

**DATED THE                      DAY OF                      2020**

**BUA CEMENT PLC**

**(AS ISSUER)**

**AND**

**STANBIC IBTC TRUSTEES LIMITED**

**AND**

**CUSTODIAN TRUSTEES LIMITED**

**AND**

**ARM TRUSTEES LIMITED**

**(TOGETHER BOND TRUSTEES)**

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**SERIES 1 TRUST DEED IN RESPECT OF THE N100,000, 000,000.00 (ONE HUNDRED BILLION NAIRA)  
[●%] SERIES 1 SENIOR UNSECURED BONDS DUE [2027] ISSUED UNDER THE N200,000, 000,000.00  
(TWO HUNDRED BILLION NAIRA) BOND ISSUANCE PROGRAMME**

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**OLANIWUN AJAYI LP**

**THE ADUNOLA,**

**PLOT L2, 401 CLOSE,**

**BANANA ISLAND,**

**IKOYI, LAGOS.**

**[WWW.OLANIWUNAJAYI.NET](http://WWW.OLANIWUNAJAYI.NET)**

**THE TRUSTEE SHALL BE LIABLE FOR THE BREACH OF ITS DUTIES WHERE IT FAILS TO CARRY OUT ITS RESPONSIBILITIES UNDER THIS SERIES TRUST DEED OR TO REPORT A BREACH OF THE TERMS OF THIS SERIES TRUST DEED TO THE SECURITIES AND EXCHANGE COMMISSION**

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**THIS SERIES 1 TRUST DEED** is made this day of 2020

**BETWEEN:**

- (1) **BUA CEMENT PLC**, a public limited company duly incorporated under the laws of the Federal Republic of Nigeria, with RC Number 1193879 whose registered office is at, 32, Churchgate Street, Victoria Island, Lagos (hereinafter referred to as the (**'Issuer'**) which expression shall, where the context so admits, include its successors-in-title and assigns) of the first part;

**AND**

- (2) **STANBIC IBTC TRUSTEES LIMITED** a private limited liability company duly incorporated under the laws of the Federal Republic of Nigeria, with RC Number 846900 , whose registered office is at The Wealth House, Plot 1678, Olakunle Bakare Close, Off Sanusi Fafunwa Street, Victoria Island, Lagos (**'Bond Trustee'**) which expression shall, where the context so admits, include its successors-in-title and assigns) of the second part;
- (3) **CUSTODIAN TRUSTEES LIMITED** a private limited liability company duly incorporated under the laws of the Federal Republic of Nigeria, with RC Number 243000, whose registered office is at 16A, Commercial Avenue, Sabo, Yaba, Lagos (**'Bond Trustee'**) which expression shall, where the context so admits, include its successors-in-title and assigns) of the third part;
- (4) **ARM TRUSTEES LIMITED** a private limited liability company duly incorporated under the laws of the Federal Republic of Nigeria, with RC Number 322271, whose registered office is at 1, Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos (**'Bond Trustee'**) which expression shall, where the context so admits, include its successors-in-title and assigns) of the fourth part;

Together "**Bond Trustees**"

The Parties herein are individually referred to as "**Party**" and collectively as "**Parties**".

**WHEREAS:**

- (A) This Series 1 Trust Deed is made further to the Programme Trust Deed dated on or about the date of this Deed between the Issuer and the Bond Trustees, constituting the Bond Issuance Programme of the Issuer (the "**Programme Trust Deed**").
- (B) By a Resolution of the Board of Directors dated 27 August 2020 the Board of Directors have authorised the issuance of that portion of the Bonds having an aggregate nominal value of up to ₦100,000,000,000.00 (One Hundred Billion Naira Only) senior unsecured Bonds, of ₦1,000 par value, with coupon rates [•], through an Offer for Subscription by way of Book Building process (**Series 1 Bonds**).
- (C) This Series 1 Trust Deed sets out, amongst other things, the terms and conditions under which the Issuer has appointed the Bond Trustees and the Bond Trustees have agreed to act as Trustees for the benefit of the Bondholders on the terms and conditions herein contained.

**NOW THIS TRUST DEED WITNESSES as follows:**

**1. Definitions and Interpretation**

- 1.1 Unless otherwise expressly stated herein, all the provisions of the Programme Trust Deed (including without limitation, the definitions, rules of construction and schedules thereto) shall remain in full force and effect in accordance with their respective terms and shall apply *mutatis mutandis* to this Series 1 Trust Deed.
- 1.2 Where there is a conflict between the provisions of the Programme Trust Deed and this Series 1 Trust Deed, the provisions of the Series 1 Trust Deed shall prevail.
- 1.3 This Series 1 Trust Deed is in addition to and supplements the Programme Trust Deed with respect to only the Series 1 Bonds.
- 1.4 In this Series 1 Trust Deed, unless there is anything in the subject or context inconsistent therewith, the following expressions shall have the following meanings:

**Account Bank** means the Bank in which the Payment Account will be domiciled and includes its successors-in-title and assigns or any other Bank appointed by the Issuer with the consent of the Bond Trustees;

**Allotment Date** means the date after the Closing Date when the Bonds are allotted to subscribers thereto;

**Applicable Law** means any law (including statutory and common law), statute, constitution, judgment, treaty, regulation, rule, bye-law, order, decree, code of practice, circular, directive, other legislative measure, guidance note, requirement, request guideline or injunction (whether or not having force of law and, to the extent not having force of law, generally complied with by persons to whom it is addressed or applied) of or made by any authority, which is binding and enforceable on or against the Issuer;

**Bonds** mean the Series 1 Bonds;

**Bondholders** means a person or persons in whose name a Series 1 Bond is registered in the Register and/or in the records of the CSD as the holder of a particular unit of the Series 1 Bonds, and the expressions Bondholder and Holder shall be construed accordingly;

**Closing Date** means [●];

**Coupon** means the interest payable on any Series 1 Bond payable in the amount and on the dates specified in this Series Trust Deed;

**Coupon Commencement Date** means [●] from which Coupon on the Series 1 Bonds begin to accrue;

**Coupon Payment Date** means [30 June] & [31 December] of every year, commencing [30 June], 202[1] up to and including the Maturity Date;

**Coupon Rate** means the interest payable on the Series 1 Bonds at the fixed rate of % [●] per annum;

**Deed** means this Series 1 Trust Deed;

**DSRA Required Balance** means an amount equal to one (1) semi-annual Coupon obligation of the Issuer;

**Final Terms** means the terms of this Series 1 Trust Deed and the Pricing Supplement specifying the final terms applicable to the Series 1 Bonds, provided that in the event of inconsistency between the Series 1 Trust Deed and the Pricing Supplement, the relevant term shall have the meaning specified in this applicable Series Trust Deed;

**Issue Date** means [•];

**Issue Price** means ₦1,000 (One Thousand Naira) being the par value of the Series 1 Bonds;

**Majority Bondholders** means Bondholders holding at least 75% of the aggregate face value of the Bonds outstanding under the Series 1 Bonds;

**Maturity Date** means the date on which the Principal Amount and any outstanding Coupon becomes due and payable;

**Payment Account** means the Account established by the Issuer with the Account Bank, in the name of and under the exclusive control of the Bond Trustees, for the purpose of receiving all principal and/or coupon payments from the Issuer for onward transmission to the Bondholders;

**Payment Date** means either the Principal Payment Date or a Coupon Payment Date;

**Pricing Supplement** means the memorandum/ prospectus supplementing the Shelf Prospectus duly registered within the meaning of the ISA and SEC Rules and Regulations which is issued in relation to this Series 1 Bonds, specifying the relevant issue details in relation to the Series 1 Bonds, setting out such additional and or other terms and conditions in such form as described in the section of the Shelf Prospectus headed "Form of Pricing Supplement" and published by the Issuer for circulation to the Bondholders;

**Principal Amount** means the aggregate nominal amount and all other amounts in the nature of principal payable to Bondholders pursuant to the Pricing Supplement or any amendment or supplement to it;

**Principal Amount Outstanding** means, on any day in relation to a Bond, the principal amount of that Bond, less the aggregate of all principal payments that have been made in respect of that Bond on or prior to that day;

**Principal Payment Date** means the date upon which the Principal Amount shall be paid;

**Receiving Bank** means [•];

**Recognised Securities Exchange** means the NSE or FMDQ or any other securities exchange so licensed by the SEC on which the Series 1 Bonds may from time to time be listed, and references in this Series 1 Trust Deed to the Recognised Securities Exchange shall in relation to any Series 1 Bonds, be references to the securities exchange on which such Bonds are, from time to time, or are intended to be, listed;

**Redemption Amount** means the amount to be paid by the Issuer in redemption of the Series 1 Bonds on a Payment Date comprising both principal repayment due and any accrued coupon thereon as may be specified in, or determined in accordance with the provisions of the applicable Final Terms;

**Redemption Date** means the date on which the outstanding principal and accrued interest, if any, due and payable on the Series 1 Bonds, must be redeemed in full;

**Register** means the register of Bondholders kept by the Registrar;

**Registrar** means [Africa Prudential Registrars Plc.], or, any successor registrar appointed by the Issuer in respect of the Series 1 Bonds for the registration of the Series 1 Bonds and the keeping of the Register, and includes any other registrar so appointed by the Issuer pursuant hereto;

**Security** means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of the Issuer or any other agreement or arrangement having a similar effect;

**Series 1 Bonds** has the meaning given to the term in paragraph B of the Recital to this Deed;

**Series 1 Trust Deed or Trust Deed** means this Trust Deed made between the Issuer, Bond Trustees and includes any document supplemental to this Deed or executed in pursuance of this Deed or any amendments thereof;

**Shelf Prospectus** means the base Shelf Prospectus which details the broad terms of the Programme and registered with the Commission pursuant to the SEC Rules and Regulations and any Supplementary Shelf Prospectus issued pursuant thereto; and

**Terms and Conditions of the Bonds or Conditions** means the terms and conditions in the form set out in Schedule 1 to this Deed (*Terms and Conditions of the Bonds*).

## 1.5 Interpretation

1.5.1 All references in these provisions to principal and/or principal amount in respect of the Series 1 Bonds or to any moneys payable by the Issuer under this Deed shall, unless the context otherwise requires, be construed in accordance with Condition 7 (*Method of Payment of Principal and Coupon*).

1.5.2 Words importing the singular number only shall include the plural and *vice-versa* and words importing the feminine gender only shall include the masculine gender and *vice versa* and words importing persons shall include corporations, associations, partnerships and governments (whether state or local), and *vice versa* and the words "written" or "in writing" shall include printing, engraving, lithography or other means of visible reproduction.

1.5.3 All references in these provisions to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.

1.5.4 In this Trust Deed, references to Schedules, Clauses, sub-clauses, paragraphs and sub-paragraphs shall be construed as references to the

Schedules to this Series 1 Trust Deed and to the Clauses, sub-clauses, paragraphs and sub-paragraphs of this Series 1 Trust Deed respectively.

1.5.5 In these provisions, tables of contents and Clause headings are included for ease of reference and shall not affect the construction of this Deed.

1.5.6 All references in this Deed to "repay", "redeem" and "pay" shall each include both others and cognate expressions shall be construed accordingly.

1.5.7 References in this Deed to "**outstanding**" shall mean, all the Series 1 Bonds in issue other than:

- (a) those Series 1 Bonds which have been redeemed or purchased pursuant to this Deed;
- (b) those Series 1 Bonds which have been purchased and cancelled in accordance with Condition 3 (*Purchase and Cancellation of Series 1 Bonds*);
- (c) those Series 1 Bonds which have become void or in respect of which claims have become prescribed, in each case under Condition 16 (*Prescription*);

**PROVIDED THAT** for each of the following purposes, namely:

- i. the right to attend and vote at any meeting of the holders of the Series 1 Bonds and any direction or request by the holders of the Series 1 Bonds;
- ii. the determination of how many and which Series 1 Bonds are for the time being outstanding for the purposes of Condition 12 (*Events of Default*), and 13 (*Enforcement*);
- iii. any discretion, power or authority (whether contained in this Deed or vested by operation of law) which the Bond Trustees are required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Series 1 Bonds;
- iv. the determination by the Bond Trustees whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Series 1 Bonds;

those Series 1 Bonds (if any), which are for the time being held by or on behalf of the Issuer, or any Subsidiary of the Issuer, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

1.5.8 All references in this Deed involving compliance by the Bond Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference solely to the interests of the Bondholders.

1.5.9 References in this Deed to "**continuing**" shall mean an event of default that has not been remedied or waived within the applicable cure period as set forth in this Deed, any other Guarantee Document or any

Supplemental Document (as applicable) or where no cure period is stated, within five (5) Business Days after the Bond Trustees have issued the Issuer and/or any Co-Obligor a notice of such an Event of Default. Where the continuing Event of Default is remedied or waived after the cure period but before enforcement by the Bond Trustees or Bondholders, such Event of Default shall be treated as if it were cured during the cure period.

**1.5.10 Business Day Adjustment**

Where the day on or by which a payment is due to be made or an event is due to occur falls on a day other than a Business Day, the payment shall be made and the event shall occur on or by the next succeeding Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case the payment shall be made or the event shall occur on the Business Day immediately preceding the due date.

**2. Appointment of Bond Trustees**

- 2.1 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 and themselves in accordance with the terms of this Deed.
- 2.2 By execution of this Deed, the Bond Trustees have accepted and agreed to enforce the powers and perform the duties and obligations of the Bond Trustees specifically set out in this Deed and generally provided for in the Trustees' Investment Act.
- 2.3 The Bond Trustees shall have no duty, responsibility or obligation for the issuance of the Series 1 Bonds or for the validity or exactness of the Series 1 Bond, or of any documents relating to such issuance.

**3. Declaration of Trust**

3.1 *The Bond Trustees*

The Bond Trustees hereby 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.

3.2 *Duration of Trusts*

- 3.2.1 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.
- 3.2.2 Subject to clause 3.2.1, the trust created by this Deed shall remain in full force and effect until the later of:



3.2.2.1 the date on which the Bond Trustees receive unconditional confirmation in writing from the Registrar that the Bondholders have been paid all outstanding obligations; and

3.2.2.2 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 document pursuant to this Deed, if any.

#### **4. Series 1 Trust Deed Binding on All Parties**

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

4.2 Unless otherwise expressly stated, all the provisions of the Programme Trust Deed including its schedules shall remain in full force and effect in accordance with their respective terms and shall apply to this Deed and the Series 1 Bonds.

#### **5. Covenants by the Issuer**

The covenants and obligations of the Issuer in Clause 5 (*Covenant to Repay*), Clause 12 (*Covenant of Compliance*) and Clause 16 (*Covenants of the Issuer*) of the Programme Trust Deed shall be read as part of this Deed and apply to the Series 1 Bonds for so long as any of the Series 1 Bonds remain outstanding.

#### **6. Purpose**

6.1 The net proceeds of the Series 1 Bonds (after deduction of the costs and expenses incurred in connection with the issuance of the Series 1 Bonds) shall be applied in accordance with the terms of the Pricing Supplement.

6.2 Without prejudice to the generality of the foregoing and the subsequent provisions of this Deed, the Bond Trustees shall not be bound to enquire as to the application of the proceeds of the Series 1 Bonds.

#### **7. Issuance of the Series 1 Bonds**

7.1 Pursuant to the provisions of the Programme Trust Deed, a Series of the Issuer's Bonds is hereby authorised in the aggregate principal amount of up to ₦100,000,000,000.00 (One Hundred Billion Naira) issued at par. Such Bonds shall be designated and distinguished from any other Bonds of all other Series by the title "**Series 1 Bonds**".

7.2 Subject to the approval of the relevant Recognised Securities Exchange, the Series 1 Bonds shall be, and the Issuer shall ensure that the Series 1 Bonds are, listed on a Recognised Securities Exchange.

7.3 *Denomination and Tenor*

7.3.1 The Series 1 Bonds shall be issued in minimum units of [•] (i.e. [•] units at ₦1,000 per unit) and multiples of [•] thereafter.

7.3.2 The Series 1 Bonds shall have a tenor of seven (7) years.

7.4 *Mode of Issuance and Offering*

The Series 1 Bonds constituted under this Trust Deed shall be issued through an offer for subscription by way of book building process.

7.5 *Status of the Series 1 Bonds*

The Series 1 Bonds constitute:

7.5.1 direct, general, and irrevocable obligations of the Issuer in favour of the Bond Trustees on behalf of Bondholders 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.

7.5.2 direct, and unsubordinated obligations of the Issuer and when issued shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Series 1 Bonds and in respect of principal and any coupon on the Series 1 Bonds shall at all times rank at least equally with all unsecured and unsubordinated obligations of the Issuer, present and future except for obligations mandatorily preferred by law applying to companies generally.

7.6 *Bonds to be in Registered Form*

The Series 1 Bonds are in a registrable form and shall be registered with a separate securities identification code with the CSD. The Series 1 Bonds shall be dematerialised and shall be credited by the Registrar to the CSD accounts of the Bondholders. Dealings in the Series 1 Bonds shall be in accordance with CSD procedures and the rules of the Recognised Securities Exchange.

7.7 *Coupon Rate*

The Coupon payable in respect of the Series 1 Bonds shall be in accordance with Condition 4 of this Series 1 Trust Deed.

7.8 *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.

**8. Establishment of Accounts**

8.1 *Establishment of Payment Account*

The Issuer shall on or before the Issue Date, open with the Account Bank, the Payment Account in the name and under the sole control of the Bond Trustees.

8.2 *Funding of Payment Account*

8.2.1 The Issuer shall pay all sums or monies due under the Series 1 Bonds into the Payment Account no later than 12:00 noon on the day that is three (3) Business Days before each Coupon Payment Date or the Principal Payment Date (as the case may be). The money standing to the credit of the Payment Account on any Payment Date shall not be less than the aggregate principal and/or interest due on the Series 1 Bonds on the relevant Payment Date.

8.2.2 The Issuer shall no later than 5.00 p.m. on the date on which the payment 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 Series 1 Bonds to the Bondholders as and when due in accordance with the Pricing Supplement.

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 date specified in clause 8.2.1 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 and will withdraw such outstanding sums required to be paid in satisfaction of the Issuer's payment obligations on the next Payment Date from the Debt Service Reserve Account; 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.

8.3 *Establishment of Debt Service Reserve Account*

The Issuer shall, in respect of the Series 1 Bonds, open a Debt Service Reserve Account prior to the Issue Date, in the name and under the control of the Bond Trustees.

8.4 *Operation of the Debt Service Reserve Account*

8.4.1 The Debt Service Reserve Account shall be funded from the proceeds of the Series 1 Bonds.

8.4.2 The Issuer shall, not later than twenty-four (24) hours after receipt of the net proceeds of the Series 1 Bonds from the Receiving Bank (the **DSRA Funding Date**), pay into the Debt Service Reserve Account an amount no less than the DSRA Required Balance.

8.4.3 From the DSRA Funding Date, the Issuer shall ensure that, at all times during the tenor of the Series 1 Bonds, and until its obligations in respect of the Series 1 Bonds are discharged in full, the amounts standing to the credit of the Debt Service Reserve Account shall not be less than the DSRA Required Balance.

8.4.4 Where the Issuer defaults in funding the Payment Account in accordance with the provisions of clause 8.2 of this Agreement, the Bond Trustees shall be entitled to withdraw an amount equal to the Coupon or Principal Amount falling due on the next Coupon Payment Date or Principal Payment Date, as applicable, from the Debt Service Reserve Account, and apply same in satisfaction of the Issuer's payment obligations.

8.4.5 Not later than thirty (30) Days following any withdrawal from the Debt Service Reserve Account under Clause 8.4.3, the Issuer shall credit such

additional amount to the Debt Service Reserve Account as is necessary to bring the Debt Service Reserve Account balance back to the DSRA Required Balance.

- 8.4.6 Save as set out above, no payments or withdrawals may be made from the Debt Service Reserve Account until such time as all obligations of the Issuer in respect of the Series 1 Bonds have been irrevocably and unconditionally discharged in full.

**9. Representations and Warranties**

The representations and warranties of the Issuer and the Bond Trustees in Clause 15 (*Representations and Warranties*) of the Programme Trust Deed shall be read as part of this Deed and apply to the Series 1 Bonds. In addition, the Issuer represents and warrants to the Bond Trustees that as at the date of this Deed and the Closing Date of this Series 1 Bonds none of the Events of Default contained in Clause 17 (*Events of Default*) of the Programme Trust Deed has occurred and/or is continuing.

**10. Events of Default**

If any of the Events of Default (as defined in Condition 12, schedule 1 of this Deed) occurs and is continuing, the Bond Trustees at their 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 the Series 1 Bonds are immediately repayable, whereupon the Principal Amount of the Series 1 Bonds together with accrued Coupon shall become immediately due and payable.

**11. Enforcement**

At any time after the occurrence of an Event of Default which is continuing, the Bond Trustees may, in their discretion or upon an Extraordinary Resolution of the Bondholders passed at a special meeting convened for that purpose, institute proceedings and or take other action against or in relation to the Issuer or any other person as they may think fit to enforce the obligations of the Issuer under this Deed, or the Series 1 Bonds.

**12. Proceedings, Action and Indemnification**

The provisions of Clause 20 of the Programme Trust Deed (*Proceedings, Action and Indemnification*) shall be read as part of this Deed and apply to the Series 1 Bonds.

**13. Trust of Receipts**

The provisions of Clause 21 of the Programme Trust Deed (*Trust of Receipts*) shall be read as part of this Deed and apply to the Series 1 Bonds.

**14. Notice of Payments**

The provisions of Clause 24 of the Programme Trust Deed (*Notice of Payments*) shall be read as part of this Deed and apply to the Series 1 Bonds.

**15. Investment by Bond Trustees**

The provisions of Clause 25 of the Programme Trust Deed (*Investment by Bond Trustees*) shall be read as part of this Deed and apply to the Series 1 Bonds.

**16. Breach**

Any breach of or failure to comply by the Issuer with any such terms and conditions as are referred to in Clause 5 (*Covenants by the Issuer*) and Clause 9 (*Representations and Warranties*) 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.

**17. Notices**

The provisions of Clause 37 of the Programme Trust Deed (*Notices*) shall be read as part of this Deed and apply to the Series 1 Bonds.

**18. Governing Law and Dispute Resolution**

18.1 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.

18.2 The provisions of Clause 39 (*Governing Law and Dispute Resolution*) of the Programme Trust Deed will apply to any dispute that may arise in connection with the Series 1 Bonds.

**19. Counterparts**

This Trust Deed and any 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 Series 1 Trust Deed or any supplemental hereto may enter into the same by executing and delivering a counterpart.

## SCHEDULE ONE: TERMS AND CONDITIONS OF THE SERIES 1 BONDS

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*The following are the terms and conditions applicable to the Series 1 Bonds. The terms and conditions contained in Schedule 1 of the Programme Trust Deed, as amended, modified, supplemented or completed by the terms and conditions set out below (together the "**Conditions**") are applicable to the Series 1 Bonds, and, save for the italicised text, will govern and are expressly incorporated by reference into the Series 1 Bonds. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.*

The Series 1 Bonds are constituted by a Trust Deed dated [●] the ("**Series 1 Trust Deed**") between BUA Cement Plc. as **Issuer** and Stanbic IBTC Trustees Limited and Custodian Trustees Limited and ARM Trustees Limited, together as **Bond Trustees**, which expression shall include all persons for the time being acting as Bond Trustees for the holders of the Series 1 Bonds (the "**Bondholders**").

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 Series 1 Trust Deed applicable to them. Copies of the Programme Trust Deed are available for inspection at each of the offices of the Bond Trustees at The Wealth House, Plot 1678, Olakunle Bakare Close, Off Sanusi Fafunwa Street, Victoria Island, Lagos or 16A, Commercial Avenue, Sabo, Yaba, Lagos and 1, Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos respectively and at the specified offices of the Registrar, [●].

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 unless otherwise expressly stated.

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, Units and Title**

- 1.1. The Series 1 Bonds shall be issued in minimum units of [●] (i.e. [●] units at ₦1,000 per unit) and multiples of [●] thereafter, at ₦1,000 per unit.
- 1.2. The Series 1 Bonds shall be listed on the Recognised Securities Exchange as may be determined by the Issuer, subject to any Applicable Laws.
- 1.3. The Series 1 Bonds shall be fixed rate unsecured unsubordinated bonds, issued in uncertificated (dematerialised or book-entry) form, and shall be registered with a separate securities identification code with the CSD in addition to being registered in the Register.
- 1.4. The title to the Series 1 Bonds, which will be issued in uncertificated form, shall be effected in accordance with the rules governing transfer of title in securities held by CSD. In these Conditions, Bondholders and (in relation to a Series 1 Bond)

holder means the person in whose name a Bond is registered in the Register. Title to the Bonds will pass in accordance with the rules governing transfer of title in securities held by the CSD.

## **2. Redemption**

- 2.1. *Redemption at Maturity:* Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Series 1 Bonds at its Principal Amount on the Maturity Date.
- 2.2. *Redemption by Instalments:* The Series 1 Bonds may be partially redeemed by instalments on such dates and at such amounts as may be specified in the Pricing Supplement and the payments made in instalments shall reduce the Principal Amount Outstanding on such Series 1 Bonds until fully redeemed at the Maturity Date.
- 2.3. *Redemption Prior to Maturity/Early Redemption*
  - 2.3.1. the Issuer shall be entitled at any time after the date that is forty-eight (48) months from the Issue Date, to redeem the whole or any part of the Series 1 Bonds upon giving the holders of the Series 1 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**").
  - 2.3.2. The Issuer shall only redeem the Series 1 Bonds on a Coupon Payment Date and not otherwise.
  - 2.3.3. At the expiration of the notice in Clause 2.3.1 above, the Issuer shall be entitled and bound to redeem the Series 1 Bonds in respect of which such notice has been given. Such notice shall state the amount of the Series 1 Bond due for redemption and the condition under which such redemption is to be effected.
  - 2.3.4. 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.
  - 2.3.5. The Issuer shall not incur any penalty on account of Early Redemption.
  - 2.3.6. The Issuer shall be entitled to a 5 (five) day period from the service of the redemption notice within which it can cancel the redemption process without the application of any further Coupon.
- 2.4. The sum payable on the Maturity Date is the Redemption Amount which unless otherwise provided in respect of the Series 1 Bonds, is the outstanding sum in respect of each Series 1 Bond, together with applicable Coupon at the time of redemption.
- 2.5. Upon redemption, the Bondholders shall forward the Series 1 Bond Certificate (where applicable) to the Issuer the obligations of the Issuer in respect of any such Series 1 Bonds shall be discharged.

## **3. Purchase and Cancellation of Bonds**

- 3.1. *Purchase of Bonds*

The Issuer may at any time and from time to time purchase any part of the Series 1 Bonds through the Recognised Securities Exchange on which the Series 1 Bonds

are noted, but not otherwise. Any Series 1 Bond so purchased shall be surrendered to the Registrar for cancellation and will not be available for re-issue.

3.2. **Cancellation**

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

3.2.2. 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.

3.2.3. The Bondholders shall forward the Series 1 Bond Certificate in respect of all Series 1 Bonds (where applicable) so cancelled to the Issuer and the obligations of the Issuer in respect of any such Series 1 Bonds shall be discharged. Where required by the rules of the Relevant Securities Exchange, the Issuer shall promptly inform the Relevant Securities Exchange of the cancellation of any Series 1 Bonds, pursuant to this Condition 3.

**4. Coupon**

4.1. The Coupon Rate shall be payable semi-annually in arrears, on the Principal Amount, on the Coupon Payment Date.

4.2. Each Series 1 Bond bears Coupon from the Coupon Commencement Date and will cease to bear Coupon from the Maturity Date unless, upon due presentation, payment of principal is improperly withheld or refused, in which event Coupon will continue to accrue (both before and after any judgment or other order of a court of competent jurisdiction) at the Coupon Rate until the date of payment in the manner provided in this Condition.

4.3. The Coupon Rate payable in respect of each Series 1 Bond shall be [•].

4.4. The amount of Coupon payable in respect of any Series 1 Bond for any period shall be calculated on the basis of the actual number of days elapsed divided by 365.  $[Coupon\ Rate * Principal\ Amount * (actual\ number\ of\ days / 365)]^1$ .

**5. Negative Pledge**

For as long as any of the Series 1 Bonds are outstanding, the Issuer shall not without the prior written consent of the Bond Trustees directly or indirectly secure any other Financial Indebtedness represented by Bonds (excluding Bonds issued under the Programme) or any other 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

PROVIDED THAT the Issuer, may in relation to the Series 1 Bonds:

(a) enter into a liquidity facility agreement with a high investment grade rated Commercial Bank, providing liquidity to the Issuer to enable it to meet its payments obligations on the relevant Payment Date in respect of the Series 1 Bonds; or

(b) obtain a third-party Guarantee of a value equivalent to the par value of the Series 1 Bonds, from a Commercial Bank or Insurance Company (with a high investment

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<sup>1</sup> Drafting Note: to ensure this aligns with the provisions of the supplementary prospectus.



grade rating, maintained for the tenor of the Series 1 Bonds) to secure its payment obligations to the Series 1 Bondholders on or before the Maturity Date.

## **6. Transmission**

- 6.1. 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 Series 1 Bond.
- 6.2. Any person becoming entitled to the Series 1 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 Series 1 Bonds, or subject to the preceding Conditions as to transfer, may transfer the same.

## **7. Method of Payment of Principal and Coupon**

- 7.1. Payment of the Principal and Coupon due on all or any part of the Series 1 Bonds 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.
- 7.2. Whenever any part of the Series 1 Bonds is redeemed, a proportionate part of each holding of the Series 1 Bonds shall be repaid to the Bondholders.
- 7.3. The Bond Trustees shall give to the Bondholders not less than one (1) month notice in writing of the time and mode for repayment of the Series 1 Bonds to be redeemed and each such notice shall state the amount of the Series 1 Bonds for redemption.
- 7.4. At the time and place so fixed for redemption, each Bondholder shall, where applicable, deliver to the Bond Trustees evidence of title to the Series 1 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.
- 7.5. If, on a Payment Date, any Bondholder whose Series 1 Bonds are liable to be redeemed fails or refuses to accept payment of the redemption moneys payable in respect of the Series 1 Bonds, the moneys payable to such Bondholder shall be held in trust for such Bondholder by the Bond Trustees and coupon on such Series 1 Bonds shall cease to accrue as from the date fixed for redemption of the Series 1 Bonds and the Issuer shall subsequently be discharged from all obligations in connection with such Bonds. If the Bond Trustees place the money so paid to them 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 interest on the same, except such interest (if any) as the said money may earn whilst on deposit or invested, less any expenses incurred by the Bond Trustees.

## **8. Trusts**

- 8.1. Except as required by law or as ordered by a court of competent jurisdiction the Issuer will recognise the Bondholder of the Series 1 Bond as the absolute owner of such Series 1 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 Series 1 Bond may be subject.
- 8.2. The receipt by a Bondholder for the time being of the Series 1 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 Series 1 Bonds or of any other money payable in respect of the Series 1 Bonds 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 Series 1 Bonds.

## **9. Registration and Transfer of the Series 1 Bonds**

- 9.1. The Register shall be kept by the Registrar at its office at [•] and there shall be entered into the Register, the following particulars:
  - 9.1.1 The names and addresses of every Bondholder for the time being;
  - 9.1.2 The amount of the units of Series 1 Bonds held by every Bondholder;
  - 9.1.3 The Bank Account number of every Bondholder; and
  - 9.1.4 The date at which the name of every Bondholder is entered in respect of the Series 1 Bonds standing in his name.
- 9.2. Any change of name or address on the part of a Bondholder shall forthwith be notified by the Bond Trustees to the Registrar and thereupon the Register shall be altered accordingly. The Bond Trustees and the Bondholder and any person authorised by any of them shall be entitled at all reasonable times during office hours to inspect the Register and to make copies of or take extracts from the same.
- 9.3. The Series 1 Bonds are transferable in whole or in part in denominations of [•] by instrument in writing in the form approved by the Issuer and the Bond Trustees provided that the Series 1 Bonds shall be transferred on the Recognised Securities Exchange in accordance with its rules. Bondholders who wish to trade the Series 1 Bonds on the Exchange may do so after the Series 1 Bonds have been listed on the Recognised Securities Exchange.

- 9.4 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 Series 1 Bonds until the name of the Transferee is entered in the Register.
- 9.5 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 Series 1 Bonds and (if the instrument of transfer is executed by some other person on his behalf) the authority of that person so to do.
- 9.6 The Issuer and Registrar shall retain all instruments of transfer after registration.
- 9.7 Registration of any Series 1 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 Series 1 Bond.

## **10. Notices**

The provisions of Condition 13 (*Notices*) of the Programme Trust Deed will apply to notices to and from the Bondholders.

## **11. 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 Series 1 Bonds and each Bondholder shall, by virtue of being the holder of any Series 1 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.

## **12. Events of Default**

The provisions of Condition 15 (*Events of Default*) of the Programme Trust Deed shall apply mutatis mutandis in respect of the Series 1 Bonds.

## **13. Enforcement**

The provisions of Condition 16 (*Enforcement*) of the Programme Trust Deed will apply mutatis mutandis to the Series 1 Bonds.

## **14. 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 Trust Deed.

**15. Taxation**

All payments of principal, coupon and any other sum due in respect of the Series 1 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.

**16. Prescription**

Claims against the Issuer for payment in respect of the Series 1 Bonds shall be time-barred and become void unless made within 6 (six) years from the appropriate Relevant Date in respect of the Principal Amount and the Coupon due on such Series 1 Bonds.

**17. 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) of the Programme Trust Deed. Decisions taken at Bondholders' Meetings may only be exercised by the Bond Trustees in accordance with the relevant provisions of the Programme Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Series 1 Bonds can only be amended with the written consent of the Parties.

**18. Governing Law and Dispute Resolution**

18.1 The Series 1 Bonds are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

18.2 The provisions of Clause 39 (*Governing Law and Dispute Resolution*) of the Programme Trust Deed will apply to any dispute that may arise in connection with the Series 1 Bonds.

**IN WITNESS WHEREOF** the Parties have executed this Deed in the manner below on the day and year first above written

**THE COMMON SEAL** of the within named  
**BUA CEMENT PLC**

Was affixed in the presence of:

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**DIRECTOR/SECRETARY**

**THE COMMON SEAL** of the within named  
**STANBIC IBTC TRUSTEES LIMITED**

Was affixed in the presence of:

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**DIRECTOR/SECRETARY**

**THE COMMON SEAL** of the within named  
**CUSTODIAN TRUSTEES LIMITED**

Was affixed in the presence of:

\_\_\_\_\_  
**DIRECTOR**

\_\_\_\_\_  
**DIRECTOR/SECRETARY**

**THE COMMON SEAL** of the within named

**ARM TRUSTEES LIMITED**

Was affixed in the presence of:

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**DIRECTOR**

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**DIRECTOR/SECRETARY**