

Directors' Report

The Directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 31st December 2017.

PROFIT FOR THE YEAR	2017 ₦'000	2016 ₦'000
Group Profit for the Year	962,824	3,079,827

Dividend

The Directors have recommended the payment of 65kobo dividend per ordinary share, held at the close of business on Monday May 14, 2018.

Activities

UAC of Nigeria PLC is a diversified business with activities in the following principal sectors: Food & Beverage, Real Estate, Paints and Logistics.

CORPORATE GOVERNANCE REPORT

UAC of Nigeria PLC is a company of integrity and high ethical standards. Our reputation for honest, open and dependable business conduct, built over the years is an asset just as our people and brands. We conduct our business in full compliance with the laws and regulations of Nigeria and our Code of Business Conduct.

The Board of Directors

Under the Articles of Association of the Company, the business of the Company shall be controlled and managed by the Directors, who may exercise all such powers of the Company as are not by statute or the

Articles to be exercised by the Company in the general meeting. The operations of the Board of Directors of UAC of Nigeria PLC are governed by the Company's Memorandum and Articles of Association, Board Charter, applicable laws and regulations.

Composition of the Board of Directors

The Board of Directors was made up of five Non-Executive and three Executive Directors during the 2017 financial year. All the Directors had access to the advice and services of the Company Secretary. With the approval of the Chairman of the Board, they may take advice from third party professionals in areas where such advice will improve the quality of their contribution to Board deliberations.

Separation of Positions of Chairman and Managing Director

In the year under review, the Position of the Chairman was distinct from that of the Group Managing Director/CEO. The two positions were occupied by Mr. Dan Agbor and Mr. Larry Ephraim Ettah respectively. The other Executive Directors were Mr. Abdul Bello, Executive Director/Chief Financial Officer and Mr. Joseph Dada, the Executive Director, Corporate Services. Other Non-Executive Directors that served during the year were Mrs. Awuneba Ajumogobia, the Independent Non-Executive Director, Engr. Dr. Okechukwu John Mbonu, Mr. Babatunde Kasali and Dr. Umaru Alka.



The Roles and Responsibilities of the Board

The following matters are reserved for the Board of Directors of the Company:

- a. Formulation of policies, strategy and overseeing the management and conduct of the business;
- b. Formulation and management of risk management framework;
- c. Succession planning and appointment, training, remuneration and replacement of Board Members and Senior Management;
- d. Overseeing the effectiveness and adequacy of internal control systems;
- e. Overseeing the maintenance of the Company's communication and information dissemination policy;
- f. Performance appraisal and compensation of Board Members and senior executives;
- g. Ensuring effective communication with shareholders, other stakeholders, and the investing public;
- h. Ensuring the integrity of financial controls and reports;
- i. Ensuring that ethical standards are maintained;
- j. Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and Code of Corporate Governance by the Company and its Business Units;
- k. Definition of the scope of delegated Authority to Board committees and management and their accountabilities;
- l. Definition of the scope of corporate social

responsibility through the approval of relevant policies;

- m. Approval and enforcement of a code of ethics and business practices for the Company, the employees and directors.

Board Appointment Process

The Governance & Remuneration Committee serves as nomination Committee for recommending candidates to fill vacant positions on the Board. The process of appointing Directors involves a declaration of a vacancy at a Board meeting. The curriculum vitae of suitable candidates having regard to the required skills, competence and experience are referred to the Governance and Remuneration Committee for necessary background checks, informal interviews/interaction and a recommendation for Board's consideration and approval. Board positions are also sometime given to significant investors who own above 10% of the issued and paid up share capital of the Company, as part of the terms of investment. Changes on the Board are timeously notified to relevant regulatory authorities and the investing public. A Director appointed by the Board is presented in the next Annual General Meeting of the members of the Company for election in line with statutory requirement.

Directors' Induction and Training

Every newly appointed Director receives a comprehensive letter of appointment, which spells out the terms of reference of the Board and its

Directors' Report CONT'D

Committees, the Board Structure, Board plan for current year, remuneration and demand on his time and disclosure requirements. The letter of appointment is accompanied by significant Company documents and policies such as: Memorandum and Articles of Association of the Company, latest Annual Report & Accounts, 2011 SEC Code of Corporate Governance for Public Companies in Nigeria, UACN Code of Business Conduct, previous year's Board minutes, to help the new Director gain an understanding of the Company, its history, culture, core values, governance framework, business principles, people, operations, brands, projects, processes and plans. A new Director undergoes an induction/ orientation process whereby he is introduced to members of the Board of Directors, leadership teams of Corporate Centre and Subsidiary Companies and classroom lectures on UAC legacy, core values, and business verticals; corporate governance framework, fiduciary duties of Directors, ethics and policies; overview of budget, delegation of authority framework, risk management and investor's relations in the Company; and performance and talent management among others.

Operational visits are also arranged to introduce the new Director to business operations of the subsidiary Companies. Periodic training programmes are organized for Board members from time to time.

Board Meetings

The Board met 7 times during the 2017 financial year. The following table shows the attendance of Directors at the Board Meetings:

DIRECTOR	29/3	24/5	14/6	25/7	26/10	22/11	6/12
Mr. Daniel Agbor	P	P	P	P	P	P	P
Dr. Okechukwu Mbonu	P	P	P	P	P	P	P
Mr. Larry Ettah	P	P	P	P	P	P	P
Mr. Abdul Bello	P	P	P	P	P	P	P
Mr. Joseph Dada	P	P	P	P	P	P	P
Mrs. Awuneba Ajumogobia	P	P	P	P	P	P	P
Mr. Babatunde Kasali	P	P	P	P	P	P	P
Dr. Umaru Alka	P	P	P	P	P	P	P

Key: P - Present



Board Evaluation

We have in place a robust mechanism for undertaking a formal and rigorous annual evaluation of the performance of the Board, Board Committees and individual Directors. A very detailed Board Evaluation Questionnaire is annually administered on all Board members, in line with regulatory requirements and best practice. Feedback are given to Board members at the end of the exercise. A summary of the issues from the evaluation is discussed by the Board and necessary action taken.

Composition of Board Committees

The Board functioned through two Board Committees namely, Risk Management Committee and Governance & Remuneration Committee during the year under review. Board Committees make recommendations for approval by the full Board.

1. The Risk Management Committee

The Committee was chaired by Mrs. Awuneba Ajumogobia, the independent Non-Executive Director and was made up of another Non-Executive Director and three Executive Directors.

The Terms of Reference for the Risk Management Committee are as follows:

- i. Understand the principal risks to achieving the company and group's strategy;
- ii. Oversee the establishment of a management framework, that defines the company's risk policy, risk appetite and risk limits;
- iii. Ensure that business profile and plans are consistent with the Company and group risk appetite;
- iv. Assist the Board in overseeing risk management and monitoring the Group's performance with regards to risk management;
- v. Review the process for identifying and analyzing business level risk;
- vi. Agree and implement risk measurement and reporting standards as well as methodologies;
- vii. Periodically review the key controls, processes and practice, including limit structure;
- viii. Monitor, review and challenge all aspects of the Company's and group's risk profile; key risk management practice;
- ix. Periodically evaluate the Company's risk profile, action plans to manage high risks and progress on the implementation of these plans;
- x. Monitor risk management policies to ensure they are integrated into the Company's culture;
- xi. Review quarterly risk management reports and make recommendation to the Board on appropriate actions;
- xii. Ensure UACN's risk exposures are within approved risk control limits;
- xiii. Assess new risk-return opportunities;
- xiv. Undertake, at least annually, a thorough risk assessment covering all aspects of the Company's business and use the result of the risk assessment to update the risk management framework of the Company;
- xv. Review the structure for, and implementation of,

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- risk measurement and reporting standards, as well as, methodologies;
- xvi. Ensure disclosure of the Company and group risk management policies and practices in the annual report.

Audit

- i. Review updates on implementation level of internal and external auditor's recommendations by management, from Board Representatives on the Audit Committee.
- ii. Recommend for Board approval, the appointment of an Internal Audit Service Provider;
- iii. Periodically evaluate the performance of Internal Audit Service Provider and make recommendation to the Board;
- iv. Periodically review the manning level and the adequacy of the resources with which the Internal Audit and Risk functions discharge their duties.

Whistle Blowing

- i. Oversee the establishment of Whistle Blowing procedures for the receipt, retention, and treatment of Complaints received by the Group regarding accounting, internal controls and/or auditing matters, unethical activity, breach of the Corporate Governance Code and the confidential/anonymous treatment of submission by Stakeholders (Employees, Customers, Suppliers, Applicants etc.) of the Group with respect to such Complaints.

Others

- i. Oversee the company's financial reporting, its policies and processes;
- ii. Review the group's operational performance;
- iii. Make recommendations to the Board on capital expenditure, specific projects and their financing, within the overall approved plan;
- iv. Make recommendations on management of Company's cash and debt exposure/ borrowings;
- v. Monitor compliance with applicable laws and regulations by the Company and its subsidiaries.

Committee Meetings

The Risk Management Committee met 3 times during the year. The following table shows the attendance of the members of the committee at the meetings:

DIRECTOR	12/4	12/7	11/10
Mrs. Awuneba Ajumogobia	P	P	P
Mr. Babatunde Kasali	P	P	P
Mr. Larry Ettah	P	P	P
Mr. Abdul Bello	P	P	P
Mr. Joseph Dada	P	P	P

Key: P - Present

2. The Governance and Remuneration Committee

The Committee was chaired by Mr. Dan Agbor, a Non-Executive Director and made up of two other Non-Executive Directors. The GMD/CEO only attends the meetings of the Committee to present reports and shed light on people management and remuneration



proposals.

The Terms of Reference of Governance and Remuneration Committee are as follows:

- a. To periodically evaluate the skills, knowledge and experience required on the Board and make recommendations on the composition of the Board;
- b. To define the criteria and the procedure for the appointment of Directors to Board and Board committees;
- c. To prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate;
- d. To nominate new Directors for appointment to the Boards of the Company, and subsidiary and associated companies;
- e. To recommend the appointment, remuneration and promotion of Executive Directors and Senior Management;
- f. To perform annual evaluation of the Board, Board committees and Boards of subsidiary companies as appropriate;
- g. To set the performance targets/criteria and evaluate the performance of the Group Managing Director/CEO and make recommendations to the Board on his performance;
- h. To review from time to time succession planning proposals and implementation;
- i. To document and review the Board Charter and composition, roles, responsibilities, authorities,

reporting framework of Board Committees and the Boards of Subsidiary companies;

- j. To make recommendations to the Board on the adoption of a Code of Conduct (including policy on trading in Company's Shares) for Directors and Senior Executives and to review the same from time to time;
- k. To make recommendations to the Board on the whistle blowing process for the Company that encourages stakeholders to report any unethical activity/breach in Corporate Governance;
- l. To oversee continuing education of Board members and induction of new directors;
- m. To make input into the annual report of the Company in respect of Directors' compensation;
- n. To review and make recommendations to the Board for approval on the Company's organizational structure and propose amendments;
- o. To review and make recommendations to the Board on group-wide staff appraisal, salary and compensation.

Committee Meetings

The Committee met 6 times in 2017. The following table shows the attendance of committee members at the Meetings:

DIRECTOR	29/3	24/5	26/7	25/10	22/11	6/12
Mr. Daniel Agbor	P	P	P	P	P	P
Dr. Umaru Alka	P	P	P	P	P	P
Dr. O. Mbonu	P	P	P	P	P	P

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Management

At the Management Level, a Business Review Committee presided over by the Group Managing Director/CEO, comprising the Executive Directors, Managing Directors of Subsidiary Companies and Heads of Corporate Centre Units met every month to review business performance and operational and strategic issues of the Group and Subsidiary Companies.

The members of the leadership teams of the Corporate Centre and Business Units also attend an Annual Business Retreat to review the performance of the Business Units and the Group, discuss the approved budget for the current year and agree execution modalities. The Chairman of the Board also attends the Annual Group Business Retreat to give Management Board's feedback on corporate strategy, business direction, performance and expectations.

The list of current Group Senior Management Team is on Page 29 of this Annual Report.

Code of Business Conduct

The Company has refreshed its Code of Business Conduct for Employees and other Stakeholders to align it with international best practice. The Board of Directors is responsible for ensuring that the Code is communicated to, understood and observed by, all employees.

THE STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee consisted of six members made up of three representatives of shareholders elected at the previous Annual General Meeting for a tenure of one year and three representatives of the Board of Directors nominated by the Board. The Chairman of the Committee is Mr Olabisi Fayombo, a Chartered Accountant and a shareholders' representative. The Company Secretary is the Secretary to the Committee. The meetings of the Committee were attended by representatives of KPMG Professional Services, our Internal Audit Service Provider, Ernst & Young, our Independent Auditors and UAC Head of Risk & Compliance. The Committee operates within the provisions of the Companies and Allied Matters Act CAP C20 Laws of the Federation, 2004, 2011 SEC Code of Corporate Governance for Public Companies in Nigeria, Audit Committee Charter, Internal Audit Charter and best practice. The following table shows members' attendance at the four meetings the Committee held in 2017:

NAME	28/3	12/6	25/7	12/10
Mr. Olabisi Fayombo	P	P	P	P
Mr. Matthew Akinlade	P	P	P	P
Mrs. Awuneba Ajumogobia	P	P	P	P
Mr. Kenneth Nnabike	P	P	P	P
Mr. Babatunde Kasali	P	P	P	P
Dr. Umaru Alka	P	P	P	P

Key: P - Present



The Terms of Reference of the Committee

The following are the terms of reference of the Committee:

The Committee is authorized by the Companies and Allied Matters Act, 2004 ('CAMA') to:

- a) Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- b) Review the scope and planning of Audit requirements;
- c) Review the findings on Management matters, in conjunction with the External Auditor and departmental responses thereon;
- d) Keep under review the effectiveness of the Company's system of accounting and internal control;
- e) Make recommendations to the Board, with regard to the appointment, removal and remuneration of the External Auditors of the Company;
- f) Authorize the Internal Auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee;
- g) Receive quarterly/periodic reports from the Internal Audit Unit.

In addition, 2011 SEC Code of Corporate Governance also assigns specific responsibilities to the Committee.

Control Environment

The Board reviews the control environment of the Company at its quarterly meetings and ensures that

audit recommendations are fully implemented by all concerned. A Fraud Policy is in place to promote consistent organizational behaviour, by providing guidelines and assigning responsibilities for the deployment of controls and conduct of investigations. The fraud policy is complemented by the Sanctions Grid, whereby the Board sends a strong message to the Business Units and employees on the Company's zero tolerance level for persistent audit exceptions and unimplemented audit recommendations. A Group-wide Risk & Compliance Unit is in place at the Corporate Centre and in all the Business Units to drive implementation of audit recommendations and strengthen the control environment. The Company operates an outsourced Internal Audit and Whistle Blowing services, provided by KPMG Professional Services.

Securities Trading Policy

In compliance with the Rules of the Nigerian Stock Exchange, we have put in place a Securities Trading Policy to guide Employees and Directors of the Company, persons closely connected to them, and all insiders of the Company on trading in the securities of the company. Under the policy, the closed period shall be effective from 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any price sensitive matter, or the date of circulation of agenda papers pertaining to any of the said matters, whichever is earlier, up to 24 hours after the price sensitive information is submitted to the NSE.

Directors' Report CONT'D

The trading window shall, thereafter be opened. We hereby confirm that no Director traded in the securities of the Company within any of the closed periods.

Shareholders Complaints Management Policy

We have put in place a Complaints Management Policy to handle and resolve complaints, from our Shareholders and investors. The Policy was defined and endorsed by the Company's Executive Management, that is also responsible for its implementation and for monitoring compliance. The Policy is on the Company's website and made available to Shareholders at Annual General Meetings.

Compliance with the Code of Corporate Governance

The Company has complied with the 2011 SEC Code of Corporate Governance for Public Companies.

UAC of Nigeria Plc.
Directors' Interest in Ordinary Shares



DIRECTORS	December 2017 Ordinary Shares		December 2016
	INDIRECT	DIRECT	DIRECT
Mr D O Agbor	-	328,400	-
Mr. L E Ettah	-	2,400,000	2,400,000
Mr. A A Bello	-	124,388	124,388
Mr. J I Dada	-	103,124	103,124
Mrs. A Ajumogobia	-	925	925
Dr. O. Mbonu	-	4,184	4,184
Dr. U Alka	-	10,000	10,000
Mr. B Kasali	-	10,000	10,000
Mr. F B Aiyesimoju	74,098,127	31,569	-
Mrs O Ighodaro	-	-	-
Mrs. O I Elemide	-	106,892	-

Directors' Interest in Contracts

Some of the Directors gave notices for the purposes of Section 277 of the Companies and Allied Matters Act, 1990, to the effect that they are Directors/partners of some specified entities, which could be regarded as interested in some contracts in UACN group during the year under review. Mr Daniel Agbor is a Partner in the law firm of Udo Udoma & Belo-Osagie which renders legal services to Companies within the group, from time to time. He is also a Non-Executive Director of FSDH Merchant Bank Limited, which had a banking relationship with the Company during the year. Mr Ettah is a Non-Executive Director of Coronation Merchant Bank Limited, which had a banking relationship with some Companies within the group during the year.

Charitable Gifts and Donations

	₦
Zawan (Jos Plateau State) Community Projects	45,527,236
Goodness League & Paint Accessories to Government Technical Colleges	6,756,822
Product Sponsorships	5,508,634
Other charitable expenditure	9,103,980
TOTAL	66,896,672

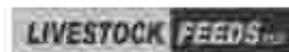
Operational Review FY2017

FOOD AND BEVERAGE

ANIMAL FEEDS & EDIBLES: GRAND CEREALS LIMITED & LIVESTOCK FEEDS PLC

- Highly competitive market; competitive intensity heightened by aggressive new entrants
- In the near term, the industry suffers from excess capacity on account of recent investment and decline in farm activities due to margin erosion
- Long-term growth supported by low levels of protein consumption and increasing domestic product

UAC will focus on maintaining market share and aggressively driving efficiencies. The Group will seek out higher margin niches within the space



PACKAGED FOODS: UAC FOODS LIMITED

- Highly competitive operating environment resulting from aggressive new entrants with value-based offerings
- Resistance to price increase of Gala Sausage roll
- Long-term growth supported by demographics and urban migration

The business is focusing on driving brand building activities, entrenching its Route to Market through retail penetration and developing new products



QUICK SERVICE RESTAURANT: UAC RESTAURANTS LIMITED

- Highly competitive market impacted by declining purchasing power
- 12 store closures as a result of non-performing franchisees
- Rising cost of operations relative to declining revenue

UAC will undertake a review of the business with a view to fixing business fundamentals in the short-term



PAINTS: CAP PLC & PORTLAND PAINTS AND PRODUCTS NIGERIA PLC

- UAC will focus on maintaining market share and aggressively driving efficiencies
- Declining purchasing power leading to market contraction
- Entry of international players heightening competition
- Downturn in the real estate sectors dampened result
- Long-term growth supported by huge housing deficit

UAC will invest behind the brands and expand distribution network





LOGISTICS: MDS LOGISTICS LIMITED

- Leading provider of integrated supply chain solutions to manufacturers, importers and service providers
- Recessionary pressures impacted volume throughput from certain clients
- Low truck availability resulting from poor road conditions

UAC will focus on expanding its position in providing niche outbound supply chain services and optimise operations to grow profit



REAL ESTATE: UPDC PLC

- Persisting harsh macro-economic headwinds
- High interest rate regime discouraging project development
- Oversupply of products leading to glut and vacancies, fuelled by purchasing power decline
- Retail tenants enjoying retention perks from landlords
- Long-term growth supported by huge housing deficit

The business will focus on refinancing of short-term borrowings, reduction of debt and overall restructuring of the company



The bearish equity market and low interest on money market instruments in the first half of the year affected the Funds under Management by **UNICO CPFA Limited** adversely. The Company was however able to meet its 2017 profit target due to proactive cost containment.



List of Distributors

CAP PLC

1. House Affairs Ikeja, Victoria Island Lagos
2. Treaty Project Limited, Port-Harcourt/Asaba
3. Edeoga Nig. Lt, Abuja/Kaduna State/Jos
4. First Ebony Investment, Lekki-Epe, Lagos
5. Amehgate Integrated Services, Abuja/Gombe
6. Taes Concept Limited, Abuja
7. Ambroziny Int. Ltd, Enugu
8. Stanzel Associate, Abuja
9. Chrisbaki Nigeria Ltd, Warri
10. Marco Bruno, Port-Harcourt

Portland Paints Sandtex Experience Centres

- | | |
|------------------------------------|------------|
| 1. Yusaj Nigeria Company | Warri |
| 2. Femsamond Nig. Enterprise | Onitsha |
| 3. Airspai Nigeria Limited | Ikeja |
| 4. Building Technical Nig. Limited | Jos |
| 5. Dbuns Global Company | Abuja |
| 6. Ay & B Nigeria Limited | Sokoto |
| 7. C. Igbe Nigeria Limited | Benin City |
| 8. Fem Fem Ventures | Ibadan |
| 9. Gokm Ideas Services | Akure |
| 10. Cyw Kaduna Depot | Kaduna |

UAC Foods Limited

Snacks

- | | |
|-----------------------|-----------|
| 1. Rondasy Ent. | Lagos |
| 2. Japio Stores | Mile 2 |
| 3. Skyseed Ventures | Enugu |
| 4. Nkechi Ekwufolu | Onitsha |
| 5. Don Chris Ventures | Onitsha |
| 6. Sunny Bros Venture | Onitsha |
| 7. Ogunkoya Stores | Oshodi |
| 8. Madonna Foods | Owerri |
| 9. Musbass Commercial | Maryland. |
| 10. Lakeshad'r' Ent | Oregun |

Swan

- | | |
|--------------------------|--------|
| 1. S.C. Okonkwo Nig. Ltd | Jos |
| 2. Valerie Claire Nig. | Abuja |
| 3. Mike Sopson Nig Ltd. | Jos |
| 4. C.C Ozoemena & Co. | Jos |
| 5. Ayi Investment | Kaduna |
| 6. Olayiwola Stores, | Jos |
| 7. TKC Enterprises, | Bauchi |
| 8. Naf And Man Global | Abuja |
| 9. Godsway Nig Ltd. | Abuja |
| 10. Tars Ideal Concept | Jos |

Dairies

- | | |
|--------------------------|------------|
| 1. Blessing & Wisdom | Lagos |
| 2. Naf & Man Global | Abuja |
| 3. Genesis Osha | Nnewi |
| 4. Zitonía Ventures | Enugu |
| 5. Sweet Sensation Co. | Lagos |
| 6. Hadlauch Nigeria Ltd. | Asaba |
| 7. Shebag Holdings | Kaduna |
| 8. Davobeth | Benin-City |
| 9. P & P Nig Ltd. | P/H |
| 10. Davace Ventures | Lagos |

Livestock Feeds

- | | |
|-----------------------------|---------|
| 1. Stet Nig. | Abia |
| 2. Oore-Ofe | Oyo |
| 3. Paspro Farms & Ind. | Jos |
| 4. Doo-Doo Nig. Ent. | Jos |
| 5. Claokis Martins Agro | Warri |
| 6. Daftos Farms Nigeria Ltd | Ibadan |
| 7. Nwabuking Nigeria Ent. | P/H |
| 8. Okpako Vison Com. Ltd | Ughelli |
| 9. Denajcom Unique | Jos |
| Concept | |
| 10. Immaculate Farms | Ikorodu |

Grand Cereals Limited

- | | |
|------------------------------------|------------|
| 1. Phed Agro | Kano |
| 2. Benita Ventures | Jos |
| 3. Jeromaski Farms & Haulage Comp | Kaduna |
| 4. Jehns Enterprises | Nassarawa |
| 5. Favour & Favour Nigeria Limited | P/Harcourt |
| 6. Makor Trading Company | Jos |
| 7. Feeze Nig Ent | Aba |
| 8. Mary Ventures | Jos |
| 9. Evamos Links Ventures | Owerri |
| 10. Lawlad Integrated Services | Jos |

MDS Depot Lists

EAST

- | | |
|---|-------------|
| 1. Aba 1 8, Factory Road | Abia |
| 2. Aba 2 13, Factory Road | Abia |
| 3. Abakaliki Km 7, Abakaliki-Enugu Highway | Ebonyi |
| 4. Calabar Plot 32, Northern Industrial Estate Harbour Road | Cross River |
| 5. Enugu 20, Okpara Avenue | |
| 6. Onitsha Plot 5, Dozzy Crescent, Niger Bridge Head | Anambra |
| 7. Owerri Km 5, Okigwe Road Off Mbieri, Orji | Imo |
| 8. Port-Harcourt 1 4, Forces Avenue Old GRA | Rivers |
| 9. Port-Harcourt 2 175/177 Worldwide Road Trans Amadi | Rivers |
| 10. Uyo Km 11, Ikot Ekpene Road Umuahia 2, Mayne Avenue Opp. First Bank | Abia |
| 11. UAC House | Akwa Ibom |



West

1. Abeokuta UAC Complex Ibara Roundabout, Ogun
2. Abule-Egba 8, Abraham Afolabi Street U-Turn Bus Stop, Lagos
3. Acme Plot 11, Vori Close Acme Road, Ogba, Lagos
4. Adeniyi Jones 2, Ajao Road Adeniyi Jones, Lagos
5. Ado Ekiti Km 3, Ado-Ikere Road Ekiti
6. Oshogbo 3, Station Road Opp. General Post Office, Osun
7. Oyo Ishola Motors Building Ogbomoso Road
8. Akure Km 4, Ondo Road Onward Aluminium, Ondo
9. Apapa 16, Creek Road, Lagos
10. Benin 27, Oba Market Road Edo
11. Ibadan 1, Magazine Road Jericho, Dugbe, Oyo
12. Ijebu-Ode 174, Folagbade Street Ogun
13. Ilorin 111, Murtala Mohammed Way Kwara
14. Marina 70 Marina Street, Elegbeta, Lagos
15. Sapele 6, Palm Avenue, Delta
16. Warri Orhuwhorun Road, Intl Furniture Ltd, Mofor, Delta
17. Ondo 2, Ododibo Street, Idi Isin
18. Oregun, 32, Kudirat Abiola Way, Lagos

North-North

1. Gusau 36, Canteen Road Trading Layout, Zamfara
2. Kaduna 1 3, Makera Road Off Kachia Road
3. Kaduna 2 1, Waziri Ibrahim Crescent Abakpa, GRA
4. Kano 33, Niger Street Kano
5. Katsina Plot 12, Nagogo Road GRA
6. Maiduguri 10, Nguru Road Borno
7. Sokoto 8, Abdullahi Fodio, Sokoto
8. Zaria 4, Manchester Road Kaduna

North-Central

1. Abuja Idu Industrial Estate Off Jabi/Airport Road
2. Bauchi 10-12 Maiduguri Bye-Pass
3. Bida 64, Zungeru Road, Niger
4. Gombe Plot 8, Biu Road, Gombe
5. Jalingo 5B, Hospital Road Taraba
6. Jos 2 Plot 6660, Anglo Jos Industrial Layout Plateau
7. Lokoja 10, Uac Main Building Uba Road, Waterside, Kogi
8. Makurdi 1 Beach Road New Garage, Wadata, Benue
9. Minna S3, Ibrahim Dada Paiko Road Off Shiroro Road, Niger
10. Suleja Kaduna/Lokoja Express Way Dumex Junction, Niger
11. Jos 1 28, Murtala Mohammed Way Plateau
12. Yola 42, Kashim Ibrahim Way, Jimeta, Adamawa

Store in Market Locations - 16 Offsite Inventory Locations
- 50 Total MDS Managed Locations - 117

Mr Bigg's Restaurants' Key Franchisees

1. Ikeja Mall, Lagos State, Eleutheria Nig Limited
2. Maryland, Lagos State, Special Brand Limited
3. Nnewi, Anambra State Calvary Foods Ltd
4. Asaba, Delta State, Sunpaul Sidney Nig. Limited
5. Fegge, Onitsha, Anambra State Delicacy Foods Limited
6. Oshodi, Lagos State, Fun-Phil Resources Limited
7. Ifako, Gbagada, Lagos State, Isibriel Nig Limited

Human Resources' Report

HUMAN RESOURCES' REPORT EMPLOYMENT POLICY AND PRACTICES

It is the policy of the Company that there shall be no discrimination in the employment, training and career development of all categories of people, in terms of gender, race, ethnic origin, tribe, religion or creed, except where otherwise permitted by law.

Ours is an equal opportunity company. In furtherance of this policy, the Company is committed to:

- Giving every employee a sense of belonging by operating competitive and fair performance and reward systems;
- Assisting and encouraging every employee to develop their ability to the maximum, not only in their chosen career, but also in other identified areas of interest within their capabilities and to pay careful attention to their work and progress;
- Encouraging employees to be good citizens by being law-abiding and participating in civil and social activities in their private time;
- Encouraging employees to develop and maintain healthy habits and provide reasonable medical facilities for every employee and their immediate families, as applicable under the Company Medical Scheme;
- Recognizing the freedom of employees to form and /or join responsible and truly representative Trade Unions or Associations.

HEALTH AND SAFETY

It is our policy to ensure that employees work in safe and clean environment. Towards this end, the Company enforces strict adherence to safety rules and practices through its Safety, Health and Environment (SHE) Officers and Committees in various locations. Safety training sessions and fire drills are regularly organised to keep employees at alert at all times. Our office environment is continually renovated and modernised in line with the trend in the industry. The company's employees responsible for SHE are constantly trained and sponsored to become SHE-certified professionals.

Some of our Subsidiary Companies, namely Portland Paints and Products Nigeria PLC. UAC Foods Limited, Grand Cereals Limited and CAP PLC have been recipients of the NECA/NSITF Safe Work Place Intervention Project.

HIV/AIDS

Our Company works to ensure a safe healthy working environment through basic training to inform, educate and train all Employees on HIV/Aids prevention, care and control. We do not discriminate against or terminate the



appointment of any employee on the basis of his or her HIV status. The HIV status and medical records of any employee are kept as strictly confidential. As much as possible, care is taken to support such employees, by providing counselling and medical support services.

EMPLOYEE WELFARE

The company provides lunch to Employees in the various Company locations across the country, to ensure the health and vitality of the Employees. Recreational facilities are also available in some locations. Employees are continually briefed on health issues as they affect them. In addition, free medical care is provided for all employees, their spouses and four children through health management organisation (HMO) while voluntary health screening exercises are also provided for Employees on an ongoing basis.

We implement a number of programmes to ensure that our Employees have work-life balance. Employees are encouraged to take their annual vacation as and when due. The Company believes this will provide them opportunity to refresh and renew to stay healthy and to perform better on the job. It is the Company's policy not to allow accumulation of leave beyond one year, except at the instance of the Company under extremely special circumstances. Work is organised to enable Employees work within the official business hours to catch up with their social and family obligations. In addition to compassionate leave for bereaved employees, the Company also has paternity leave of one week (5 working days) in place for male employees, whose wives are delivered of babies. The Company maternity leave policy has also been reviewed to accommodate additional annual leave days for female employees who go on maternity leave, who can take up to a total of four months leave for the period.

Our Closed User Group phone facility cover Managers' spouses, in order to promote communication between spouses.

EMPLOYEE ENGAGEMENT AND INVOLVEMENT

Our Employees are fully involved in strategy formulation and execution, in order to achieve business plan ownership and commitment at all levels. Regular meetings are held at different levels of the Company and Business Units to ensure that all Employees are given the opportunity, to interact with one another and with the management team for exchange of ideas and sharing of relevant business information. The Annual Business Retreat attended by Leadership Teams of UACN and its subsidiary companies, has been extended to Management Trainees and lower cadres of Management, to engender inclusion and provide opportunities for them to contribute to the strategic business issues and annual plans of the Group. The other engagement

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platforms are Joint Consultative Committees (JCCs), Business Review Meetings, Open Forum/Community Briefings/Family Meetings and Leadership Team (LT) meetings of the various Business Units and the Corporate Centre.

We also have in place Counselling Sessions, between Executive Management and different cadres of talents. These sessions allow management to proactively engage the talents with a view of addressing their career issues, welfare and retention. These meetings are complemented by regular circulars on salient contemporary Business and employment issues.

Our Coaching and Mentoring programme supports and grooms talents across the business. Emotional intelligence assessment and support programme are also in place to complement the scheme.

EMPLOYEE TRAINING AND DEVELOPMENT

Our policy recognises human resources as the most important asset of the organisation. We therefore consider it imperative to retain and motivate a competent and productive workforce, through systematic training and development. Consequently, training forms a significant part of employees' development towards achieving excellence in the performance of their day to day job responsibilities. Our training programme consists of customised internal programmes, choice training with other reputable organisations in Nigeria and overseas, industrial visits/attachments (where necessary) and relief duties at higher job levels. We also encourage self-development by our employees and provide financial support for such programmes where relevant to job roles and approved, when successfully concluded. We pride ourselves as an organisation that encourages learning through planned on-the-job coaching and mentoring.

In line with the Company's objective of ensuring that value is derived from its Joint Venture Partnerships, learning academies are in place in collaboration with our Joint Venture Partners in the areas of their strength or functional expertise. This initiative will help in, enhancing employee development and productivity.

Furthermore, in order to continuously refresh the organisation, through the injection of new employees, we recruited the second stream of the Graduate Specialists, in addition to the existing Management Trainees. The successful candidates from these schemes resumed in July and September 2017 respectively. Also, the company introduced a Graduate Technical Specialist Scheme, to strengthen the technical talent pool, for our manufacturing Business Units. This initiative targets graduates with background in Mechanical, Electrical and Chemical Engineering. They will undergo a one (1) year technical training programme. The first set of trainees



resumed in June 2017, and will conclude their training in May 2018. A total of 18 graduates were engaged, using Grand Cereals Limited and UAC Foods Limited-SWAN as pilot Business Units.

EMPLOYEE FEEDBACK

Our Company, having recognised that engaged employees drive stakeholder value, partners with the Great Place to Work Institute Nigeria, an international organisation acclaimed for their global expertise in workplace surveys, published annually in the '100 Best Companies to Work for' in over 56 Countries globally. The objective of this exercise, is to obtain feedback from employees, while benchmarking UAC workplace practices against its peers and Global Best Companies. This is driving management development effort, alignment of policies and practices geared towards making UAC a Great Place to Work, and an employer of choice. So far, one of our subsidiary companies, CAP PLC has been listed as one of the top ten companies to work in Nigeria.

CODE OF BUSINESS CONDUCT

We have reviewed and updated the UACN Code of Business Conduct in line with best practice. Under the Code, our Company does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No Employee may offer, give or receive any gift or payment, which is or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to Management. No Employee will be penalised for any loss of business resulting from adherence to these principles.

The Company's accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained. Annually, all employees are required to read the UACN Code of Business Conduct, take the assessment and sign off, as an evidence of awareness of their obligation to abide by its contents in their day-to-day business transactions. Consequently, the Company has introduced an on-line application to facilitate e-Learning and assessment of employees' understanding and application of the Code, in simulated work situations. Employees were required to log-in from their systems and participate in the assessment which has 80% as its pass mark.

A Whistle Blowing Policy is in place to encourage employees and other stakeholders to inform management of any untoward behaviour that affects the value, performance and/or image of the Company. To further strengthen this process, the Company outsourced the management of its Whistle-Blowing mechanism to KPMG

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Professional Services company thereby providing employees and other stakeholders, an independent alternative, to the existing established internal mechanisms.



Corporate Social Responsibility Report

CORPORATE SOCIAL RESPONSIBILITY REPORT: GOODNESS LEAGUE

Goodness League, the Corporate Social Responsibility initiative of UAC of Nigeria PLC now in its tenth year, continues to build on the rich legacies and achievements of the Company in the educational sector over the years, under the platforms of UAC Schools Support Programme and the Free Weekend Classes.

The League seeks to address both Hard and Soft issues in the educational sector. The Hard Issues focus on the positive intervention in legacy schools, through the provision of infrastructure, power, and equipment. The Soft Issues aim to identify academic knowledge gaps amongst students in the focused geographies, filling the identified gaps through a Volunteer scheme of appropriate career and guidance talks, counselling sessions, holiday classes and mentoring.

The tenth edition of the Free Weekend Classes was successfully held in Lagos in September 2017 with UAC Managers as volunteer teachers, providing free teaching classes to students in Lagos State at the Government College, Agege, Lagos Centre. To make the programme more inclusive and enable other parts of Lagos State benefit from it, we held classes in the Agege/Iyana Ipaja axis, building on the previous sessions at Lanre Awolokun Senior Secondary School, Gbagada Centre and Newland Senior Secondary School, Ajegunle Centre in the Ajeromi/Ifelodun Local Government Area both in Lagos State. The subjects taught during the Free Weekend classes included Career Guidance and Counselling, English, Mathematics, Biology, Chemistry, Physics, Economics, Accounts and Government.

The Free Weekend Classes focus on two key areas – Weekend Classes on Career and Guidance and counselling sessions in Schools. The Classes are targeted at final year senior secondary school (SSS3) students were held during the summer holiday period while the Career and Guidance sessions hold when schools are in session. The Counselling sessions target senior secondary school students (SSS1 – 3). Both programmes have been well received by the benefiting schools, students and other stakeholders. In appreciation of its sterling efforts in uplifting the standards of education in Nigeria through the UAC Goodness League in the last ten years, the Lagos State Government conferred a Special Recognition Award on UAC of Nigeria PLC, for its contribution towards the uplifting of the educational standards in Nigeria.

UAC's intervention through the Legacy Schools Support programme has been a huge success, having positive impact on Legacy Schools in the South-West, North-West, South-South and South-East geo-political zones of the country.

Corporate Social Responsibility Report

LIST OF UAC GOODNESS LEAGUE BENEFICIARIES ACROSS NIGERIA

St Finbarr's College, Akoka, Lagos	150KVA Power Generator & Physics Lab. equipment
CMS Grammar School, Bariga, Lagos	Comprehensive renovation of abandoned Technical block
Rumfa College, Kano	Science Equipment - Physics, Chemistry & Biology
Govt. Sec. School, Gwale, Kano	200 three seater desks
Alhudahuda College, Zaria	Science Equipment - Physics, Chemistry & Biology
Govt. College, Kaduna	Science Equipment - Physics, Chemistry & Biology
Enitonna High School, Port Harcourt	Science Equipment - Physics, Chemistry & Biology
Holy Family College, Abak, Akwa Ibom	Sets of Computers, Printers and UPs
Holy Trinity College, Mbiakong, Akwa Ibom State	Comprehensive renovation of dormitory block & refectory
Govt. College, Gindiri, Plateau State	Science Equipment - Physics, Chemistry & Biology
Govt. College, Keffi, Nassarawa State	200 three seater desks
St. Mount Gabriel's Sec School, Makurdi	Science Equipment - Physics, Chemistry & Biology
Govt. College, Bida	Science Equipment - Physics, Chemistry & Biology
College of The Immaculate Conception, Enugu	Science Equipment - Physics, Chemistry & Biology
Dennis Memorial Grammar School, Onitsha	Science Equipment - Physics, Chemistry & Biology
Christ The King College, Onitsha	Science Equipment - Physics, Chemistry & Biology
Bishop Shanahan College, Orlu	Science Equipment - Physics, Chemistry & Biology
Methodist Boys College, Uzuakoli	Science Equipment - Physics, Chemistry & Biology

Dated 28th day of March, 2018

By Order of the Board



Godwin Abimbola Samuel, Esq.

Company Secretary/Legal Adviser

FRC/2013/NBA/00000002608



UAC OF NIGERIA PLC is presented with a "SPECIAL RECOGNITION AWARD" by the Lagos State Government for "her outstanding contribution to the upliftment of the standard of education in Nigeria through the UAC Goodness League."



UAC Senior Management, Lagos State Government Officials and Students at the UAC Goodness League 2017 Free Weekend Classes Closing Ceremony where outstanding students were awarded different prizes.