its debts due to financial difficulties;
- 16.6. Cessation of Business: If the Issuer ceases to conduct all or substantially all of its business as it now conducts or changes all or substantially all of the nature of its business without the prior written consent of the Bond Trustees, or merges or consolidates with any other entity other than in compliance with the provisions of this Deed;
- 16.7. Insolvency: The appointment of a liquidator (other than in respect of a solvent liquidation or reorganization), receiver, manager or other similar officer in respect of the Issuer, any of its assets;
- 16.8. Material Adverse Change: If a Material Adverse Change has occurred; and
- 16.9. Obligations Unenforceable: any of the Bonds or the Trust Deed is or becomes wholly or partly void, voidable or unenforceable, and which adversely affects the payment obligations of the Issuer.

17. Statement of Investment Principles

The Bond Trustees undertake to invest the monies available in the Debt Service Reserve Account in accordance with and based on the approved portfolio allocation as set out in the relevant Series Trust Deed and in accordance with the Trustee Investment Act. Provided however that the Bond Trustees shall, while any Bonds are outstanding, render accounts on a half-yearly basis to the Issuer.

18. Enforcement

At any time after the occurrence of an Event of Default which is continuing, the Bond Trustees may, in their discretion, institute proceedings and or/take other actions against or in relation to the Issuer or any other person as it may think fit to enforce the obligations of the Issuer under this Trust Deed.

19. Proceedings, Action and Indemnification

- 19.1. The Bond Trustees shall not be bound to take any action or proceedings mentioned in Clause 19 (*Enforcement*) or any other action in relation to this Deed unless directed or requested to do so (i) by an Extraordinary Resolution or (ii) in writing by the Majority Bondholders and in either case the Bond Trustees shall be indemnified and/or secured and/or prefunded to their satisfaction against all liabilities to which

the Bond Trustees may thereby render themselves liable or which the Bond Trustees may incur by so doing. Only the Bond Trustees may enforce the performance of the Issuer's obligations under this Deed.

19.2. Subject to the provisions of CAMA, no Bondholder or a person claiming through a Bondholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the obligations under this Deed or any Series Trust Deed.

20. Trust of Receipts

20.1. All money received by the Bond Trustees in respect of the Bonds of any Series or amounts payable under this Deed from the Issuer (including any money which represents principal or interest in respect of Bonds which have become void or in respect of which claims have become prescribed under Condition 19 of Schedule 1 (*Prescription*)) shall, be apportioned pari passu and rateably between the Bonds, and all money received by the Bond Trustees under this Deed from the Issuer, shall be held by the Bond Trustees upon trust to apply them (subject to Clause 20 (*Proceedings, Action and Indemnification*)) in the following order:

20.1.1. FIRSTLY, in payment or satisfaction of costs, charges, taxes, levies, expenses and liabilities incurred and payments made in respect of the execution of the trusts or this Deed including all amounts then due and unpaid under Clause 26 (*Remuneration and Indemnification of Bond Trustees*) to the Bond Trustees and/or any appointee;

20.1.2. SECONDLY in or towards payment of Coupon owing pari passu then due and unpaid in respect of the Bonds; and

20.1.3. THIRDLY in or towards payment pari passu and rateably of all Principal Amount then due and unpaid in respect of the Bonds; and

20.1.4. FOURTHLY in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

Without prejudice to this Clause 21, if the Bond Trustees hold any moneys which represent principal or interest in respect of Bonds which have become void or in respect of which claims have been prescribed under Condition 19 of Schedule 1 (*Prescription*), the Bond Trustees will hold such moneys on the above trusts.

21. Trustees to Act on Instructions of Bondholders

The Bond Trustees are not bound to take any proceedings or any other action in relation to this Deed, the Bonds or any documents executed pursuant to the Deed or any of the other Offer Documents to which the Bond Trustees are a party unless:

21.1. it is so directed by an Extraordinary Resolution of the Bondholders;

21.2. it is requested to do so in writing by the Majority Bondholders; or

21.3. in either case, the Bond Trustees (and every attorney, delegate, manager, agent or other person appointed by the Bond Trustees) shall be entitled to be indemnified by the Bondholders and or secured to its satisfaction in respect of all liabilities, proceedings, claims, demands, costs, charges and expenses to which the Bond Trustees may become liable or which may be incurred by it (or any of the above-mentioned parties so appointed by the Bond Trustees) in connection with this Deed, provided that the Bond Trustees shall not be held liable for the consequence of taking any such action.

22. Exclusive Right of the Bond Trustees

None of the Bondholders shall have any independent power to enforce any right or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to any of the Offer Documents. Any power or right of the Bondholders under this Deed may be exercised only by the Bond Trustees or any delegate appointed by the Bond Trustees in accordance with the terms of this Deed. Also, the Bond Trustees are required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Bondholders as a class.

23. Notice of Payments

The Bond Trustees shall give notice to the relevant Bondholders in accordance with Condition 13 (*Notices*) of the day fixed for any payment to them under Clause 21 (*Trusts of Receipts*). Such payment may be made in accordance with Condition 9 (*Method of Payment of Principal and Coupon*) and any payment so made shall be a good discharge to the Bond Trustees.

24. Investment by Bond Trustees

The Bond Trustees shall invest money standing to the credit of the Debt Service Reserve Account in any Authorised Investments that yield a Market Competitive return, for such periods as they may consider expedient from time to time, and may vary such investments with the concurrence of the Issuer. All interest and other income deriving from such investment shall be deposited into the Debt Service Reserve Account.

25. Remuneration and Indemnification of Bond Trustees

25.1. Normal Remuneration: The Issuer shall pay to the Bond Trustees remuneration for their services as Bond Trustees as from the date of this Trust Deed, such remuneration as shall be agreed between the Issuer and the Bond Trustees in accordance with the terms of an engagement letter executed in relation to each relevant series of the Bonds.

25.2. VAT: The Issuer shall in addition, pay to the Bond Trustees an amount equal to the amount of any VAT or similar tax chargeable in respect of their remuneration under the Engagement Letter provided that the Issuer shall deduct applicable withholding tax from all remuneration referred to in this Clause 26.

25.3. Expenses: The Issuer shall also pay or discharge all pre-agreed fees, costs, charges and expenses reasonably incurred by the Bond Trustees in relation to the preparation and execution of the exercise of their powers and the performance of their duties under, and in any other manner in relation to, this Deed, such as reasonable travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Bond Trustees in connection with any action taken by or on behalf of the Bond Trustees for enforcing this Deed; Provided that the Bond Trustees shall seek and obtain the prior written consent of the Issuer to incur any such liabilities in excess of an aggregate sum of [N1,000,000.00 (One Million Naira)]¹ unless such expense is incurred for the purposes of enforcing the provisions of this Deed against the Issuer upon occurrence of an Event of Default in which case such consent shall not be required.

25.4. All amounts payable pursuant to sub-clause 26.3 above and/or Clause 26.5 below shall be payable by the Issuer on the date specified in a demand by the Bond Trustees and in the case of payments actually made by the Bond Trustees prior to such demand from the date specified in such demand, and in all other cases

shall (if not paid within thirty (30) days after the date of such demand or, if such demand specifies that payment is to be made on an earlier date, on such earlier date)

- 25.5. Indemnity: The Issuer shall indemnify the Bond Trustees (i) in respect of all liabilities incurred by it or other person appointed by it to whom any trust, power, authority or discretion may be validly delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Deed and (ii) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing validly done or omitted in any way relating to this Deed except as a result of the Bond Trustees' negligence or/and default, and provided further that the indemnity contained in this Clause 26.5 shall remain in full force and effect notwithstanding any discharge of this Deed for a period of six (6) years following the discharge of the Issuer from its obligations under this Deed in respect of any such liabilities which may have arisen prior to such discharge.
- 25.6. Unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 26 shall continue in full force and effect in relation to the period during which the Bond Trustees were Bond Trustees of this Deed notwithstanding such discharge.
- 25.7. The Bond Trustees shall be entitled in their absolute discretion to determine in respect of the Bonds that any Liabilities incurred under this Deed have been incurred or to allocate any such liabilities between the Bonds.

26. Supplement to Trustees' Investment Act

The Bond Trustees shall have all the powers, reliefs and indemnities conferred upon Trustees by the Trustees Investment Act and by way of supplement thereto it is expressly declared as follows:

- 26.1. The Bond Trustees shall act in accordance with the provisions of this Deed, the relevant Series Trust Deed, the ISA, the SEC Rules and Regulations, the Trustees Investment Act and any Applicable Laws and safeguard the rights of the Bondholders for the Issuer's obligations under the Programme;
- 26.2. The Bond Trustees shall summon, as and when necessary, meetings of all Bondholders of a Series where necessary matters and business will be presented to and determined by the Bondholders;
- 26.3. The Bond Trustees shall not enter into contracts or other arrangements that would amount to a conflict of interest in the performance of their obligations under this Deed, or any other customary obligations of a Trustee;
- 26.4. The Bond Trustees may in relation to this Deed act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the Issuer, the Bond Trustees or otherwise and shall not be responsible for any liability occasioned by so acting provided they have used their best efforts to ensure that such persons are competent and have exercised due care and diligence in the selection of such professional adviser(s).
- 26.5. Any such advice, opinion or information may be sent or obtained by a letter, email, telex, telegram, facsimile transmission or cable and the Bond Trustees shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, email, telex, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.
- 26.6. The Bond Trustees may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by two of the Directors of the Issuer or one Director and the Chief Financial Officer of the Issuer and the Bond Trustees shall not be bound in any

such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such certificate.

- 26.7. The Bond Trustees shall not be responsible for the receipt or application of the proceeds of the issue of any of the Bonds by the Issuer, the exchange of any Bond for another Bond or the delivery of any Bonds to the person(s) entitled to it or them.
- 26.8. The Bond Trustees shall not be bound to give notice to any person of the execution of any documents comprised or referred to in this Deed or to take any steps to ascertain whether any Event of Default or any Potential Event of Default has occurred or to monitor or supervise the performance, observance or compliance by the Issuer of the provisions of this Deed and, until the Bond Trustees shall have actual knowledge or express notice pursuant to this Deed to the contrary, the Bond Trustees shall be entitled to assume that no Event of Default or Potential Event of Default has occurred and that each of the Parties is observing and performing all its obligations under this Deed.
- 26.9. Save as expressly otherwise provided in this Deed, the Bond Trustees shall have absolute discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under this Deed (the exercise or non-exercise of which as between the Bond Trustees and the Bondholders shall be conclusive and binding on the Bondholders) and the Bond Trustees in the absence of fraud, negligence, or wilful misconduct, shall not be responsible for any liability which may result from its exercise or non-exercise and in particular the Bond Trustees shall not be bound to act at the request or direction of the Bondholders or otherwise under any provision of this Deed or to take at such request or direction or otherwise any other action under any provision of this Deed, without prejudice to the generality of Clause 22.1, unless the Bond Trustees shall first be indemnified and/or secured to its reasonable satisfaction against all liabilities to which it may render themselves liable or which the Bond Trustees may incur by so doing.
- 26.10. The Bond Trustees shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the Bondholders of the Bonds in respect whereof minutes have been made and signed or any direction or request of the Bondholders even though subsequent to its acting, it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such Bondholders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of Bondholders) or that for any reason the resolution, direction or request was not valid or binding upon such Bondholders except where the Bond Trustees had actual knowledge of such defect; in which case the Bond Trustees shall become liable for such acts.
- 26.11. Any consent or approval given by the Bond Trustees for the purposes of this Deed may be given on such terms and subject to such conditions (if any) as the Bond Trustees think fit and, notwithstanding anything to the contrary in this Deed, may be given retrospectively. The Bond Trustees may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in this Deed) if it is satisfied that the interests of the Bondholders will not be materially prejudiced thereby. For the avoidance of doubt, the Bond Trustees shall not have any duty to the Bondholders in relation to such matters other than that, which is contained in the preceding sentence.
- 26.12. Where it is necessary for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustees in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer and the Bondholders.

- 26.13. In connection with the exercise by the Bond Trustees of any of its trusts, powers, authorities or discretions under this Deed (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustees shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustees shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Bond Trustees or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders;
- 26.14. The Bond Trustees may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by this Deed as the Bond Trustees may determine, including for the purpose of depositing with a custodian this Deed or any document relating to the trusts constituted by this Deed and the Bond Trustees shall not be responsible for any liability incurred by reason of the misconduct, negligence, omission or default on the part of any person appointed by them hereunder or be bound to supervise the proceedings or acts of such person; the Bond Trustees are not obliged to appoint a custodian if the Bond Trustees invest in securities payable to the bearer.
- 26.15. The Bond Trustees shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Bonds or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any liability incurred thereby.
- 26.16. The Bond Trustees may whenever they think fit, delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being Bond Trustees of this Deed or not) all or any of its trusts, powers, authorities and discretions under this Deed. Such delegation may be made upon such terms and subject to such conditions and regulations as the Bond Trustees may in the interests of the Bondholders think fit. The Bond Trustees shall not be under any obligation to supervise the proceedings or acts of any such delegate and shall not in any way be responsible for any liability incurred by reason of any misconduct or default on the part of any such delegate provided they have used their best efforts to ensure that such persons are competent and have exercised due care and diligence in the selection of such persons. The Bond Trustees shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer, provided however that where the Bond Trustees delegate all their powers to an agent, the Bond Trustees shall not do so without seeking the prior approval of the Issuer.
- 26.17. The Bond Trustees may in the conduct of the trusts of this Deed instead of acting personally, employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this Deed (including the receipt and payment of money). The Bond Trustees shall not in any way be responsible for any liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent provided they have used their best efforts to ensure that such persons are competent and have exercised due care and diligence in the selection of such professional.
- 26.18. The Bond Trustees shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Deed or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy,

genuineness, validity, performance, enforceability or admissibility in evidence of this Deed or any other document relating or expressed to be supplemental thereto.

- 26.19. Notwithstanding anything contained in this Trust Deed and the Terms and Conditions of the Bonds, to the extent required by any Applicable Law, if the Bond Trustees are required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Bond Trustees are otherwise charged to, or may become liable to tax as a consequence of performing their duties and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatever nature and whenever made upon the Bond Trustees, and whether in connection with or arising from any sums received or distributed by them or to which they may be entitled hereunder or any Bonds from time to time representing the same, including any income or gains arising therefrom, or any action of the Bond Trustees in or about the administration of the trusts hereof or otherwise, in any case other than any tax generally payable by the Bond Trustees on their income, then the Bond Trustees shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by them in respect of this Deed an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Bond Trustees to tax from the funds held by the Bond Trustees on trust hereunder.
- 26.20. The Bond Trustees shall not be bound to take any action in connection with this Deed or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where they are not reasonably satisfied that the Issuer will be able to indemnify them against all liabilities which may be incurred in connection with such action and may demand prior to taking any such action that there be paid to them in advance such sums as they reasonably consider (without prejudice to any further demand) shall be sufficient so to indemnify them and on such demand being made the Issuer shall be obliged to make payment of all such sums in full.
- 26.21. No provision of this Deed shall require the Bond Trustees to do anything which may:
- 26.21.1. be illegal, contrary to Applicable Law or render the Bond Trustees liable to any person;
 - 26.21.2. cause the Bond Trustees to expend or risk their own funds or otherwise incur any liability in the performance of any of their duties or in the exercise of any of their rights, powers or discretions, if the Bond Trustees shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to them.
- 26.22. Unless notified to the contrary, the Bond Trustees shall be entitled to assume without enquiry that no Bonds are held by, for the benefit of, or on behalf of, the Issuer.
- 26.23. The Bond Trustees shall not be responsible for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Deed, or any other agreement or document relating to the transactions contemplated in these presents or under such other agreement or document.
- 26.24. The Bond Trustees shall not be liable or responsible for any liabilities or inconvenience, which may result from anything done or omitted to be done by them in accordance with the provisions of this Deed provided that such liability(ies) does not arise out of their own negligence.
- 26.25. Any Corporation into which the Bond Trustees shall be merged or with which they shall be consolidated or any company resulting from any such merger or consolidation shall be a Party hereto and shall be the Bond Trustees under this Deed without executing or filing any paper or document or any further act on the part of the Parties thereto.

- 26.26. Any certificate or report of the Auditors or any other person called for by or provided to the Bond Trustees (whether or not addressed to the Bond Trustees) in accordance with or for the purposes of this Deed may be relied upon by the Bond Trustees as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any Engagement Letter or other document entered into by the Bond Trustees in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.
- 26.27. To the extent that the Bond Trustees are instructed to take any action pursuant to Clause 20.1, the Bond Trustees shall be entitled to rely conclusively upon such request in writing or by Extraordinary Resolution of the Bondholders regarding the same and shall bear no liability of any nature whatsoever to the Issuer or Bondholders for acting upon such request in writing or Extraordinary Resolution of the Bondholders.
- 26.28. The Bond Trustees shall retain control of and manage the Payment Account and Debt Service Reserve Account separately and will not commingle the funds therein with other funds managed by them.
- 26.29. The Bond Trustees undertake that monies accruing to the Payment Account or the Debt Service Reserve Account shall not be held in the individual accounts of the Trustees or in any manner inconsistent with the provisions of this Deed.
- 26.30. Subject to the obligation of the Issuer in Clause 9.2 of this Agreement, to fund the Payment Account, the Bond Trustees shall ensure the prompt payment of the Principal Amount and Coupon to the Bondholders from the Payment Account as and when due.

27. Bond Trustees' Liability

Nothing in this Deed shall, in any case in which the Bond Trustees have failed to show the degree of care and diligence required of them as Bond Trustees, having regard to the provisions of this Deed conferring on it any trusts, powers, authorities or discretions, exempt the Bond Trustees from or indemnify them against any liability for breach of trust in relation to their duties under this Deed. For the avoidance of doubt, the Bond Trustees shall be liable to the Issuer for any loss that may result from the Bond Trustees' misapplication of any funds paid by the Issuer into the Payment Account, or for any failure of the Bond Trustees to make payments to the Bondholders (or, otherwise, to apply any funds) in accordance with the terms of this Deed and for any act or act of omission committed by them or any of their agents, delegates or persons acting on their behalf, as a result of lack of degree of care and /or diligence as required of a trustee.

28. Bond Trustees' Contracting with the Issuer

- 28.1. Neither the Bond Trustees nor any Director or officer or Holding Company, Subsidiary or Associated Company of a Bond Trustee under this Deed shall by reason of its or his fiduciary position be in any way precluded from:
- 28.1.1. entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer; or
- 28.1.2. holding, purchasing, selling, underwriting or otherwise deal with any of the Bonds or any other securities and other obligations of the Issuer; or

28.1.3. accepting or holding the Joint Trusteeship of any other Trust Deed constituting or securing any other securities issued by or relating to the Issuer or any such person or body corporate so associated or any other office of profit under the Issuer or any such person or body corporate so associated, and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in Clause 29.1.1 or, as the case may be, any such Joint Trusteeship or office of profit as is referred to in this sub-clause without regard to the interests of the Bondholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Bondholders and shall not be responsible for any liability occasioned to the Bondholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

28.2. Where any Holding Company, Subsidiary or Associated Company of the Bond Trustees or any Director or officer (acting other than in its capacity as such a Director or officer) of the Bond Trustees has any information, the Bond Trustees shall not thereby be deemed also to have knowledge of such information and, unless they shall have actual knowledge of such information, shall not be responsible for any loss suffered by Bondholders resulting from the Bond Trustees failing to take such information into account in acting or refraining from acting under or in relation to this Deed.

29. Waiver, Authorisation and Determination

The Bond Trustees may without the consent or sanction of the Bondholders, and without prejudice to their rights in respect of any subsequent breach, Event of Default or Potential Event of Default from time to time and at any time, but only if and in so far as in its opinion the interests of the Bondholders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in this Deed or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of this Deed provided always that the Bond Trustees shall not exercise any powers conferred on them by this Clause 30 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 15 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustees may determine, shall be binding on the Bondholders and, if, but only if, the Bond Trustees shall so require, shall be notified by the Issuer to the Bondholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

30. Modification

30.1. The Bond Trustees may:

30.1.1. carry out modifications to this Deed without the consent or sanction of the Bondholders of the relevant Series, at any time and from time to time concur with the Issuer in making any modification which in the opinion of the Bond Trustees, is of a formal, minor or technical nature or to correct a manifest error which is, in the opinion of the Bond Trustees, proven or to comply with mandatory provisions of law. Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustees may determine, shall be binding upon the Bondholders and, unless the Bond Trustees agree otherwise, shall be notified by the Issuer to the Bondholders of the relevant Series in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

30.1.2. with the consent of the Bondholders, obtained by way of an Extraordinary Resolution, concur and cooperate with the Issuer in making any modifications to this Deed to effect any amendments, other

than those mentioned in Clause 31.1.1 above. Any such modification may be made on such terms and subject to such conditions (if any) as the Bondholders may determine and shall be binding on all Bondholders.

Provided always that any modifications or amendments made to the Trust Deed shall be subject to the approval of the SEC.

31. Breach

Any breach of or failure to comply by the Issuer with any such terms and conditions as are referred to in Clauses 15 (*Representations and Warranties*) and 16 (*Covenants of the Issuer*) of this Deed shall constitute a default by the Issuer in the performance or observance of a covenant or provision binding on it under or pursuant to this Deed.

32. Appointment of Additional Bond Trustee

32.1. The power to appoint additional Bond Trustee of this Deed shall be vested solely in the Issuer. The foregoing notwithstanding, no person appointed as Bond Trustee in relation to a particular Series shall be replaced or substituted except if such replacement or substitution is first authorised by an Extraordinary Resolution of the Bondholders. One or more persons may hold office as Bond Trustee of this Deed, but such Bond Trustee shall be or include a Trust Corporation. Provided that the Issuer may appoint a different Bond Trustee for each Series of the Bonds. Whenever there are more than two (2) Bond Trustees in respect of a Series, the majority of such Bond Trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee by this Deed provided that a Trust Corporation shall be included in such majority.

32.2. Any appointment of a new Bond Trustee of this Deed shall as soon as practicable thereafter be notified by the Issuer to the Bondholders. The Bondholders shall together have the power, exercisable by Extraordinary Resolution, to remove any Trustee or Trustees for the time being hereof.

32.3. Every new Bond Trustee appointed pursuant to Clause 33.1 above, shall execute, acknowledge and deliver to the Issuer an instrument in writing, accepting such appointment. The new Bond Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor. The appointment of a new Bond Trustee shall be effective upon its execution of the deed of accession substantially in the form set out in Schedule 3.

33. Bond Trustee Retirement and Removal

33.1. Compulsory Retirement: A Bond Trustee shall be required to retire from its position as Bond Trustee in the event of any of the following happening:

33.1.1. except for voluntary liquidation for the purpose of amalgamation or reconstruction, if it goes into liquidation or if a receiver is appointed over the undertaking of the Bond Trustee or if a public Authority shall take over the undertaking of the Bond Trustee or any substantial part of it; or

33.1.2. if the Bond Trustee has been fraudulent or has acted with misconduct in the performance of its duties under this Deed; and if for good and sufficient reason the Issuer is of the opinion that a change of Bond Trustee is desirable in the interests of the Bondholders and notifies the Bond Trustee in writing accordingly.

In the event of the occurrence of any of the events stipulated in Clause 34.1 above, the Bond Trustee's retirement shall take effect immediately upon approval of such compulsory retirement by an Extraordinary Resolution.

33.2. Voluntary Retirement: A Bond Trustee may retire at any time on giving not less than three (3) Months' prior written notice to the Issuer without giving any reason and without being responsible for any liabilities incurred by reason of such retirement. The Bondholders may by Extraordinary Resolution remove the Bond Trustee, provided the Bondholders can only remove such an appointed Bond Trustee where the Bond Trustee is in breach of its representations and warranty under this Deed or in the case of negligence, wilful default, breach of duty or breach of trust in relation to its duties as provided under this Deed. The Issuer undertakes that at all times where there are more than one Bond Trustee, one of the Bond Trustees shall be a Trust Corporation and where a Bond Trustee which is a Trust Corporation gives notice under this Clause 34.2 or is removed by Extraordinary Resolution, the Issuer shall use its best endeavours to procure that a new Bond Trustee of this Deed being a Trust Corporation is appointed within three (3) Months thereafter. The retirement or removal of the Bond Trustee shall not become effective until a successor Bond Trustee being a Trust Corporation is appointed. If the Issuer fails to procure a new Bond Trustee within the stipulated period of such notice being given, the Bond Trustee may appoint a new Bond Trustee.

33.3. Retiring Bond Trustee shall not be responsible for any cost occasioned by its retirement, except for the cost of physically transferring all documents related to this Deed to the new Bond Trustee, and the cost of notifying the Bondholders of the appointment of a successor Bond Trustee.

33.4. In the event of the retirement of a Bond Trustee in accordance with this Clause 34, the Bond Trustee shall immediately account for and deliver up all assets within its custody and control relating to its obligations under this Deed, to the appointed successor(s). In addition, the Bond Trustee undertakes to refund the unearned portion of its annual fees for the year that it retires.

33.5. Where any of the Bond Trustees gives notice of its resignation as trustee pursuant to Clause 34.2 hereof or in the event that any of the Bond Trustees goes into liquidation or otherwise becomes incapable to act as trustee or is removed as Bond Trustee pursuant to Clause 34.1 or 34.2 hereof, the Issuer shall upon notification of the SEC, immediately appoint a successor Bond Trustee or Bond Trustees and the SEC shall be promptly notified.

34. Bond Trustees Powers to be Additional

The powers conferred upon the Bond Trustees by this Deed shall be in addition to any powers which may from time to time be vested in the Bond Trustees by Applicable Law.

35. Incorporation of Schedules

The provisions contained in the Schedules to this Deed shall have full effect in the same manner as if such provisions were set forth in the body of this Deed. The powers conferred upon the Bond Trustees in the Schedules shall be in addition to any powers, which may from time to time be vested on it by any Applicable Law or by the Bondholders.

36. Notices

Any notice or demand to the Issuer or the Bond Trustees to be given, made or served for any purposes under this Deed shall be in writing and given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), registered mail or courier or by despatching the same by electronic mail transmission or other means of communication in permanent written form and due service shall be deemed to have been made at the time of actual receipt, except in the case of any electronic mail transmission sent after 5.00pm, it shall be deemed to have been served at 9:00am on the next Business Day. All notices shall be effective when received at the addresses specified for the service by the relevant party or as amended from the time to time in writing as follows:

To The Issuer: Fidson Healthcare Plc
Attention: Imokha Ayebae
Address: 268 Ikorodu Road, Obanikoro, Shomolu, Lagos
Tel No.: +234 703 402 3848
E-mail: imokhaayebae@fidson.com

To The Bond Trustees:

ARM Trustees Limited
Attention: Michael Abiodun Thomas
Address: 1, Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos
Tel No.: + 234 (0) 8035732578, 234 (1) 2701653
E-mail: armtrustees-CT@arm.com.ng

FBNQuest Trustees Limited
Attention: Head, Corporate Trust
Address: 10 Keffi Street, Off Awolowo Road S.W. Ikoyi, Lagos, Nigeria
Tel No.: +234 (1) 2798300
E-mail: corporatetrust@fbnquest.com

or to such other address as shall have been notified (in accordance with this Clause) to the other Party hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served two days in the case of inland post or seven (7) days in the case of overseas post after despatch.

37. Force Majeure

Neither the Issuer nor the Bond Trustees shall be liable to the other for failure or delay in the performance of a required obligation under this Deed, if such failure or delay is caused by a "Force Majeure". Provided that such Party gives prompt written notice of such event, the steps being taken or proposed to be taken in relation to such event, and resumes the performance of its obligations as soon as reasonably possible after the cessation of such event, the said event not extending beyond a period of thirty (30) days. Provided also that the other Party is reasonably satisfied that such event impedes the relevant party's ability to discharge its obligations under this Deed.

38. Governing Law and Dispute Resolution

38.1. This Deed and all rights and obligation arising therefrom shall be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

38.2. In the event of any dispute arising out of or under this Programme Trust Deed, the Parties shall within five (5) Business Days from the date the dispute arose, notify the SEC of the existence of the dispute.

38.3. Any dispute which cannot be mutually resolved by the Parties within ten (10) business days shall be referred to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, Cap A18, LFN, 2004. The arbitral Tribunal shall consist of three (3) Arbitrators. The Issuer and the Bond Trustees shall each appoint one Arbitrator within five (5) business days of the referral of the dispute to arbitration. The two (2) Arbitrators so appointed shall appoint the third Arbitrator within five (5) business days of the request to appoint the third Arbitrator. PROVIDED THAT if either Party is unable to appoint its own Arbitrator or the first two Arbitrators are unable to agree on a third Arbitrator within two (2) weeks of the appointment of the second Arbitrator, then such Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators UK (Nigeria Branch) on the application of any Party and when appointed, the third Arbitrator shall convene an Arbitrators' meeting and act as Chairman of the same. The Arbitrators shall also have a maximum period of twenty-five (25) Business Days to resolve the dispute after the submission of final addresses by the Parties.

38.4. The seat of arbitration shall be Lagos, and the language of arbitration shall be English.

39. Assignments and Transfers

39.1. The Bond Trustees may assign or transfer any of their rights, interests or obligations under or in respect of this Deed to any successor as Trustee subject to the provisions of this Deed, provided that they first obtain the prior written consent of the Issuer, such consent not to be unreasonably withheld, refused or delayed.

39.2. The Issuer may not assign or transfer any of its rights, interests or obligations under or in respect of this Deed to any person, without the express written consent of the Bond Trustees (such consent not to be unreasonably withheld, refused or delayed).

40. Counterparts

This Trust Deed and any Trust Deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any Party to this Trust Deed or any Trust Deed supplemental hereto may enter into the same by executing and delivering a counterpart.

41. Modification of the Terms of the Deed

The Parties may by a supplemental trust deed, at any time make any modification to this Deed where the Bond Trustees are of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders or that the modification is intended to correct a manifest error or omission. For the avoidance of doubt, any modification which will affect the rights of the Bondholders with respect to the repayment of principal and interest as agreed under this Deed will be deemed as materially prejudicial and shall require authorisation by an Extraordinary Resolution of the Bondholders.

42. Compliance with the ISA

The Bond Trustees in exercise of the powers and discretions vested in them pursuant to this Deed shall comply with the provisions of the ISA and Applicable Laws.

17. EXTRACTS FROM THE ISSUER'S RATING REPORT

Fidson Healthcare Plc

Nigeria Corporate Analysis

December 2020

Rating class	Rating scale	Rating	Rating outlook	Expiry date
Long term	National	BBB ⁺ _(NG)	Stable	November 2021
Short term	National	A2 _(NG)		

Financial data:

(USD'm comparative)*

	31/12/18	31/12/19
N:USD (avg.)	305.8	306.4
N:USD (close)	306.5	306.5
Total assets	66.7	66.4
Total debt	25.8	23.4
Total capital	23.2	51.3
Cash & equiv.	1.8	1.0
Turnover	53.1	45.9
EBITDA	9.3	9.6
NPAT	avg	1.5
Op. cash flow	avg	avg
Market share	0.8	
Market cap **	USD25.8m	

*Central Bank of Nigeria exchange rate.

**As at 31/12/2020 @ N179.5/USD.

Rating history:

Initial rating (January 2014)

Issuer Long term: BBB_(NG)Issuer Short term: A3_(NG)N2ha Bond: BBB_(NG) (June 2016)

Rating outlook: Stable

Last rating (December 2019)

Issuer Long term: BBB⁺_(NG)Issuer Short term: A2_(NG)N2ha Bond: A⁺_(NG) (redemred)

Rating outlook: Stable

Related methodologies/research:

Global Master Criteria for Rating Corporate Entities, updated February 2018;

Fidson Healthcare Plc ("Fidson" or "the Company") rating reports (2014-19)

Glossary of terms/rates, February 2018

GCR contacts:

Primary Analyst:

Samuel Popoola

Analyst

samuel@gcratings.com

Committee Chairperson:

Dave King

Analyst location: Lagos, Nigeria

Tel: +234 1 904 9462-3

Website: www.globalratings.com.ng

Summary rating rationale

- Fidson's ratings reflect its status as a leading manufacturer in the Nigerian pharmaceutical sector, with well-diversified product base, extensive distribution network, and strong technical and business relationships. These strengths should continue to support the Company's growth over the review period.
- GCR considers the Nigerian pharmaceutical sector to manifest low cyclicality, underpinned by the essential nature of pharmaceutical products and less vulnerability to economic cycles. Nevertheless, earnings sensitivities have resulted from supply chain disruptions and foreign exchange ("FX") volatility, given the high import dependence for active pharmaceutical ingredients ("API") and production equipment.
- The top line has reported moderate growth over the review period, but with some variability thereto, due to the impact of logistics disruptions and factory relocation on production and traded volumes. Given that 9M FY20 results have shown strong annualised growth (c.30%) and well in line with full year expectations, GCR expects future growth (of between 15%-20%) to be driven by strong baseline demand, product innovations, and new manufacturing contracts.
- EBITDA margin has been variable through the cycle, reflecting the impact of FX volatility on API and system-wide logistics and port inefficiencies. Having implemented some cost efficiency initiatives, the margin has widened and stabilised in FY19 and 9M FY20, but slight pressures are expected going forward, due to further depreciation of the Naira against USD.
- Operating cash flows ("OCF") have either been small or negative over the review period, due to persistently high working capital pressures and interest payments. Similar trend is expected over the next two years, with OCF to debt remaining below the intermediate range.
- Gross debt has been elevated since FY18 due to high working capital requirement. Nevertheless, on the back of moderate earnings, net debt to EBITDA has remained low (below 250%) within the industry cyclicality bucket. Looking ahead, Fidson projects that debt will remain high (between N9bn-N12bn) as additional loan is utilised to fund expansion, but firmer earnings should further strengthen the net earnings-based gearing metrics (below 150%) over the next two years.
- Fidson evidences access to diverse funding sources, including governmental agencies, commercial banks, and local capital market. The funding structure is also considered supportive of financial flexibility, with only 37% of debt maturing within 12 months and the presence of a number of concessional facilities.
- Liquidity assessment is considered fairly moderate, underpinned by cash sources coverage of uses (mainly debt redemption and capex) by about 1x both over the next 12 months to December 2021 and over the next 24 months. However, the assessment could weaken if operating cash flows fall below expectations or there are cost overruns on expansion projects.

Factors that could trigger a rating action may include

Positive change: Sustained enhancement of earnings margins and debt service metrics, while maintaining gearing at moderate levels.

Negative change: Substantial decline in earnings, operating cash flows and/or higher than expected leverage could trigger a rating downgrade.

18.1 Letter from Reporting Accountant

The Directors
Fidson Healthcare Plc
268 Ikorodu Road
Obanikoro
Lagos

Dear Sirs,

ACCOUNTANT'S REPORT ON THE AUDITED FINANCIAL STATEMENTS OF FIDSON HEALTHCARE PLC FOR THE YEARS ENDED 31 DECEMBER 2015, 2016, 2017, 2018 AND 2019

We have reviewed the accompanying financial statements of Fidson Healthcare Plc ("Fidson" or "the Company"), which comprise the statement of financial position as at 31 December 2015, 2016, 2017, 2018 and 2019 and the statement of profit or loss and other comprehensive income, statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude on whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. The standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Fidson as at 31 December 2015, 2016, 2017, 2018 and 2019, and its financial performance and cash flows for the years then ended, in accordance with the International Financial Reporting Standards.

Restriction on Distribution and Use

Without modifying our conclusion, our report was prepared for inclusion in the prospectus for the Company's proposed N10 billion Bond Issuance programme. As a result, the financial statements presented in this report may not be suitable for another purpose. Our report is intended solely for Fidson and other relevant parties to the offer and should not be distributed to or used by other parties other than Fidson and other relevant parties to the offer.

Yours faithfully

Tola Adeyemi
FRC /2012/CAN/0000000620
For: KPMG Professional Services
Chartered Accountants
5 February 2021
Lagos, Nigeria

18.2 Statement of Financial Position

<i>In millions of Naira</i>	2020M	2019A	2018A	2017A	2016A	2015A
Non-Current Assets						
Property Plant and Equipment	13,640	11,997	12,371	12,363	12,206	11,501
Right-of-Use Assets	595	703	-	-	-	-
Investment Property	33	34	35	35	36	37
Intangible Assets	24	28	54	60	92	11
Available- for-sale investments	5	4	5	5	3	3
Loans and receivables	13	10	50	48	79	29
Other non-current financial asset	172	441	393	294	291	476
Total Non-Current Assets	14,477	13,217	12,908	12,806	12,708	12,059
Current Assets						
Inventory	6,906	3,413	2,875	1,757	1,086	698
Trade and Other Receivables	2,772	3,264	3,804	2,502	2,420	3,780
Prepayments	297	167	354	23	118	12
Cash and Bank	3,205	304	542	360	334	122
Total Current Assets	13,181	7,148	7,575	4,641	3,959	4,612
Non-Current Liabilities						
Non-Current Portion of Interest-Bearing Loans	4,051	2,695	1,124	1,246	2,232	2,600
Obligations Under Finance Lease (Non - Current Portion)	164	313	160	218	200	162
Retirement Benefit Obligations	448	279	301	309	343	378
Government Grant	938	246	156	143	235	213
Deferred Revenue	5	8	-	1	3	5
Deferred Tax Liability	1,097	1,086	999	817	418	343
Total Non-Current Liabilities	6,703	4,626	2,745	2,736	3,431	3,700
Current Liabilities						
Trade and other payables	2,656	1,399	3,683	3,637	4,229	4,212
Current Portion of Interest-Bearing Loans and Short-Term Borrowings	6,590	3,628	4,709	1,746	1,283	1,158
Bank Overdraft	232	547	572	954	365	442
Other Financial Liabilities	-	65	1,095	65	65	65
Obligations Under Finance Lease (Current Portion)	96	216	244	386	243	218
Government Grant	244	122	150	91	92	61
Deferred Revenue	3	3	1	2	2	2
Income Tax Payable	579	100	94	149	301	441
Unclaimed Dividend	39	39	42	56	62	47
Total Current Liabilities	10,439	6,118	10,589	7,089	6,643	6,647
Equity and Reserves						
Ordinary Share Capital	1,043	1,043	750	750	750	750
Share Premium	4,934	4,934	2,973	2,973	2,973	2,973
Retained Earnings	4,539	3,644	3,431	3,899	2,872	2,602
Available for Sale Reserves	0	(0)	0	1	(2)	(2)
Shareholders' Funds	10,516	9,620	7,154	7,623	6,593	6,324

M – Management Accounts, A – Audited Accounts

18.3 Statement of Profit or Loss and Other Comprehensive Income

<i>In millions of Naira</i>	2020M	2019A	2018A	2017A	2016A	2015A
Revenue	18,276	14,062	16,230	14,057	7,655	8,211
Cost of Sales	(9,743)	(8,186)	(9,910)	(6,902)	(3,600)	(3,859)
Gross Profit	8,533	5,876	6,320	7,155	4,055	4,352
Selling and Distribution expenses	(2,100)	(1,398)	(1,905)	(2,349)	(974)	(869)
Administrative expenses	(3,720)	(2,520)	(2,614)	(2,361)	(2,097)	(2,061)
Total Operating Expenses	(3,918)	(3,918)	(4,519)	(4,709)	(3,070)	(2,930)
Other Operating Income	350	297	248	103	105	94
Interest Expense	(1,335)	(1,735)	(1,925)	(1,002)	(691)	(717)
Interest Income	9	57	38	31	44	39
Profit/(Loss) before income tax	1,738	576	161	1,579	444	838
Income tax	(556)	(168)	(258)	(518)	(127)	94
Profit / (Loss) for the period	1,182	407	(97)	1,061	317	744

M – Management Accounts, A – Audited Accounts

18.4 Statement of Cash Flows

<i>In millions of Naira</i>	2020M	2019A	2018A	2017A	2016A	2015A
Cash flows from operating activities						
Profit before taxation	1,738	576	161	1,579	444	838
<i>Adjustments for:</i>						
Depreciation of property, plant & equipment	679	635	705	639	210	259
Depreciation of right-of-use assets	107	80	-	-	-	-
Impairment loss (reversal)	255	(12)	81	302	137	(32)
(Gain)/ loss on disposal of plant, property and equipment	(9)	(6)	(17)	(0)	(3)	11
Net exchange difference & OCI (gains)/losses	309	(0)	(2)	78	5	-
Grant Income	(200)	(160)	(142)	(92)	(71)	(47)
Amortisation and impairment of intangible Assets	38	62	35	49	16	22
Employee benefit expense	37	45	42	47	39	57
Interest income on loans and receivables	(7)	(37)	(27)	(29)	(40)	(26)
Interest income on fixed deposits	2	(20)	(11)	(2)	(4)	-
Finance costs	1,335	1,735	1,925	1,002	691	717
Amortisation of deferred revenue	(3)	(3)	(2)	(2)	2	-
<i>Changes in working capital:</i>						
(Increase)/ Decrease in Inventory	(3,371)	(538)	(1,119)	(671)	(388)	436
(Increase)/ Decrease in Trade and Other Receivables	491	540	(1,379)	(384)	1,222	(560)
(Increase)/ Decrease in Prepayments	(129)	187	(332)	96	(106)	105
Increase/ Decrease in Trade, Other Payables and Accruals	1,257	(2,109)	46	(592)	17	433
Increase in government grant	815	62	213	-	-	-
Increase in other financial liabilities	(65)	(1,030)	1,030	-	-	2
<i>Other Working Capital Adjustments</i>						
Income Tax Paid	(75)	(89)	(145)	(289)	(203)	-
Benefits Paid	(6)	(22)	(9)	(20)	(35)	(14)
Increase in gratuity & lease	-	-	-	-	125	5
Net cash (used in) / from operating activities	3,197	(107)	(1,055)	1,711	2,059	2,221
<i>Cash flows from investing activities:</i>						
Additions to property, plant & equipment	(2,330)	(658)	(723)	(373)	(677)	(774)
Additions to intangible assets & investment property	(34)	(35)	(29)	(16)	(97)	(11)
Interest income	(2)	20	11	2	4	-
Additions to loans and receivables	-	(366)	(612)	(705)	(653)	(411)
Proceeds on loans and receivables	-	408	634	739	612	424
Proceeds from sale of property, plant and equipment	-	21	27	5	12	3
Investment in other financial assets	-	(571)	(711)	(707)	(692)	(628)
Liquidation of investment in other financial asset	272	558	636	729	908	399
Net cash used in investing activities	(2,093)	(623)	(768)	(325)	(583)	(999)
<i>Cash flows from financing activities:</i>						
Payments of finance lease liabilities	(268)	(266)	(325)	(267)	(184)	(149)
Drawdown/Proceeds from Loans and Borrowings	6,768	4,135	4,026	713	600	-
Interest Paid on Loans and Borrowings	(1,335)	(1,735)	(1,925)	(1,001)	(691)	(717)
Principal Repayments of Loans and Borrowings	(2,431)	(3,645)	(1,186)	(1,236)	(843)	(268)
Dividend Paid	(313)	(225)	(300)	(81)	(75)	(225)
Refund of dividend	-	-	-	-	15	47
Proceeds from right issue	-	2,345	-	-	-	-
Rights issue cost	-	(91)	-	-	-	-
Net Cash Flow from Financing Activities	2,421	515	276	(1,872)	(1,178)	(1,312)

Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of period	(243)	(30)	(595)	(31)	(320)	(229)
Increase in Cash and Cash Equivalent	3,525	(216)	564	(486)	298	(90)
Net FX differences	(309)	3	2	(78)	(9)	-
Cash at the End of the Year	2,973	(243)	(30)	(595)	(31)	(320)

M – Management Accounts, A – Audited Accounts

18.5 Statement of changes in equity

<i>In millions of Naira</i>	Share Capital	Share Premium	Retained Earnings	Available For Sale Reserve	Total Equity
Balance at 1 January, 2015	750	2,973	2,043	(1)	5,765
Profit for the year	-	-	744	-	744
Other comprehensive income for the year, net	-	-	40	(1)	39
Total Comprehensive Income for the year	-	-	784	(1)	39
Dividends	-	-	(225)	-	(225)
As at December 31, 2015	750	2,973	2,602	(2)	6,324
Balance at 1 January, 2016	750	2,973	2,602	(2)	6,324
Profit for the year	-	-	317	-	317
Other comprehensive income for the year, net	-	-	28	-	28
Total Comprehensive Income for the year	-	-	344	-	
Dividends	-	-	(75)	-	(75)
As at December 31, 2016	750	2,973	2,872	(2)	6,593
Balance at 1 January 2017	750	2,973	2,872	(2)	6,593
Profit for the year	-	-	1,061	-	1,063
Other comprehensive income for the year, net	-	-	42	2	44
Total Comprehensive Income for the year	-	-	1,102	2	1,105
Dividends	-	-	(75)	-	(75)
As at December 31, 2017	750	2,973	3,899	1	7,623
Balance as at 1 January 2018	750	2,973	3,899	1	7,623
Adjustment on initial application of IFRS 9 net of tax	-	-	(101)	-	(101)
Profit for the year	-	-	(97)	-	(97)
Other comprehensive income for the year	-	-	30	(1)	29
Dividends	-	-	(300)	-	(300)
As at December 31, 2018	750	2,973	3,431	0	7,153
Balance as at 1 January 2019	750	2,973	3,431	0	7,153
Increase in share capital	293	1,961	-	-	2,254
Profit for the year	-	-	407	-	407
Other comprehensive income for the year	-	-	31	(1)	30
Dividends	-	-	(225)	-	(225)
As at December 31, 2019	1,043	4,934	3,644	(1)	9,620
Balance as at 1 January 2020	1,043	4,934	3,644	(1)	9,620

Profit for the year	-	-	1,182	1	1,183
Other comprehensive income for the year, net	-	-	26	-	26
Total Comprehensive Income for the year	-	-	1,207	1	1,209
Dividends	-	-	(313)	-	(313)
As at December 31, 2020	1,043	4,934	4,538	1	10,516

19. STATUTORY AND GENERAL INFORMATION

19.1 Extract of the Issuer Authorizing the Programme

At the meeting held on 22 October 2020, the Board of Fidson Healthcare Plc passed a resolution approving the establishment of the proposed ₦10,000,000,000 billion Debt Issuance Programme and the issuance of Debt Securities thereunder during the subsistence of the Programme.

Incorporation and Share Capital History of Issuer

Fidson commenced operations in March 1995 as Fidson Drugs Limited, a private limited liability company with an authorised share capital of ₦1million comprising 1,000,000 Ordinary Shares of ₦1.00 each, and an issued and fully paid-up share capital of ₦1 million comprising 1,000,000 Ordinary Shares.

As at 31 December 2020, the Company's authorised share capital was ₦1.2billion comprising 2,400,000,000 Ordinary Shares of 50 kobo each, of which ₦1.04 billion comprising 2,086,360,250 Ordinary shares of 50 kobo each have been issued and fully paid up.

19.2 Shareholding Structure

As at 31 December 2020, the shareholding structure of Fidson Healthcare Plc was as follows:

Shareholder	Number of Shares Held	% Holding
Dr. Fidelis Ayebae	689,585,227	33.05%
Stanbic IBTC Nominee Ltd	517,147,303	24.79%
Others	879,627,720	42.16%

19.3 Directors' Beneficial Interest

Below is the breakdown of director's holding beneficial interests in the issued share capital of Fidson Healthcare Plc:

Name	Direct	Indirect	Total
Mr. Olusegun Adebajji	-	-	-
Dr. Fidelis A. Ayebae	689,585,227	-	689,585,227
Mrs. Olufunmilola O. Ayebae	67,845,000	-	67,845,000
Mr. Olugbenga O. Olayeye	19,581,040	-	19,581,040
Mr. Abiola A. Adebayo	16,626,609	-	16,626,609
Mr. Emmanuel E. Imoagene	34,012,000	-	34,012,000
Mr. Ola E. Ijimakin	2,144,800	-	2,144,800
Mrs. Aisha P. Sadauki	781,550	-	781,550
Dr. Vincent Ahonkhai	-	-	-
Mr. Ekwunife Okoli	-	-	-

19.4 Claims and Litigations

The Company is, in its ordinary course of business, presently involved in five (5) cases. The aggregate value of claims made against the Company (minus interest) is ₦562,000,000 (Five Hundred and Sixty-Two Million Naira). The Company claims against other parties in the cases (excluding interest), a total sum of ₦28,775,177 (Twenty-Eight Million, Seven Hundred and Seventy-Five Thousand, One Hundred and Seventy-Seven Naira)

The Solicitors to the Transaction believe that the portion of the contingent liability that is realistically likely to materialize is not likely to impact the Company significantly or adversely affect the ability of the Company to perform its obligations under the Transaction especially considering that the liabilities are not likely to materialize concurrently

19.5 Indebtedness

As at December 31, 2020, the Company had borrowings, in the ordinary course of business amounting to ₦10.87billion. Save as disclosed, the Company has no outstanding loans, charges or similar indebtedness

19.6 Off Balance Sheet Items

As at December 31, 2020, the Company had no Off Balance Sheet Items other than in the ordinary course of business.

19.7 Declarations

Except as otherwise disclosed in this Shelf Prospectus:

- a. No share of the Issuer is under option or agreed conditionally or unconditionally to be put under option;
- b. No commissions, brokerages or other special terms have been granted by the Issuer to any person in connection with the Debt Issuance Programme or sale of any securities of the Issuer;
- c. Save as disclosed herein, the Directors of the Issuer have not been informed of any holding representing 5% or more of the issued share capital of the Issuer;
- d. There are no founders', management or deferred shares or any options outstanding in the Issuer;
- e. There are no material service agreements between the Issuer or any of its Directors and employees other than in the ordinary course of business;
- f. There are no long-term service agreements between the Issuer or any of its Directors and employees other than in the ordinary course of business;
- g. No Director of the Issuer has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Issuer in the five years prior to the date of this Shelf Prospectus; and
- h. No prosecution has commenced against the Issuer or any of its subsidiaries in respect of any breach of any securities or banking laws or CAMA

Further declarations/information in respect of shareholders/key management staff:

It is further declared that to the best of the Directors' knowledge as at the December 31, 2019:

- a. None of the shareholders/key management staff is under any bankruptcy or insolvency proceedings in any court of law;
- b. None of the shareholders/key management staff has been convicted in any criminal proceeding;
- c. None of the shareholders/key management staff is subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty.

19.8 Material Contracts

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

- a. A Programme Trust Deed dated 22 April, 2021 among Fidson Healthcare Plc, ARM Trustees Limited and FBNQuest Trustees Limited in connection with the Programme. The extracts of the Programme Trust Deed are set out on pages 56 to 81 of this Shelf Prospectus; and

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

19.9 Costs and Expenses

Costs and expenses in respect of any issuance of Bonds under this Programme shall be payable by the Issuer and shall be disclosed in the Applicable Pricing Supplement relating to the Bonds being issued.

19.10 Relationship between the Issuer and Other Advisers

Save as disclosed, there is no relationship between the Company and its advisers as at the date of this Shelf Prospectus.

19.11 Mergers or Acquisitions

As at the date of this Shelf Prospectus, the Directors are not aware of the following during the preceding financial year or current financial year:

- a. a merger or takeover offer by third parties in respect of the Issuer's securities; and
- b. merger or takeover by the Issuer in respect of another company's securities.

19.12 Confirmation of Going Concern Status

The Directors affirm that the Issuer is a going concern and has no pending insolvency proceedings instituted against it. The Directors also confirm that the Issuer will continue in operations for the foreseeable future and that there are no threats to the operations of the Issuer.

19.13 Consents

The following have given and not withdrawn their written consents to the issue of this Shelf Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Issuer	Mr. Olusegun S. Adebajji Dr. Fidelis A. Ayebae Mr. Olugbenga O. Olayeye Mr. Abiola A. Adebayo Mr. Ola Ijimakin Mrs. Olufunmilola O. Ayebae Mr. Emmanuel E. Imoagene Mrs. Aisha P. Sadauki Dr. Vincent Ahonkhai Mr. Ekwunife Okolo
Company Secretary	Mr. Abayomi J. Adebajo
Issuing Houses	CardinalStone Partners Limited FSDH Capital Limited
Reporting Accountants	KPMG Professional Services
Solicitor to the Issue	G.Elias & Co
Solicitor to the Issuer	Tokunbo Orimobi LP
Stockbroker to the Issue	Imperial Asset Managers Limited Meristem Stockbrokers Limited
Trustees	ARM Trustees Limited FBNQuest Trustees Limited
Registrars	Meristem Registrars and Probate Services Limited
Rating Agency	GCR
Auditors	Deloitte & Touche
Receiving Banks	Fidelity Bank Plc

19.14 Documents Available for Inspection

Copies of the following documents may be inspected at the Issuing Houses' offices as listed on page 17 between 8.00 a.m. and 5.00p.m. on any Business Day throughout the validity of the Programme:

- a. Certificate of Incorporation of the Issuer, duly certified by the CAC;
- b. Memorandum and Articles of Association of the Issuer, duly certified by the CAC;
- c. Audited Financial Statement of the Issuer for the years ended December 31, 2015 to 2019;
- d. Reporting Accountants' Report on the audited accounts of the Issuer for the five years ended December 31, 2015 to 2019;
- e. Board Resolution of the Issuer dated 22nd October 2020, authorising the Debt Issuance Programme;
- f. Letter from the Securities & Exchange Commission dated 22 April 2021 approving the registration of the Shelf Prospectus;
- g. Shelf Prospectus issued with respect to the Debt Issuance Programme;
- h. The Programme Trust Deed;
- i. The Ratings Report of GCR;
- j. Any Vending Agreements in relation to specific issuances under the Programme;
- k. Any Series Trust Deeds;
- l. Any Pricing Supplement;
- m. Consents of Parties referred to on page 92;
- n. The schedule of claims and litigations together with the opinion of the Solicitors to the Offer prepared in connection therewith; and
- o. Material contracts referred to on page 91.

20. SELLING RESTRICTIONS, LISTING, CLEARING AND SETTLEMENT

20.1 Selling Restrictions

The offering and sale of the Bonds is subject to all applicable laws and regulations of Nigeria. This Shelf Prospectus and the Bonds have been registered with and approved in writing by the SEC pursuant to the ISA and the SEC Rules.

Each Issuing House has agreed that, subject to the provisions of the ISA and the SEC Rules, it shall not communicate or cause to be communicated, any invitation or inducement to engage in the offer or sale of the Instruments to the public, without complying with all the applicable provisions of the ISA and the SEC Rules with respect to the marketing and issue of the Bonds in Nigeria.

None of the Issuer or the Issuing Houses represent that the Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

20.2 Official Listing on a Stock Exchange

Bonds may be unlisted or listed on the Exchange. Each Series or Tranche may be admitted to the Daily Official List and to daily trading by the NSE separately, as and when issued, subject to the approval of the SEC and/or the Exchange, as may be applicable. As set out herein, this Shelf Prospectus and any supplement thereto will only be valid for the admission of the Bonds to the Daily Official List (and to trading on the Exchange in an aggregate nominal amount which when added to the aggregate nominal amount then outstanding of all Bonds previously or simultaneously issued under the Programme, does not exceed N10,000,000,000 (Ten Billion Naira) or its equivalent.

20.3 Clearing System and Settlement

Each Series or Tranche of Bonds issued under the Programme shall be registered with a separate securities identification code with the CSD. All transactions in such Bonds shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Transactions will normally be effected for settlement not earlier than three (3) working days after the date of trade. Subject as aforesaid, each Series or Tranche of such Instruments 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. The CSD authorised participants include banks, securities brokers and dealers and other professional financial intermediaries.

The Issuer has no responsibility for the proper performance by the CSD or its authorised participants of their obligations under their respective rules and operating procedures

20.4 Cash Settlement

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

21. FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be prepared by the Issuer for each Series of Bonds issued under the Programme.

If you are in any doubt about the contents of this document or any action to be taken, it is recommended that you consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser duly registered under the Investment and Securities Act No. 29, 2007. For information concerning certain Risk Factors which should be considered by prospective Qualified Institutional Investors and High Net-worth Individuals, please refer to the section on risk factors in the Shelf Prospectus for the Bond Programme.

Investors may confirm the clearance of the prospectus and registration of the securities with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)94621100;+ 234(0)94621168



FIDSON HEALTHCARE PLC (The Issuer)

RC: 267435

Offer for Subscription

(By way of [●])

of

₦ [●]

Series [●]: [●]-Year [●]% [●] Rate Bonds due [●]

(being offered to Qualified Institutional Investors and High Net Worth Individuals)

Under a ₦10,000,000,000 Debt Issuance Programme

Application List Opens: [●]

Application List Closes: [●]

This Pricing Supplement has been prepared pursuant to Rule 321 of the Rules and Regulations of the Securities and Exchange Commission (“the Commission” or “SEC”) in connection with the issuance of ₦[●] Bonds under the ₦10,000,000,000.00 Bond Issuance Programme established by Fidson Healthcare Plc (the “Issuer”). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated 22 April 2021 and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement. A copy of this Pricing Supplement has been delivered to the Commission for registration.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the “Series [.] Bonds” or “Bonds”). An application has been made to the FMDQ for the admission of the Bonds to the Daily Official List of the FMDQ. The Bonds now being issued will upon admission to the Daily Official List qualify as a security in which Trustees may invest under the Trustees Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

The Pricing Supplement is dated [●] 2021



FINAL TERMS OF THE SERIES [●] BOND		
1	Issuer:	Fidson Healthcare Plc
2	Series Number:	[●]
3	Aggregate Principal Amount of Bonds:	[●]
4	Issue Price:	[●]
5	Denominations:	[●]
6	Issue Date:	[●]
	Interest Commencement Date (if different from Issue Date):	[●]
7	Maturity Date:	[●]
8	Principal Moratorium:	[●]
9	Interest Basis:	[●]
10	Redemption/Payment Basis:	[●]
11	Status:	[●]
12	Security:	[●]
13	Listing(s):	[●]
14	Method of Distribution:	[●]
15	Offer Period:	[●]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
16	Fixed Rate Note Provisions	
	▪ Interest Rate:	[●]
	▪ Coupon Payment Date(s)/Payment Dates:	[●]
	▪ Interest Amount(s):	[●]
	▪ Business Day Convention:	[Following Business Day Convention/Preceding Business Day Convention/Modified Business Day]
	▪ Business Day:	Modified Business Day
	▪ Other terms relating to method of calculating interest for Fixed Rate Notes:	[●]
17	Floating Rate Note Provisions:	[●] (If not, delete the remaining sub-paragraphs of the paragraph)
	▪ Coupon Payment Date(s):	[●]
	▪ Receiving Bank:	[●]
	▪ Premium/Spread (if applicable):	[●]
	▪ Relevant Time (if applicable):	[●]
	▪ Screen Rate Determination: – Benchmark: – Coupon Determination: – Relevant Screen Page:	Actual/Actual: Actual/360



	▪ Day Count Fraction:	[●]
PROVISIONS RELATING TO REDEMPTION		
18	Optional Early Redemption (Call Option):	[●]
19	Optional Early Redemption (Put Option):	[●]
20	Scheduled Redemption/Amortization:	[●]
21	Redemption Amounts:	[●]
22	Scheduled Redemption Dates:	[●]
23	Final Redemption Amount:	[●]
GENERAL PROVISIONS APPLICABLE TO THE BONDS		
24	▪ Form of Bonds:	Dematerialized Bonds
	▪ Form of Dematerialized Bonds:	[Registered/Certificate/Dematerialized]
	▪ Registrar:	[●]
25	Trustee(s)	[●]
26	Record Date:	[●]
27	Other terms or special conditions:	[●]
DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS		
28	Underwritten/Book-building:	[●]
29	If Underwritten, names of Underwriters:	[●]
30	Clearing System:	FMDQ Depository Limited and/or Central Securities Clearing System Plc
GENERAL		
31	Rating:	[●]
32	Taxation:	[●]
33	Governing Law	Nigeria
APPENDICES		
34	Appendices:	[List and attach Appendices if applicable]
USE OF PROCEEDS		
[Insert details of use of proceeds]		
MATERIAL ADVERSE CHANGE STATEMENT		
Except as disclosed in this document and in the Shelf Prospectus dated 22 April,2021, there has been no significant change in the financial or trading position of the Issuer since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since [insert date of last published annual accounts].		
RESPONSIBILITY		
The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds		

