
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about the contents of this document or any action to be taken, it is recommended that you consult your stockbroker, banker, solicitor, accountant, or any other independent professional adviser duly registered as a capital market operator by the Securities and Exchange Commission immediately.

If you have sold or otherwise transferred all your shares in UAC of Nigeria PLC, please hand over this document and the accompanying proxy form to the purchaser(s) or transferee(s), or to the stockbroker through whom the sale or transfer was executed, for transmission to the purchaser(s) or transferee(s). If you have sold or transferred only part of your shares in UAC of Nigeria PLC, you should retain this document.

The distribution of this document in jurisdictions other than Nigeria may be restricted by law, therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

SCHEME OF ARRANGEMENT

(Under Section 715 of the Companies and Allied Matters Act, No 3 of 2020 (as amended)
incorporating a reduction of share capital under Section 131 of the
Companies and Allied Matters Act, No 3 of 2020 (as amended))

Between



RC341

UAC of Nigeria PLC

and

The holders of its fully paid ordinary shares of 50 Kobo each

on the

Proposed unbundling of UAC of Nigeria PLC's 649,392,661 units in UPDC Real Estate Investment Trust

**Incorporating an Explanatory Statement on the proposed Scheme of Arrangement in compliance with
Section 716 of the Companies and Allied Matters Act, No 3 of 2020 (as amended)**

Stanbic IBTC Capital Limited is acting as Financial Adviser to UAC of Nigeria PLC. Stanbic IBTC Capital Limited will not be responsible to any person, individual or corporate body other than UAC of Nigeria PLC in relation to the arrangements referred to herein.

The notice convening the Court-Ordered Meeting of UAC of Nigeria PLC is set out on pages 44 to 46 of this document. The Proxy Form is set out on page 47. To be valid, a Proxy Form must be completed, signed and stamped, together with the powers of attorney or other authority, if any, under which it is signed and in accordance with the instructions printed thereon and must reach Africa Prudential PLC, registrars of UAC of Nigeria PLC not later than 24 hours before the time fixed for the Court-Ordered Meeting.

THE PROPOSAL, WHICH IS THE SUBJECT OF THE SCHEME OF ARRANGEMENT SET OUT IN THIS DOCUMENT, HAS BEEN CLEARED WITH THE NIGERIAN EXCHANGE LIMITED AND THE SECURITIES AND EXCHANGE COMMISSION. THE ACTIONS THAT YOU ARE REQUIRED TO TAKE ARE SET OUT ON PAGE 12.

Financial Adviser



RC 1031358

This Scheme Document is dated 15 July 2021

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1. DEFINITIONS

In this Document, unless otherwise stated or clearly indicated by the context, the following capitalised terms in the first column have the meanings stated opposite them in the second column.

<u>Terms</u>	<u>Definitions</u>
“Allocation Ratio”	0.2254, being the ratio determined by dividing the Scheme Units by the UAC Shares as at the Effective Date
“Board” or “Board of Directors” or “Directors”	The directors of UAC of Nigeria PLC comprising those persons whose names are set out on page 6 of this Document
“Business Day”	A day (other than a Saturday, Sunday or public holiday declared by the Federal Government of Nigeria) on which banks are open for business in Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act, No 3 of 2020 (as amended)
“Court”	Federal High Court
“Court-Ordered Meeting” or “Scheme Meeting”	The meeting of the registered holders of fully paid ordinary shares of UAC of Nigeria PLC, to be convened pursuant to Section 715 of CAMA, of which notice is set out on pages 44 to 46 of this Document, including any adjournment thereof
“Court Sanction”	An order made by the Court pursuant to Section 715 of CAMA, sanctioning the Scheme and confirming the reduction in the Company’s share capital pursuant to Section 131 of CAMA
“CSCS”	Central Securities Clearing System PLC
“CTC”	Certified True Copy
“Dissenting Shareholders”	Qualifying Shareholders who vote against the special resolution proposed at the Scheme Meeting
“Effective Date”	The Business Day on which a CTC of the Court Sanction, together with the minutes of the Scheme Meeting, are registered at the CAC
“Eligible Shareholders” or “Scheme Shareholders”	The shareholders of UAC whose names appear on the register of members as at the close of business on the Eligibility Date
“Eligibility Date”	Three Business Days immediately preceding the Effective Date, which represents the date on which the register of members of UAC will be updated to determine shareholders eligible to receive the Scheme Units
“Explanatory Statement”	The statement issued by the Financial Adviser to UAC for the purpose of explaining the terms, conditions and effects of the Scheme and set out on pages 9 to 13 of the Scheme Document
“Financial Adviser to UAC” or “Stanbic IBTC Capital”	Stanbic IBTC Capital Limited, a subsidiary of Stanbic IBTC Holdings PLC, licensed by the SEC to, amongst others, provide financial advisory services, with registration number 1031358
“FIRS”	Federal Inland Revenue Service

1. DEFINITIONS

“Legal Adviser”	Banwo & Ighodalo, duly registered with the SEC, acting in its capacity as legal adviser for the Scheme
“LFN”	Laws of the Federation of Nigeria
“Proxy Form”	The enclosed proxy form for use in connection with the Court-Ordered Meeting
“Qualification Date”	8 September 2021, being the date that the Register of Members shall be closed for the purpose of determining the shareholders eligible to attend and vote at the Court-Ordered Meeting
“Qualifying Shareholders”	The shareholders whose names appear in the Register of Members as at the Qualification Date
“Register of Members”	The register of members of UAC as is required to be maintained pursuant to the provisions of CAMA
“Scheme” or “Scheme of Arrangement”	The proposed scheme of arrangement between UAC and the holders of its fully paid ordinary shares of 50 kobo each pursuant to Section 715 of CAMA incorporating a reduction in share capital under Section 131 of CAMA, which is set out on pages 155 to 188 of this Document
“Scheme Document” or “Document”	This document dated 15 July 2021, which contains the Scheme, the Explanatory Statement, the notice of the Court-Ordered Meeting and the various appendices therein in relation to the Scheme
“Scheme Units”	649,392,661 Units held by UAC in UPDC REIT as at the Effective Date, which are the subject of the Scheme
“SEC”	Securities and Exchange Commission, Nigeria
“NGX”	Nigerian Exchange Limited
“UAC” or the “Company”	UAC of Nigeria PLC
“UAC Shares”	UAC’s entire issued and fully paid ordinary shares of 50 kobo each totalling 2,881,296,579 as at the date of the Scheme Document
“UPDC”	UPDC PLC
“UPDC REIT” or the “REIT”	UPDC Real Estate Investment Trust
“UPDC Scheme”	The unbundling of UPDC’s 1,515,501,818 units in UPDC REIT completed in December 2020

2. EXPECTED TIMETABLE OF PRINCIPAL EVENTS

EVENT	DATE
Obtain order of the Court convening the Scheme Meeting	23 July 2021
Publish Notice of Court-Ordered Meeting in two national newspapers	20 August 2021
Last date for lodging Proxy Forms for the Court-Ordered Meeting	17 September 2021
Court-Ordered Meeting of the shareholders of UAC	20 September 2021
File resolutions obtained at the Court-Ordered Meeting with the CAC	21 September 2021
Obtain the SEC's formal approval of the Scheme	20 October 2021
Obtain Court Sanction of the Scheme	4 November 2021
File CTC of Court Sanction with the SEC	5 November 2021
Last trading day to qualify for the Scheme (Eligibility Date)	8 November 2021
Register CTC of Court Sanction at the CAC (Effective Date)	11 November 2021
Publish copy of Court Sanction in two national newspapers	12 November 2021
Credit the CSCS accounts of the Eligible Shareholders	18 November 2021
File summary report with SEC	22 November 2021

Important notice: The dates above are indicative only and are subject to possible changes without prior notice. The indicative timetable has been prepared on the assumption that certain key activities including, but not limited to, obtaining regulatory approval from the SEC for the Scheme will be achieved as stated and the court dates for the Scheme will be available as and when applied for; therefore the timetable may be subject to change.

3. DIRECTORS AND PARTIES TO THE SCHEME

Directors:

Mr Daniel Agbor (Chairman)

UAC House
1-5 Odunlami Street
Lagos

Mr Folasope Aiyesimoju (Group Managing Director)

UAC House
1-5 Odunlami Street
Lagos

Dr Vitus Ezinwa (Chief Operating Officer)

UAC House
1-5 Odunlami Street
Lagos

Mrs Suzanne Iroche (Non-Executive Director)

UAC House
1-5 Odunlami Street
Lagos

Dr Umaru Alka (Non-Executive Director)

UAC House
1-5 Odunlami Street
Lagos

Mr Babatunde Kasali (Non-Executive Director)

UAC House
1-5 Odunlami Street
Lagos

Dr Okechukwu Mbonu (Non-Executive Director)

UAC House
1-5 Odunlami Street
Lagos

Mr Bolaji Odunsi (Non-Executive Director)

UAC House
1-5 Odunlami Street
Lagos

Mr Toriola Olutokun (Non-Executive Director)

UAC House
1-5 Odunlami Street
Lagos

Company Secretary:

Ms Nkem Agboti

UAC House
1-5 Odunlami Street
Lagos

Professional Parties:

Financial Adviser:

Stanbic IBTC Capital Limited

I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Legal Adviser:

Banwo & Ighodalo

48 Awolowo Road
South West Ikoyi
Lagos

Tax Adviser:

KPMG Professional Services

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos

Joint Stockbrokers:

CardinalStone Securities Limited

5 Okotie Eboh Street
Ikoyi
Lagos

Stanbic IBTC Stockbrokers Limited

I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

Registrars:

Africa Prudential PLC

220B Ikorodu Road
Palmgrove
Lagos

Scrutineers:

KPMG Professional Services

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos

4. LETTER FROM THE CHAIRMAN



RC 341

15 July 2021

To the shareholders of UAC of Nigeria PLC

Dear Sir/Madam

PROPOSED SCHEME OF ARRANGEMENT BETWEEN UAC OF NIGERIA PLC (“UAC” OR THE “COMPANY”) AND THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50 KOBO EACH

Introduction

Our Company, UAC, is a holding company with diverse interests across six sectors, namely (i) Animal Feeds and Edible Oils (ii) Packaged Food and Beverages (iii) Paints (iv) Logistics (v) Quick Service Restaurants and (vi) Real Estate. Our aim is to generate attractive long-term, risk-adjusted returns for you, our shareholders, by growing our businesses into market leaders in their respective segments.

Further to a strategic review in 2018, the Board and management of your Company concluded that it would be in UAC's best interest to exit from its investments in the real estate sector in order to focus on the sectors that align with its core strategy.

Towards this end, in 2020 UAC reduced its ownership in UPDC PLC (“UPDC”), our real estate business, from 93.86% to 42.85% following the sale of a 51% stake in UPDC to Custodian Investment PLC. Also, in 2020, UPDC embarked on a process of unbundling its holdings in UPDC Real Estate Investment Trust (“UPDC REIT”), to all its shareholders. This initiative was aimed at maximising returns to all UPDC's shareholders by providing direct access to the steady and regular dividend distributions of UPDC REIT as well as, improving trading liquidity in UPDC REIT units. On 31 December 2020, UAC, as a shareholder of UPDC, received 649,392,661 UPDC REIT units.

In line with our strategy, and in furtherance of the objective of improving UPDC REIT's trading liquidity, the Board has decided to transfer its UPDC REIT units to shareholders of UAC. The transfer of UPDC REIT units to UAC's shareholders will be implemented through a Scheme of Arrangement under Section 715 of the Companies and Allied Matters, Act, 2020 as amended (“CAMA”), incorporating a reduction in share capital under Section 131 of CAMA (the “Scheme”). The effect of the Scheme will be that the units that UAC holds in UPDC REIT will be transferred to UAC's shareholders, pro-rata to their shareholding in UAC. If the Scheme is approved and when it is implemented, UAC's shareholders will hold UPDC REIT units in addition to their existing shares in UAC, and UAC will cease to be a unitholder in UPDC REIT.

I am writing to you on behalf of your Board, to set out, the key terms, benefits and effects of the Scheme. The Board believes that the Scheme will yield significant benefits to the shareholders of UAC and recommends the Scheme for your consideration. The Board also seeks your support for and approval of the Scheme.

Information about UPDC REIT

UPDC REIT is a close-ended property fund listed on the Nigerian Exchange Limited (“NGX”), with a market capitalisation of ₦16.0 billion as at 15 July 2021. Over the years, UPDC REIT has grown to become Nigeria's leading listed property fund, with a diversified portfolio of six income-producing commercial and residential real estate properties, located in Lagos and Abuja. The primary objective of the REIT is to provide unitholders with stable cash distributions from its investments. UPDC REIT operates in line with the provisions of its trust deed, paying out 90% of distributable income as dividends.

UPDC REIT has a strong reputation in the Nigerian real estate sector, premised on the following:

4. LETTER FROM THE CHAIRMAN

- a. Rental income from a diverse portfolio of quality, high occupancy, income generating assets in key commercial cities in Nigeria, as well as, interest earned on fixed income assets, ensuring stable cash distributions to unitholders.
- b. Robust and consistent operational performance, having reported a profit every year since commencement of operations.
- c. Strong corporate governance focused on maximising unitholder value, guided by an investment committee alongside trustees and a custodian.
- d. Listed instrument on the NGX, providing liquidity for unitholders.

Expected benefits and effects of the proposed Scheme

It is envisaged that the Scheme will have a number of benefits for UAC's shareholders. If approved by shareholders, the Scheme will provide shareholders with direct exposure to UPDC REIT and its diversified portfolio of income generating assets, ensuring that shareholders benefit directly from dividend distributions of the REIT. In addition to shares in UAC, Eligible Shareholders will also own units in the REIT, which is another tradable instrument which can be held or liquidated.

The Scheme has certain tax and transaction cost implications under Nigerian law. Generally, these are one-off costs associated with restructurings, some of which will not re-occur in the future. The details of the tax implications of the Scheme are provided on page 14 of the Scheme Document.

The terms and effects of the proposed Scheme are explained further in an explanatory statement from the Financial Adviser to UAC, that is set out on pages 9 to 13 of the Scheme Document.

Recommendation

The Board considers the terms of the Scheme to be fair and reasonable and recommends that you vote in favour of the sub-joined resolutions as contained in the Notice of Meeting on page 44, at the Court-Ordered Meeting.

Attendance at the Court-Ordered Meeting

We are all still dealing with the effects of the COVID-19 pandemic in Nigeria and UAC supports and seeks to comply with all the measures and guidelines put in place by Federal and State Governments to curtail the spread of the virus.

I therefore encourage you to leverage the remote participation and voting arrangements that will be made available to shareholders. By completing the Proxy Form attached to this Scheme Document and available for download on the Company's website, you can notify your proxy of your voting instructions.

Your Board has appointed Mr. Daniel Agbor, Mr. Folasope Aiyesimoju, Mrs Babafunke Ijaiya-Oladipo and Mr. Matthew Akinlade as proxies ("Selected Proxies") for this purpose. The Selected Proxies have been appointed in order to give UAC's shareholders a choice regarding the individual to best represent their interests at the Court-Ordered Meeting. You are enjoined to follow the procedure set out in the notice on pages 44 to 46 and the Proxy Form on page 47. Complete and sign the Proxy Form and return it to Africa Prudential PLC, our registrar, in accordance with the instructions thereon. The Selected Proxies will attend the meeting virtually and vote on behalf of themselves (where they are shareholders) and shareholders who have appointed them.

Yours faithfully



Daniel Agbor
Chairman
UAC of Nigeria PLC

5. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISER



15 July 2021

To the shareholders of UAC of Nigeria PLC

Dear Sir/Madam

PROPOSED SCHEME OF ARRANGEMENT BETWEEN UAC OF NIGERIA PLC AND THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50 KOBO EACH

1. INTRODUCTION

You have been informed by the letter from the Chairman of UAC on pages 7 to 8 of this Scheme Document, of the considerations that informed the Board's decision to propose the transfer of UAC's units in UPDC REIT to Eligible Shareholders, based on the Allocation Ratio.

UAC received the REIT units in December 2020, following the completion of the UPDC Scheme. As part of UAC's strategy to simplify its structure and focus on businesses that align with its long-term objectives, the Company intends to transfer the REIT units to UAC's shareholders.

Your Chairman's letter conveys the recommendation of your Board that the Company's shareholders vote in favour of the Scheme at the Court-Ordered Meeting that will be convened to consider and if deemed fit, approve the Scheme. We have also been authorised by your Board to write to you, on their behalf, to explain the terms, provisions and effects of the Scheme, and provide you with other information which they consider relevant as presented hereunder.

2. THE PROPOSAL

The proposal is for the transfer of the Scheme Units to Eligible Shareholders based on the application of the Allocation Ratio, resulting in UAC's shareholders directly owning units of UPDC REIT. The unbundling is to be implemented through a Scheme of Arrangement under Section 715 of CAMA, incorporating a reduction in share capital under Section 131 of CAMA.

3. EFFECTS OF THE SCHEME ON UAC AND ITS SHAREHOLDERS

Upon completion of the Scheme, UAC will cease to be a unit holder in UPDC REIT whilst Eligible Shareholders will directly own units in UPDC REIT, in addition to owning shares in UAC; thereby providing shareholders with investing flexibility and liquidity with respect to their exposure to UPDC REIT.

4. PROVISION FOR DISSENTING SHAREHOLDERS

Based on the provisions of Section 715 of CAMA, the Scheme becomes binding on all the members of the Company once the statutory majority approves the Scheme at the Court-Ordered Meeting, the Scheme is sanctioned by the Court and a CTC of the Court Sanction and the minutes of the Court-Ordered Meeting are registered at the CAC. Notwithstanding, any Dissenting Shareholder will have the opportunity to sell his/her allocated Scheme Units on the floor of the NGX after the Effective Date.

The statutory majority required to approve the Scheme at the Court-Ordered Meeting is a majority representing not less than three-quarters in value of UAC ordinary shares held by Qualifying Shareholders present and voting either in person or by proxy.

5. DELIVERY AND SETTLEMENT

From the Effective Date, appropriate entries will be made in the register of unitholders of the REIT to reflect the impact of the transfer of the Scheme Units. It is expected that within 10 Business

5. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISER

Days after the Effective Date, the registrars to UPDC REIT shall advise CSCS to credit the CSCS accounts of the Eligible Shareholders with the relevant portion of Scheme Units due to them.

In accordance with the SEC directive on dematerialization of share certificates, Eligible Shareholders who do not provide valid CSCS account numbers will have their Scheme Units credited at the CSCS using a Registrar Identification Number (RIN). A RIN is a number allocated to shareholders who do not have valid CSCS account numbers to warehouse their securities under a registrar's custody at the CSCS. The allocated Scheme Units will be transferred to the stockbroking account of the shareholder once valid CSCS account numbers are provided. Any Eligible Shareholder who does not have a valid CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CSCS account number from the stockbroker.

(a) Conditions Precedent to Effectiveness of the Scheme

From the Effective Date, the Scheme shall become binding on UAC and the shareholders of UAC (regardless of whether they attended or were absent from the Court-Ordered Meeting), if:

- I. The Scheme is approved by a majority representing not less than three-quarters in value of ordinary shares cast by the Qualifying Shareholders, present and voting, either in person or by proxy, at the Court-Ordered Meeting;
- II. The reduction of the Company's share capital by ₦3,896,355,966 via the reduction in UAC's share premium account, is approved by a majority representing not less than three-quarters in value of ordinary shares cast by the Qualifying Shareholders, present and voting, either in person or by proxy, at the Court-Ordered Meeting;
- III. The Scheme is sanctioned by an order of the Court;
- IV. The reduction of the Company's share premium account by ₦3,896,355,966 is confirmed by an order of the Court; and
- V. A CTC of the Court order sanctioning the Scheme and confirming the reduction in UAC's share capital together with the minutes of the Court-Ordered Meeting are registered at the CAC.

(b) Effectiveness of the Scheme

The Scheme shall become effective on the day on which a CTC of the Court order sanctioning the Scheme and confirming the reduction in the Company's share capital together with the minutes of the Scheme meeting are registered at the CAC.

6. RATIONALE FOR THE PROPOSED SCHEME

The decision to unbundle UPDC REIT is consistent with the Board's resolve to exit the real estate sector. The Board, as part of its continuing review of UAC's business operations, has determined that, there is no strategic rationale for continuing to hold units of UPDC REIT. The unbundling provides immediate release of value to UAC's shareholders by providing direct access to the steady and regular dividend distributions of the REIT, which is consistent with the Board of UAC's resolve to maximise returns to shareholders. The Board also believes that the unbundling will enhance UAC's ability to pursue other strategic initiatives, with enhanced flexibility and efficiency.

7. ADVANTAGES OF THE PROPOSED SCHEME AND DISADVANTAGES OF NOT APPROVING THE PROPOSED SCHEME

The Board is of the view that the unbundling will unlock value for UAC shareholders. The Scheme will result in each UAC shareholder holding a direct interest in UPDC REIT. UPDC REIT is publicly listed on the NGX, thus, Eligible Shareholders seeking liquidity will benefit from the REIT's listing on the floor of the NGX. The Scheme ensures Eligible Shareholders can retain exposure to UPDC REIT and UAC and take independent decisions regarding their holdings in both entities.

5. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISER

Should the shareholders not approve the Scheme, shareholders of UAC will not be able to directly benefit from the regular dividend distributions of the REIT and the liquidity that UPDC REIT, being listed on the NGX, provides.

8. POST-SCHEME DIVIDENDS AND OTHER RIGHTS

The Scheme Units shall rank pari-passu in all respects with the other existing units of UPDC REIT and shall represent an undivided part of the assets of the REIT. Accordingly, Eligible Shareholders shall be entitled to any dividend, bonus issues, and other distributions/rights made by UPDC REIT after the Effective Date.

9. TAXATION

The following taxation extract refers to the KPMG Professional Services tax opinion on the Scheme on page 14. This opinion is based on the laws in force and as applied in practice as at the date hereof and is subject to changes to those laws and practices subsequent to such date. In the case of Eligible Shareholders who are non-residents of Nigeria for income tax purposes, this opinion should be read in conjunction with the provisions of any applicable double tax agreement between Nigeria and their countries of residence.

The taxation consequences of the Scheme will depend on the jurisdiction in which Eligible Shareholders are resident for tax purposes. Please note that this opinion is intended as a general guide only and is not comprehensive or determinative and should not be regarded as tax advice to any particular shareholder. Eligible Shareholders who are in any doubt about their taxation position, or who are subject to taxation in a jurisdiction outside Nigeria, are strongly advised to consult their own professional advisers without delay as to the consequences of the Scheme in view of their own circumstances.

10. MEETING TO APPROVE THE SCHEME AND VOTING RIGHTS

Pursuant to the order of the Court, a meeting of the shareholders of UAC will be convened for the purpose of considering and if thought fit, approving the Scheme. At the Court-Ordered Meeting, voting will be by poll.

Following the restrictions on public gatherings put in place by the government, shareholders are encouraged to appoint one of the Selected Proxies to attend and vote at the meeting on their behalf. Duly completed Proxy Forms should be sent to the registrars at least 24 hours in advance of the meeting. The following parties can be appointed; Mr. Daniel Agbor, Mr. Folasope Aiyesimoju, Mrs Babafunke Ijaiya-Oladipo and Mr. Matthew Akinlade (the “**Selected Proxies**”) as proxies for this purpose. Only the Selected Proxies will attend the meeting virtually and vote on their own behalf as well as on behalf of other shareholders who have selected them as proxies. Others Shareholders can join the meeting and follow the proceedings remotely via real-time online streaming of the meeting. An online streaming link will be provided on UAC’s website. Africa Prudential PLC will also make efforts to communicate further details on the meeting to each shareholder.

In light of the COVID-19 pandemic, UAC has made arrangements at its expense, for the stamping of the duly completed and signed Proxy Forms submitted to the registrars within the stipulated time. We urge shareholders to submit the Proxy Forms well ahead of the meeting to enable the Company to complete the stamping within the stipulated period.

Each Qualifying Shareholder will be entitled to one vote in respect of each UAC Share held. The statutory majority required to approve the Scheme at the Court-Ordered Meeting is a majority representing not less than three-quarters in value of the shares of members, being present and voting either in person or by proxy.

Further details of the meeting are as specified in the Notice of meeting on pages 44 to 46 of this Scheme Document.

5. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISER

11. ACTIONS TO BE TAKEN BY UAC SHAREHOLDERS

The Proxy Form for the Court-Ordered Meeting is enclosed with this Document. Upon appointing the Selected Proxies in accordance with the instructions thereon, you are required to return the Proxy Form as soon as possible to Africa Prudential PLC, to arrive not later than 24 hours before the time scheduled for the Court-Ordered Meeting.

Please note that if you do not give specific instructions as regards to voting on the special resolution to be considered at the Court-Ordered Meeting by placing a mark in the appropriate box, your proxy will be at liberty to vote or abstain from voting as he or she deems fit on the resolution, any modifications to the Scheme, or on any other business that may properly come before the Court-Ordered Meeting.

12. INFORMATION REGARDING UAC

UAC is a holding company with subsidiary companies in the packaged food and beverages, animal feeds and other edibles, real estate, paints, logistics, and quick service restaurant sectors of the economy. The Company's brand portfolio includes leading brands such as Gala Sausage Roll, Mr. Bigg's, Funtime Coconut Chips, Supreme Ice Cream, Swan Natural Spring Water, Dulux Paint (an Akzo Nobel brand sold under license by Chemicals and Allied Products PLC), Grand Soya Oil, Vital Feeds, Bestmate, Livestock Feeds, Grand Cornflakes and Sandtex Paints.

13. INFORMATION REGARDING UPDC REIT

UPDC REIT is a close-ended property fund with underlying assets comprising a diversified portfolio of commercial and residential real estate assets (six major investment properties located in Lagos and Abuja). In 2013, UPDC sponsored UPDC REIT, with the REIT issuing 3,000,000,000 units of ₦10 each and subsequently listing on NGX in July 2013. The REIT had a market capitalisation of ₦16.0 billion as at 15 July 2021. In December 2020, UPDC unbundled majority of its unitholding in UPDC REIT directly to its shareholders.

The primary objective of the REIT is to provide unitholders with stable cash distributions from investments in a diversified portfolio of income-producing real estate properties and to improve and maximise unit value through the ongoing management of the REIT's assets as well as acquisition and development of additional income-producing real estate assets. The REIT's income comprises rental income from the property assets and interest earned from short term investments in money market instruments and other real estate related assets.

UPDC REIT has declared a profit in every year of full operations since inception, despite the tough macro-economic environment, due largely to its strong portfolio of income-producing assets. The REIT has also paid a dividend in every year of full operations.

At inception, five (5) selected high yielding UPDC properties were acquired by the REIT in favour and for the benefit of the Trustees on behalf of the unitholders under a Declaration of Trust. Although all relevant documents for the transfer of legal title in the properties have been prepared and executed, the REIT's legal interest has not been perfected and where steps are taken to perfect the legal title, the REIT will bear certain perfection costs in accordance with applicable legislation. The REIT currently owns a portfolio of six (6) assets.

As at the date of this Scheme Document, UPDC acts as the property manager (pursuant to a property management agreement) and promoter for the REIT, whilst Stanbic IBTC Asset Management Limited acts as the fund manager, UBA Plc as the custodian, First Registrars Limited as the registrars and United Capital Trustees Limited and FBNQuest Trustees Limited act as joint trustees.

The terms of the property management agreement will not be impacted by the Scheme.

14. FURTHER INFORMATION

- Appendix I: Further information regarding UAC on pages 19 to 30
- Appendix II: Further information regarding UPDC REIT on pages 31 to 37
- Appendix III: Proforma Effects of the Scheme on pages 38 to 41

5. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISER

Appendix IV: Statutory and General Information on pages 42 to 43

15. RECOMMENDATION

The Board of Directors has considered the terms and conditions of the Scheme as well as the benefits thereof and considers the Scheme to be beneficial to the Company's shareholders. We have advised the Board in preparing for and implementing the Scheme. We therefore urge that you vote in favour of the sub-joined resolution that will be proposed at the Court-Ordered Meeting.

Yours faithfully



Funso Akere
Chief Executive

6. TAX ADVISER'S OPINION ON THE SCHEME OF ARRANGEMENT

6.1 BACKGROUND

As a consequence of the Scheme, UAC will implement a capital reduction under Section 131 of CAMA. This will be financed from the share premium account of the Company. The assets of the Company that are equivalent to the capital reduced, comprising the value of the Scheme Units, will be unbundled to the Eligible Shareholders based on the Allocation Ratio.

6.2 TAX IMPLICATIONS OF THE SCHEME

A. For UAC

- **Withholding Tax (WHT)**: By virtue of Section 9 of the Companies Income Tax Act, Cap C21, LFN 2004, as amended (CIT Act), any profits distributed, whether such profits are of a capital nature or not, including an amount equal to the nominal value of bonus shares awarded to shareholders qualify as a dividend distribution.

As the unbundling is a return of capital contributed by the shareholders, it should not qualify as a dividend. We understand that the value of the Scheme Units to be returned to the shareholders will be equivalent to the capital contributed by shareholders and will not include an uplift, premium or profit. In our opinion, concurrently reducing the share premium account at a value equal to the REIT units to be distributed, would characterize the distribution as a return of capital. Therefore, the return of capital, not being a dividend distribution, should not trigger the applicability of WHT on the value of the REIT units received by UAC's shareholders.

- **Companies Income Tax (CIT)**: As mentioned above, this transaction is considered a return of capital from the share premium account to shareholders and should therefore not attract Excess Dividend Tax or any other CIT implication.
- **Capital Gains Tax (CGT)**: CGT is payable upon gains realized from the disposal of chargeable assets. The REIT units may be construed as functional equivalents of shares/stock and their distribution should not qualify as chargeable assets, hence, CGT should not apply.
- **Value Added Tax (VAT)**: Section 2 of the Value Added Tax Act, Cap V1, LFN, 2007 (VAT Act) as amended by the Finance Acts 2019 & 2020 stipulates that VAT shall be charged and payable on the supply of all goods and services, except for goods and services specifically exempted under the VAT Act.

The return of capital does not qualify as a taxable good or service under the VAT Act and therefore, VAT will not apply. Further, the Finance Acts 2019 & 2020 have specifically excised 'securities' from the definition of 'goods'. The REIT units are securities. Therefore, VAT should not apply on the unbundling of the REIT units to Eligible Shareholders.

- **Stamp Duties**: The Stamp Duties Act, Cap S8 LFN 2004 (Stamp Duties Act) as amended by the Finance Acts 2019 & 2020 provides a general exemption of all documents relating to the transfer of stocks and shares from stamp duty. As the Scheme involves a return of capital and the REIT units may be construed as functional equivalent of a nominal transfer of shares, our view is that stamp duty should not apply.

For the purpose of this transaction, the REIT units should be construed as shares/stock, the implication of which is that the REIT units may thereby qualify for the general exemption granted to shares and stock.

B. For UAC's Shareholders

Generally, the return of capital to shareholders should not give rise to a tax obligation. However, Eligible Shareholders outside Nigeria may obtain further advice on the implication in their respective jurisdictions.

7. THE SCHEME OF ARRANGEMENT

SCHEME OF ARRANGEMENT

(Under Section 715 of the Companies and Allied Matters Act, No 3 of 2020 (as amended) incorporating a reduction of share capital under Section 131 of the Companies and Allied Matters Act, No 3 of 2020 (as amended))

Between



RC341

UAC of Nigeria PLC

and

The Holders of its Fully Paid Ordinary Shares of 50 Kobo Each

on the

Proposed unbundling of UAC of Nigeria PLC's units in
UPDC Real Estate Investment Trust and a reduction in the share capital of UAC

A. PRELIMINARY

In this Document, unless otherwise stated or clearly indicated by the context, the following capitalised terms in the first column have the meanings stated opposite them in the second column.

<u>Terms</u>	<u>Definitions</u>
"Allocation Ratio"	0.2254, being the ratio determined by dividing the Scheme Units by the UAC Shares as at the Effective Date
"Board" or "Board of Directors" or "Directors"	The directors of UAC of Nigeria PLC comprising those persons whose names are set out on page 6 of this Document
"Business Day"	A day other than a Saturday, Sunday or public holiday on which banks are open for business in Nigeria
"CAC"	Corporate Affairs Commission
"CAMA"	Companies and Allied Matters Act, No 3 of 2020 (as amended)
"Court"	Federal High Court
"Court-Ordered Meeting" or "Scheme Meeting"	The meeting of the registered holders of fully paid ordinary shares of UAC of Nigeria PLC, to be convened pursuant to Section 715 of CAMA, of which notice is set out on pages 44 to 46 of this Document, including any adjournment thereof
"Court Sanction"	An order made by the Court pursuant to Section 715 of CAMA, sanctioning the Scheme and confirming the reduction in the Company's share capital pursuant to Section 131 of CAMA
"CSCS"	Central Securities Clearing System PLC
"CTC"	Certified True Copy

7. THE SCHEME OF ARRANGEMENT

“Dissenting Shareholders”	Qualifying Shareholders who vote against the special resolution proposed at the Scheme Meeting
“Effective Date”	The Business Day on which a CTC of the Court Sanction, together with the minutes of the Scheme Meeting, are registered at the CAC
“Eligible Shareholders” or “Scheme Shareholders”	The shareholders of UAC whose names appear on the register of members as at the close of business on the Eligibility Date
“Eligibility Date”	Three Business Days immediately preceding the Effective Date, which represents the date on which the register of members of UAC will be updated to determine shareholders eligible to receive the Scheme Units
“Explanatory Statement”	The statement issued by the Financial Adviser to UAC for the purpose of explaining the terms, conditions and effects of the Scheme and set out on pages 9 to 13 of the Scheme Document
“Financial Adviser to UAC” or “Stanbic IBTC Capital”	Stanbic IBTC Capital Limited, a subsidiary of Stanbic IBTC Holdings PLC, licensed by the SEC to, amongst others, provide financial advisory services, with registration number 1031358
“FIRS”	Federal Inland Revenue Service
“Legal Adviser”	Banwo & Ighodalo, duly registered with the SEC, acting in its capacity as legal adviser for the Scheme
“LFN”	Laws of the Federation of Nigeria
“Proxy Form”	The enclosed proxy form for use in connection with the Court-Ordered Meeting
“Qualification Date”	8 September 2021, being the date that the Register of Members shall be closed for the purpose of determining the shareholders eligible to attend and vote at the Court-Ordered Meeting
“Qualifying Shareholders”	The shareholders whose names appear in the Register of Members as at the Qualification Date
“Register of Members”	The register of members of UAC as is required to be maintained pursuant to the provisions of CAMA
“Scheme” or “Scheme of Arrangement”	The proposed scheme of arrangement between UAC and the holders of its fully paid ordinary shares of 50 kobo each pursuant to Section 715 of CAMA incorporating a reduction in share capital under Section 131 of CAMA, which is set out on pages 15 to 18 of this Document
“Scheme Document” or “Document”	This document dated 15 July 2021, which contains the Scheme, the Explanatory Statement, the notice of the Court-Ordered Meeting and the various appendices therein in relation to the Scheme
“Scheme Units”	649,392,661 Units held by UAC in UPDC REIT as at the Effective Date, which are the subject of the Scheme
“SEC”	Securities and Exchange Commission, Nigeria
“NGX”	Nigerian Exchange Limited
“UAC” or the “Company”	UAC of Nigeria PLC

7. THE SCHEME OF ARRANGEMENT

“UAC Shares”	UAC’s entire issued and fully paid ordinary shares of 50 kobo each totalling 2,881,296,579 as at the date of the Scheme Document
“UPDC”	UPDC PLC
“UPDC REIT” or the “REIT”	UPDC Real Estate Investment Trust

B. THE SCHEME

The Scheme shall be comprised of the following elements:

1. UNBUNDLING OF SCHEME UNITS

- (a) Subject to the terms and conditions set out in this Scheme, the Scheme Units will be unbundled to the Eligible Shareholders.
- (b) The Scheme Units will be allocated to the Eligible Shareholders based on the Allocation Ratio.

2. REDUCTION OF SHARE CAPITAL

Pursuant to the provisions of Section 131 of CAMA and as a consequence of the unbundling of the Scheme Units to the Eligible Shareholders, the share capital account of UAC shall be reduced by the sum of ₦3,896,355,966, (being an amount equivalent to the value of the Scheme Units as stated in the resolution to be considered at the Scheme Meeting), via the reduction of the share premium account of UAC.

3. CONDITIONS PRECEDENT

From the Effective Date, the Scheme shall become binding on UAC and the shareholders of UAC (regardless of whether they attended or were absent from the Court-Ordered Meeting), if:

- I. The Scheme is approved by a majority representing not less than three-quarters in value of ordinary shares cast by Qualifying Shareholders present and voting, either in person or by proxy, at the Court-Ordered Meeting;
- II. The reduction of the Company’s share capital by ₦3,896,355,966, via the reduction in the share premium account is approved by a majority representing not less than three-quarters in value of ordinary shares cast by Qualifying Shareholders, present and voting, either in person or by proxy, at the Court-Ordered Meeting;
- III. The Scheme is sanctioned by an order of the Court;
- IV. The reduction of the Company’s share capital via a reduction in the share premium account by ₦3,896,355,966 is confirmed by an order of the Court; and
- V. A CTC of the Court order sanctioning the Scheme and confirming the reduction in UAC’s share premium account together with the minutes of the Court-Ordered Meeting are registered at the CAC.

4. REGISTRATION OF COURT SANCTION AND CONFIRMATION OF REDUCTION IN SHARE CAPITAL

Following the Court Sanction of the Scheme and the confirmation of the reduction of the share capital of the Company by the Court, a CTC of the Court Sanction, as well as the minutes of the Scheme Meeting whereat the UAC shareholders resolved to reduce the share capital will be registered at the CAC for registration pursuant to Section 715(4) and Section 131 of CAMA respectively.

7. THE SCHEME OF ARRANGEMENT

5. DELIVERY AND SETTLEMENT

From the Effective Date, appropriate entries will be made in UPDC REIT's register of unitholders to reflect the impact of the unbundling of UAC's units in UPDC REIT due to the Scheme. Within 10 Business Days after the Effective Date, UPDC REIT's registrars shall advise CSCS to credit the CSCS accounts of the Eligible Shareholders with the relevant portion of Scheme Units due to them.

In accordance with the SEC directive on dematerialization of share certificates, Eligible Shareholders who do not provide valid CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number (RIN). A RIN is a number allocated to shareholders who do not have valid CSCS account numbers to warehouse their units of shareholding in public companies under a registrar's custody at the CSCS. The allocated Scheme Units will be transferred to the stockbroking account of the shareholder once valid CSCS account numbers are provided. Any Eligible Shareholder who does not have a valid CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CSCS account number from the stockbroker.

6. CONSEQUENCES OF THE SCHEME

- I. UAC will cease to be a unitholder in UPDC REIT; and
- II. UAC shareholders will become direct unitholders in UPDC REIT.

7. EFFECTIVENESS

The Scheme shall become effective on the day on which a CTC of the Court Sanction together with the minutes of the Scheme Meeting is registered at the CAC and shall become binding on all shareholders of the Company, including those who were absent at the Court-Ordered Meeting, those who attended but did not vote, and those who voted against this Scheme at the Court-Ordered Meeting.

8. MODIFICATION

The Board of Directors of the Company are authorised to consent, on behalf of all parties concerned, to any modification(s) of or additions to the Scheme which the Court may deem fit to approve or any condition which the Court may impose.

Dated this 15th day of July 2021

8. APPENDIX I – FURTHER INFORMATION REGARDING UAC

8.1 BACKGROUND INFORMATION

A. Incorporation and share capital history

UAC's history dates back to 1879 when it was founded following the merger of four companies trading up the River Niger. The Company was incorporated in Lagos, Nigeria on April 22, 1931 as a wholly-owned subsidiary of the United Africa Company Limited (a subsidiary of Unilever), which later became UAC International. The company's name was changed to United Africa Company (Nigeria) Limited on 23 July 1943 and became UAC of Nigeria PLC in 1991. It was listed on the NGX in 1974.

The Company currently has an authorized share capital of ₦1,700,000,000, divided into 3,000,000,000 Ordinary Shares of 50 Kobo each and 400,000,000 preference shares of 50 Kobo each. The changes in share capital of the company since its listing on the NGX are summarized below:

Date	Authorised (₦'000)		Issued and fully paid (₦'000)		Consideration
	Increase	Cumulative	Increase	Cumulative	
Before 30 Sep 1976	26,000	26,000	23,760	23,760	N/A
30 Sep 1976	14,000	40,000	15,840	39,600	Scrip issue (2 for 3)
23 Sep 1977	40,000	80,000	39,600	79,200	Scrip issue (1 for 1)
02 March 1978	20,000	100,000	19,800	99,000	Scrip issue (1 for 4)
24 Sep 1980	48,500	148,500	49,500	148,500	Scrip issue (1 for 2)
14 May 1990	14,850	163,350	14,850	163,350	Scrip issue (1 for 10)
16 Sep 1993	40,838	204,188	40,838	204,188	Scrip issue (1 for 4)
05 Apr 1994	-	204,188	(42,880)	161,308	Capital Reduction
15 Feb 1995	-	204,188	20,419	181,727	Offer for subscription
03 Jul 1996	95,812	300,000	45,432	227,159	Scrip issue (1 for 4)
09 Sep 2000	200,000	500,000	227,159	454,318	Scrip issue (1 for 1)
26 May 2004	500,000	1,000,000	185,970	640,288	Scrip issue (1 for 4)
21 May 2010	-	1,000,000	160,072	800,360	Scrip issue (1 for 4)
07 Dec 2013	700,000	1,700,000	160,072	960,432	Scrip issue (1 for 5) and the creation of preference shares
15 Feb 2018	-	-	480,216	1,440,648	Rights issue (2 for 1)

B. Shareholding structure

As at 30 June 2021, the ordinary shares in the issued share capital of UAC were held as follows:

Shareholders	No of Shares	% Holding
Themis Capital Management	279,398,403	9.70
Others	2,601,898,176	90.30
	2,881,296,579	100.00

Other than the shareholder listed above, no individual shareholder owns more than 5% of the issued shares of UAC.

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

C. Disclosure of directors' interest

The interests of the Directors of UAC in the issued share capital of the company as at 30 June 2021 are as follows:

	Direct shareholding	Indirect holding	Total shareholding	%
Mr Daniel Agbor ¹	-	35,000,000	35,000,000	1.21
Mr Folasope Aiyesimoju ²	77,631,569	279,398,403	357,029,972	12.39
Dr Vitus Ezinwa	878,174	-	878,174	0.03
Mr Toriola Olutokun	-	-	-	0.00
Dr Okechukwu Mbonu	7,603,344	-	7,603,344	0.26
Dr Umaru Alka	8,109	-	8,109	0.00
Mr Babatunde Kasali	10,000	-	10,000	0.00
Mr Bolaji Odunsi	-	-	-	0.00
Mrs Suzanne Iroche	-	-	-	0.00

¹ Indirect interest represents interest of Oakbrook Investments

² Indirect interest represents interest of Themis Capital Management

D. Subsidiaries and associated entities

UAC, through its subsidiaries and associated entities, is active in the following principal sectors: Packaged Foods and Beverages, Animal Feeds and Edible Oils, Quick Service Restaurants, Real Estate, Logistics and Paints. Details of its subsidiaries as at 31 December 2020, are as follows:

Subsidiaries and associated companies	% stake
Portland Paints and Products Nigeria PLC*	85.98
Livestock Feeds PLC	73.29
Grand Cereals Limited	71.43
Chemical and Allied Products PLC*	51.49
UAC Foods Limited	51.00
UAC Restaurants Limited	51.00
MDS Logistics Limited	43.00
UPDC PLC	42.85
UPDC Real Estate Investment Trust	24.34

*Portland Paints and Products Nigeria PLC and Chemical and Allied Products PLC were involved in a Scheme of Merger, which became effective on 01 July 2021, combining both entities, with Chemical and Allied Products PLC as the surviving entity

8.2 EFFORTS UNDERTAKEN TO UPDATE SHAREHOLDERS RECORDS

UAC continually makes concerted efforts to update its shareholder records. Actions undertaken in the past one year to update shareholder records include the following:

- Placed a banner and link for all shareholders to update their records on Africa Prudential website;
- Circulated a link for all shareholders to update their records in a daily news broadcast to all shareholders;
- Displayed the full list of shareholders with unclaimed dividend on UAC's website, together with information on how dividend can be accessed; and
- Reviewed the entire record of unclaimed dividend with the Company's registrar and created a framework to locate shareholders using their addresses and other available contact information.

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

8.3 EXTRACTS FROM MEMORANDUM & ARTICLES OF ASSOCIATION

A. Memorandum of Association

- 3(g) To take or otherwise acquire and to hold or to sell, exchange or otherwise dispose of shares in any other Company

Provided that nothing herein contained shall be construed to empower the Company to act as dealing members of Nigerian Exchange Limited or stockbrokers.

(As amended by Special Resolution passed on 26.3.76)

B. Articles of Association

ALTERATION OF CAPITAL

- 54(2) The Company may by Special Resolution reduce its share capital (including the Capital Redemption Reserve Fund, if any, or any Share Premium Account) in any manner authorised by law, but with any subject to any incident authorised or consent required by law.

GENERAL MEETINGS

55. General Meetings to be known as the Annual General Meeting shall be held once in every calendar year at such time (not being more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors.
56. All General Meetings other than Annual General Meetings shall be called Extraordinary General meetings.
57. The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by Section 215 of the Act. If at any time there are not within Nigeria sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Directors within Nigeria or any two Members may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.
58. The time and place of any meeting shall be determined by the conveners of the meetings.

NOTICE OF GENERAL MEETINGS

- 59.(1) All General Meetings shall be called by twenty-one days' notice in writing at the least and at least seven days' notice (unless the meeting otherwise resolves) shall be given of any adjourned meeting.

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed:

- (a) in the case of a Meeting called as the Annual General Meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other Meeting, by a majority in number of the Members having a right to attend and vote at the Meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

- (2) The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, shall specify the place, the day and the hour of meeting and in case of special business, the general nature of that business.
- 60.(1) The notice convening an Annual General Meeting shall specify the meeting as such.
- (2) The notice convening a meeting to consider a Special or Extraordinary Resolution shall specify the intention to propose the resolution as a Special or Extraordinary Resolution, as the case maybe.
- 61.(1) Notice of every General Meeting shall be given in any manner authorised by these Articles to:-
- (a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of convening of meeting shall have paid all calls or other sums presently payable by him in respect of shares in the Company: and
- (b) the Auditors of the Company
- (2) No other person shall be entitled to receive notice of General Meetings.
62. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

63. All business shall be deemed special that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the appointment of auditors, the fixing of, the remuneration of the Auditors, the voting of additional remuneration to the Directors and the election of Directors in the place of those retiring.
- 64.(1) No business shall be transacted at any General meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided three members present in person shall be a quorum.
- (2) If within thirty minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place unless such day shall be a public holiday when the adjourned meeting shall be held on the next day following (not being a Saturday or Sunday or a public holiday) or to such other day and at such other time and place as the Chairman of the Meeting may determine, and if at the adjourned meeting a quorum is not present within thirty minutes from the time appointed for the meeting, the Members present shall be a quorum.
65. The Chairman, if any, of the Board of Directors shall preside as Chairman at every General meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling or unable to act, the Vice-Chairman, if any, if then present and willing to act, shall preside, and in default, the Directors present shall elect one of their number to be Chairman of the meeting. If at any meeting no Director is willing to act as Chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.
66. The Chairman of the Meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

67. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless, before or on the declaration of the result of the show of hands, a poll is demanded:
- (a) by the Chairman of the meeting; or
 - (b) by at least five Members entitled to vote at such meeting present in person or by proxy, or
 - (c) by one or more Members entitled to vote at such meeting present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the rights to vote at the meeting; or
 - (d) by one or more Member entitled to vote at such meeting present in person or by proxy holding shares in the Company conferring a right to vote at the meeting being shares or which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand for a poll may be withdrawn. Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

68. If at any General Meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, and not in that case unless it shall, in the opinion of the Chairman of the meeting, be of sufficient magnitude to vitiate the result of the voting.
69. A poll demanded on the election of a Chairman of the Meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time being not more than thirty days after the date of the Meeting as the Chairman of the Meeting directs. In all other respects a poll shall be taken in such manner as the Chairman of the Meeting may direct, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be preceded with pending the taking of the poll.
70. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

VOTES OF MEMBERS

71. Subject to any special rights or restrictions attached to any class of shares and to the provisions of the next succeeding Article, on a show of hands every Member present in person or by proxy shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for each share of which he is the holder.
72. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid.
73. If two or more persons are jointly entitled to a share, the vote of the senior who tenders a vote in respect of such share, the votes of the other joint holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members as the holders of such share.
74. Any body corporate (wherever incorporated) which is a Member may, by resolution of its directors, or other governing body, authorise such person as it thinks fit to act as its

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

representative at any meeting of the Company and, the person so authorised shall be entitled to exercise the same powers on behalf of the Company which he represents as that body corporate could if it were an individual Member. The production at the Meeting of a copy of such resolution purporting to be signed by one director or other person occupying the position of a director (by whatever name called) of resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of the appointment of the representative of such Company.

75. If any Member be a lunatic, idiot, or non compos mentis, he may vote, whether on a show of hands or on a poll by, his committee, curator bonis, or other legal curator, and such last mentioned persons may give their votes by proxy on a pool; but no person claiming to vote pursuant to this Articles shall do so unless such evidence as the Directors may require of his authority shall have been deposited at the Office not less than 48 hours before the time of holding the meeting at which he wishes to vote.
76. On a poll, votes may be given either personally or by proxy. A proxy need not be a Member.
77. An instrument appointing a proxy shall be in the following form or substantially in that form:
- “I/We
“of
“being a Member(s) of UAC of Nigeria PLC
“appoint
“of
“or failing him of
”as my/our proxy to vote for me/us on my/our
“behalf at the (Annual or Extraordinary) General
“Meeting of the Company to be held on the
“day of day at any adjournment
“Signed this day of “
78. The instrument appointing a proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the Meeting as for the meeting to which it relates, and shall be in writing under the hand of the appointor or his attorney duly authorised in writing, of, if the appointor is a corporation, either under seal or in some other manner approved by the Directors. An instrument appointing a proxy need not be witnessed. Members not resident in Nigeria may appoint a proxy by cable, telex message or radiogram, which if purporting to be sent by such Member need not be signed as aforesaid.
79. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed, or a notarily certified copy of that power or authority, shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the Meeting, not less than 48 hours before the time for holding the meeting or adjourned Meeting, at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for taking the poll, and in default the instrument of proxy may, if the Directors in their absolute discretion so decide, be treated as invalid.
80. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and generally to act at the meeting for the Member giving the proxy.
81. A vote given in accordance with the terms of an instrument of proxy shall be treated as valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned Meeting at which the proxy is used.

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

NOTICES

132. A notice (which expression for the purposes of these presents shall be deemed to include, and shall include, any summons, notice, process, order, judgment or any other document in relation to, or in the winding up of, the Company) may be given by the Company to any Member either personally or by sending it by post to him at his registered addresses. In the case of a member having a registered address outside Nigeria it shall be given by air mail or by telegram, telex, radiogram or cable to him at his registered address.
133. Where a notice is sent by post, the service of such notice shall be deemed to be effected by properly addressing, prepaying and posting the letter containing the notice and to have been effected at the expiration of 7 days from the time when the letter containing the same is posted.
134. A notice may be given to the joint holders of a share by giving the notice to the joint holder first named in the register of Members in respect of the share.
135. A Notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by or by the title of representatives of the deceased or assigns of the insolvency or by any like description at the address (if any) supplied or the purpose by the persons claiming to be so entitled or until such an address has been supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
136. Any notice to be given by the Company shall be signed by the Secretary (if any) or by such Officer as the Directors may appoint. Such signature may be written, printed or lithographed.
137. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share be bound by every notice in respect of such share which prior to his name and address and title to the share being notified to the Company, shall have been duly given to the person from whom he derives his title to such share.
138. Subject to the provisions of the Act, any notice given in pursuance of these Articles or document delivered or sent by post to or left at the registered address of any member shall notwithstanding such Member being then deceased, and whether or not the company have notice of his decease, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

8.4 INDEBTEDNESS

As at the date of this Scheme Document, UAC has no material contingent liability. Save as disclosed in this Scheme Document, UAC has no outstanding debentures, mortgages, loans, charges or similar indebtedness or material contingent liabilities or other similar indebtedness, other than those incurred in the ordinary course of business.

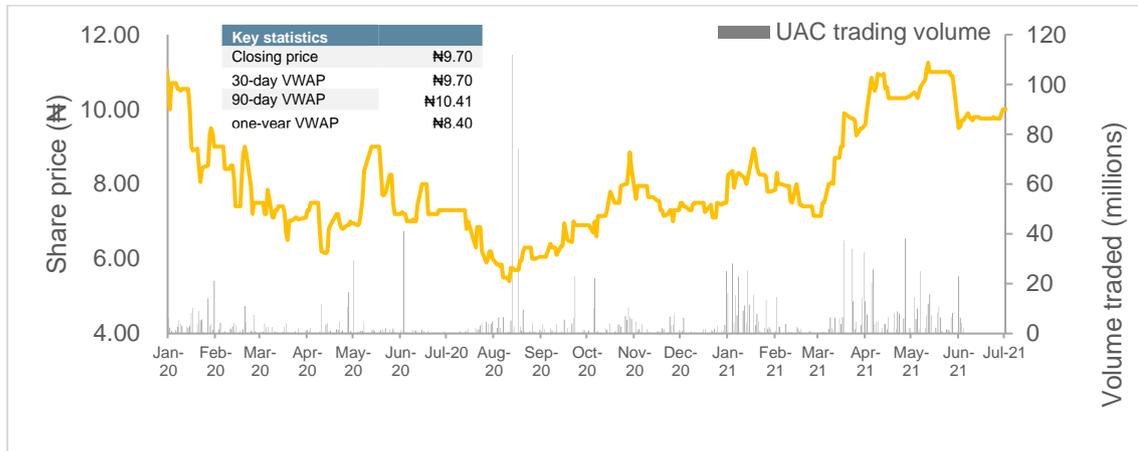
8.5 CLAIMS & LITIGATION

The Company is not involved in any litigation relating to its ownership of the Scheme Units.

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

8.6 HISTORICAL MARKET TRADING OF UAC

UAC is listed on the NGX with average daily trading volume of 5,411,958 shares, and average daily value traded of ₦45,453,164 over the last 12 months. The chart below reflects the trading pattern of UAC shares on the NGX, with 30-Day, 90-Day and one-year volume-weighted average prices ("VWAP") of ₦9.70, ₦10.41 and ₦8.40 respectively.



Source: Bloomberg data as at 15 July 2021

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

8.7 FINANCIAL INFORMATION

A. Statement of profit and loss

	Group				
	<----- audited ----->				
	2020	2019	2018	2017	2016
	N'm	N'm	N'm Restated	N'm	N'm
Revenue	81,358	79,202	70,474	89,178	82,572
Cost of Sales	(65,368)	(62,575)	(57,231)	(73,222)	(65,640)
Gross profit	15,990	16,627	13,243	15,956	16,932
Dividend Income	10	6	-	-	-
Other operating income	1,228	2,356	1,174	3,715	3,818
Selling and distribution expenses	(5,777)	(6,453)	(4,641)	(4,596)	(3,156)
Administrative expenses	(7,714)	(6,573)	(5,250)	(7,086)	(6,511)
Other operating expenses	(141)	(297)	(605)	(959)	(2,444)
Profit from operations	3,597	5,666	3,920	7,031	8,640
Finance income	1,052	2,781	2,766	1,861	1,562
Finance expense	(502)	(991)	(611)	(6,185)	(2,923)
Net finance expenses	550	1,790	2,155	(4,324)	(1,361)
Share of (loss)/profit of associate and joint venture using equity method	973	-	-	539	1,090
Profit before tax	5,121	7,456	6,076	3,246	8,368
Income tax expense	(1,663)	(2,111)	(1,838)	(1,922)	(2,074)
Profit after tax for the year from continuing operations	3,458	5,345	4,237	1,324	6,294
Profit/Loss after tax from discontinued operations	470	(14,602)	(13,767)	(362)	(627)
Profit / (loss) after tax for the year	3,928	(9,256)	(9,530)	962	5,666
Net changes in fair value of financial assets	159	(1)	37	7	-
Share of other comprehensive income of associates	71	-	-	-	-
Other comprehensive income for the period net of tax	230	(1)	37	7	-
Total comprehensive (loss)/income for the period net of tax	4,158	(9,258)	(9,493)	969	5,666

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

B. Statement of financial position

	<----- audited ----->				
Assets	2020	2019	2018	2017	2016
	N'm	N'm	N'm	N'm	N'm
Non-Current assets			Restated	Restated	
Property, plant and equipment	21,012	18,920	21,695	21,430	35,271
Intangible assets and goodwill	1,373	1,418	1,526	1,606	1,676
Investment property	2,635	2,400	7,197	13,486	19,870
Finance lease receivable	9	-	-	-	-
Investment in associate and joint ventures	13,108		20,091	19,110	19,696
Right of use of assets	489	1,116	-	-	-
Debt instrument at amortised cost	2,174	1,992	-	-	-
Equity instrument at fair value through other comprehensive income	188	29	48	26	19
Prepayments	48	133	9	3	13
Deferred tax assets	38	12	90	712	146
	40,985	26,019	50,656	56,373	76,691
Current Assets					
Inventories	20,123	16,290	30,526	30,392	36,805
Trade and other receivables	6,500	5,015	10,234	16,367	15,187
Finance lease receivables	2	-	-	-	-
Cash and cash equivalents	24,272	23,891	30,279	14,139	9,546
Right of return assets	14	7	8	-	-
	50,912	45,204	71,046	60,898	61,538
Non-current assets held for sale	265	-	-	-	-
Assets of disposal classified as held for sale/distribution to owners	4	36,372	9,270	13,259	-
Total Assets	92,166	107,595	130,972	130,530	138,229
Equity and liabilities					
Ordinary share capital	1,440	1,441	1,441	960	960
Share premium	18,072	18,452	18,452	3,877	3,935
Contingency reserve	70	70	28	65	29
Fair value available for sale reserve	258	28	14	(2)	(6)
Statutory reserve	92	92	92	92	-
Retained earnings	32,710	29,998	37,797	46,084	41,500
Equity attributable to equity holders of the company	52,642	50,080	57,885	51,076	46,418
Non-controlling interests	8,729	10,462	16,189	21,535	30,047
Total Equity	61,371	60,541	74,073	72,611	76,465
Liabilities					
Non-current liabilities					
Borrowings	1,735	1,851	4,501	1,329	5,275
Deferred tax liabilities	4,486	4,150	4,711	4,971	4,792
Lease liability	224	455	-	-	-
Deferred revenue	-	-	2	3	5
Government grant	209	-	-	-	9
Provision	6	7	11	17	22
	6,661	6,464	9,225	6,320	10,103
Current liabilities					
Trade and other payables	9,829	9,760	14,949	16,292	17,919
Contract liabilities	1,340	669	267	213	-
Current income tax liabilities	3,814	4,511	6,328	5,294	4886
Bank overdraft and current portion of borrowing	2,503	4,596	19,672	23,793	24,521
Dividend payable	6,084	5,518	5,375	5,020	3,683
Government grant	58	50	-	9	227
Deferred revenue	-	-	-	-	301
Lease liability	251	527	-	-	-
Provisions	192	96	93	93	125
Refund liabilities	17	8	9	-	-
	24,091	25,935	46,693	50,714	51,661
Liabilities of disposal group classified as held for sale/distribution to owners	42	14,655	981	885	-
Total liabilities	30,794	47,054	56,899	57,919	61,764
Total equity and liabilities	92,166	107,595	130,972	130,530	138,229

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

C. Statement of cash flows

	<----- audited ----->				
	2020	2019	2018	2017	2016
	N'm	N'm	N'm Restated	N'm	N'm
Cashflow from operating activities					
Cash generated from operation	3,032	(1,511)	3,553	13,998	1,843
Corporate tax paid	(1,690)	(1,551)	(2,374)	(1,836)	(1,790)
VAT paid	-	-	-	(775)	(608)
Interest paid	-	-	-	(6,185)	(2,920)
Net cashflow generated from operating activities	1,341	(3,062)	1,179	7,053	(1,914)
Cashflow from investing activities					
Purchase of intangible assets	(8)	(15)	(33)	(105)	(41)
Purchase of property, plant and equipment	(4,459)	(2,710)	(2,926)	(1,313)	(1,840)
Proceeds from sale of property, plant and equipment	119	157	98	159	652
Purchase of investment property	-	(2)	(3)	(146)	(20)
Proceeds from disposal of subsidiaries	4,556	292	5,225	8,153	2,892
Lease payment	(82)	-	-	-	-
Proceeds from sale of investment property	-	1,011	-	-	-
Transfer of tangible assets	-	-	(12)	-	-
Interest received	1,102	2,766	2,765	-	1,562
Dividend received	14	6	-	-	-
Cash distribution from UPDC REIT	-	-	-	1,126	1,055
Investment in joint venture	-	-	(982)	-	-
Investment in debt securities	-	(2,000)	-	-	-
Net cashflow generated from investing activities	1,206	(494)	4,134	7,874	2,721
Cashflow from financing activities					
Dividend paid to non-controlling interests	(130)	(1,590)	(1,646)	(2,412)	(1,422)
Dividend paid to company's shareholders	(288)	(2,073)	(1,681)	(1,860)	(1,863)
Proceeds from borrowings	5,941	4,485	6,316	1,372	33,616
Acquisition of additional interest in subsidiaries	(11)	-	-	-	-
Rights Issue expenses	380	-	-	-	-
Unclaimed dividend refund	566	1,020	314	-	-
Proceeds from new share issue	-	-	15,055	-	-
Investing in right issue by non-controlling interest	-	-	-	24	-
Repayment of borrowings	(7,926)	(3,605)	(7,876)	(6,059)	(32,081)
Interest paid on loans	(316)	(787)	-	-	-
Repayment of lease liability principal	(387)	(250)	-	-	-
Interest paid on lease liability	(74)	(106)	-	-	-
Proceeds from disposal of shares	577	-	-	-	-
Acquisition of additional interest in subsidiaries	(11)	-	-	-	(119)
Proceeds of capital injection by non-controlling interest	244	67	347	-	-
Net cashflow generated from financing activities	(2,184)	(2,839)	10,828	(8,669)	(1,869)
Net increase / decrease in cash & cash equivalents	363	(6,395)	16,140	(13)	(1,073)
Cash & cash equivalent at the beginning of the year	23,938	30,334	14,139	4,896	5,938
Cash & cash equivalent at the end of the year	24,302	23,938	30,279	11,140	4,895

8. APPENDIX I - FURTHER INFORMATION REGARDING UAC

8.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Stanbic IBTC Capital Limited at 3rd Floor, Building A, I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, Lagos during normal business hours on any Business Day, until the Effective Date. Shareholders who want to inspect the documents should send an email to projectastrox@stanbicibtc.com at least 48 hours ahead of the planned visit to enable appropriate preparations to be made. Due to the COVID-19 pandemic, visitors will be required to comply with Stanbic IBTC Capital's health and safety requirements for visitors to its offices, which are aligned with government's social distancing guidelines.

- i) The Certificate of Incorporation of UAC;
- ii) The Memorandum and Articles of Association of UAC;
- iii) The audited financial statements of UAC for each of the preceding five years from 31 December 2016 to 31 December 2020;
- iv) The written consents referred to on page 42 of Appendix IV.

9. APPENDIX II – FURTHER INFORMATION REGARDING UPDC REIT

9.1 BACKGROUND INFORMATION

A. Overview

UPDC REIT is a close-ended property fund with underlying assets comprising a diversified portfolio of commercial and residential real estate assets (6 major investment properties located in Lagos and Abuja). In 2013, UPDC sponsored UPDC REIT, with the REIT issuing 3,000,000,000 units of ₦10 each and subsequently listing on the NGX in July 2013

The primary objective of the REIT is to provide unitholders with stable cash distributions from investments in a diversified portfolio of income-producing real estate properties and to improve and maximise unit value through the ongoing management of the REIT's assets, acquisition and development of additional income-producing real estate assets.

At inception, five (5) selected high yielding UPDC properties were acquired by the REIT in favour and for the benefit of the Trustees on behalf of the unitholders under a Declaration of Trust in return for cash. Although all relevant documents for the transfer of legal title in the properties have been prepared and executed, the REIT's legal interest has not been perfected and where steps are taken to perfect the legal title, the REIT will bear certain perfection costs in accordance with applicable legislation. The REIT currently has six (6) properties under its portfolio.

The REIT's income comprises rental income from the property assets and interest earned from short term investments in money market instruments and other real estate related assets.

B. Unitholding Structure

As at the date of the Scheme Document, the 2,668,269,500 units in the REIT were beneficially held as follows:

Unitholders	No of units	% Holding
Custodian Investment PLC	772,905,928	29.0
UAC	649,392,661	24.3
UPDC	133,413,475	5.0
Other unitholders	1,112,557,436	41.7
Total	2,668,269,500	100.0

Other than the unitholders listed above, no individual unitholder owns more than 5% of the units in UPDC REIT.

C. Parties to the REIT

As at 15 July 2021, the parties to the REIT were as follows:

Fund Manager	Stanbic IBTC Asset Management Limited
Property Manager	UPDC PLC
Trustees	FBNQuest Trustees Limited United Capital Trustees Limited
Registrars	First Registrars Nigeria Limited
Custodian	UBA Plc
Auditor	PricewaterhouseCoopers

In accordance with applicable regulatory requirement, the REIT has an Investment Committee charged with the responsibility of amongst others, to establish and review the investment policies and objectives of the REIT. The Investment Committee is made up of three independent members (one of whom is the Chairman) who are seasoned

9. APPENDIX II – FURTHER INFORMATION REGARDING UPDC REIT

professionals in real estate business and two representatives each of the Fund manager, trustees and property manager. The Investment Committee will continue to exist following the unbundling in accordance with the terms of the Trust Deed setting up the REIT and applicable rules and regulations.

D. Asset Allocation

The asset allocation of the REIT as at 31 December 2020 is as stated below:

S/N	Asset class	Asset allocation %
1	Real estate assets	85.32
2	Real estate related assets	1.51
3	Liquid assets	13.17
Total		100.00

9.2 INDEBTEDNESS

Save as disclosed in this Scheme Document, UPDC REIT has no outstanding debentures, mortgages, loans, charges or similar indebtedness, other than those incurred in the ordinary course of business.

9.3 INVESTMENT PROPERTIES

As at 31 December 2020, UPDC REIT had a total of six investment properties (a mix of residential and commercial) across Abuja and Lagos.

A. Abebe Court, Ikoyi, Lagos

Abebe Court is a residential luxury estate located on Bourdillon Road in Ikoyi, Lagos. The property comprises 26-units of 3-bedroom and 4-bedroom flats with a land size of 11,654 sqm. The facilities provided in the estate include a swimming pool, water treatment plants, two standby generators, a lawn tennis court and a gym. Occupants include a mix of corporate and individual clients. The property was acquired by UPDC REIT under a Declaration of Trust (“DOT”) structure in 2013 in accordance with the terms agreed to by the parties. The property had an occupancy rate of 92% as at 31 December 2020.

B. Victoria Mall Plaza (VMP) 1, Victoria Island, Lagos

VMP 1 is located on Bishop Aboyade Cole Street, Victoria Island, Lagos and is a residential complex comprising 48 units of luxury apartments. The property is fully serviced with constant power supply, professional security services, and beautiful landscaping. Other features include a borehole and water treatment plant, sewage treatment plant, ample parking space, and fire alarm system. The residential block also has the following facilities: swimming pool, fitness room, children’s play area and lawn tennis court. The property was acquired by UPDC REIT under a DOT structure in 2013 in accordance with the terms agreed by the parties. The property had an occupancy rate of 100% as at 31 December 2020.

C. Victoria Mall Plaza (VMP) 2, Victoria Island, Lagos

VMP 2 is located on Bishop Aboyade Cole Street, Victoria Island, Lagos. VMP 2 is an ultramodern office with 15 floors. The property is fully serviced with constant power supply, professional security services, and beautiful landscaping. Other features include a borehole and water treatment plant, sewage treatment plant, ample parking space, and fire alarm system. The property was acquired by UPDC REIT under a DOT structure in 2013 in accordance with the terms agreed by the parties. The property had an occupancy rate of 75% as at 31 December 2020.

9. APPENDIX II – FURTHER INFORMATION REGARDING UPDC REIT

D. UAC Commercial Complex, Abuja

UAC Commercial Complex is a 4-storey office complex with 17 rental units, located in the central business district, Abuja. The property has a net lettable space of 3,536 sqm and is rented by various corporate clients. The property was acquired by UPDC REIT under a DOT structure in 2013 in accordance with terms agreed by the parties. The property had an occupancy rate of 83% as at 31 December 2020.

E. Pearl Hostel, Ibeju-Lekki, Lagos

Pearl Hostel is a residential property in Ibeju-Lekki, that provides accommodation to the students of the Pan-Atlantic University in Ibeju-Lekki. The property had an occupancy rate of 100% as at 31 December 2020.

F. Kingsway Building, Marina, Lagos

Kingsway Building is a 9,023.76 sq.m commercial property located in the central business district of Lagos. Parts of the building was damaged by hoodlums in October 2020. The Trustees to the REIT have however instituted a claim with the insurers for the cost of repairs and restoration of the building. The property had an occupancy rate of 100% as at 31 December 2020.

9.4 OTHER INVESTMENTS

UPDC REIT has a 20% equity stake in First Festival Mall Limited, which owns Festival Mall. Festival Mall is a modern shopping mall and entertainment centre located at Amuwo Odofin Scheme in Amuwo Odofin Local Government Area of Lagos State. Tenants of the mall include the supermarket chain – Shoprite, Silverbird cinemas and other well-known retail brands. The First Festival Mall Limited investment was written off by the REIT in 2018.

9.5 EXTRACT FROM THE UPDC REIT TRUST DEED

Transfer of Units

- 27.1 Where a Unitholder with a CSCS account intends to transfer all or any part of his units, such transfer will be effected on the automated trading system of the NGX and settled in accordance with the CSCS Rules.
- 27.2 in the case of a Unitholder with a Certificate, the instrument of transfer duly stamped and completed and executed by the transferor (together with any necessary declarations or other like documents duly completed and, if necessary, duly stamped to the satisfaction of the Registrar that may be required in consequence of any legislation now or hereafter from time to time in force) shall be lodged with the Fund Manager for transmission to the Registrar accompanied by the certificate or certificates in respect of the Units represented thereby and such other evidence as the Registrar may require to prove the title of the transferor or his right to transfer the Units and thereupon the Registrar shall register the Transferee as holder of the Units referred to in such instrument of transfer and shall issue to such transferee a new certificate representing the Units so transferred.
- 27.3 the transferor shall be deemed by the Joint Trustees and the Fund Manager to be entitled to the units intended to be transferred by any such transfer as aforesaid until such time as the name of the transferee is entered in the Register in respect thereof.
- 27.4 Where a portion of the Units represented by any certificate is transferred, the transferor shall be entitled (on payment of such amount as will cover the cost of issuing such a certificate) to a new certificate in respect of the balance.
- 27.5 the Registrar shall forward all effected instruments of transfer to the Joint Trustees who shall retain all such instruments subject to the provisions of Clause 28 below.
- 27.6 No transfer or purported transfer of a Unit other than a transfer made in accordance with this clause shall entitle the transferee to be registered in respect thereof neither shall any

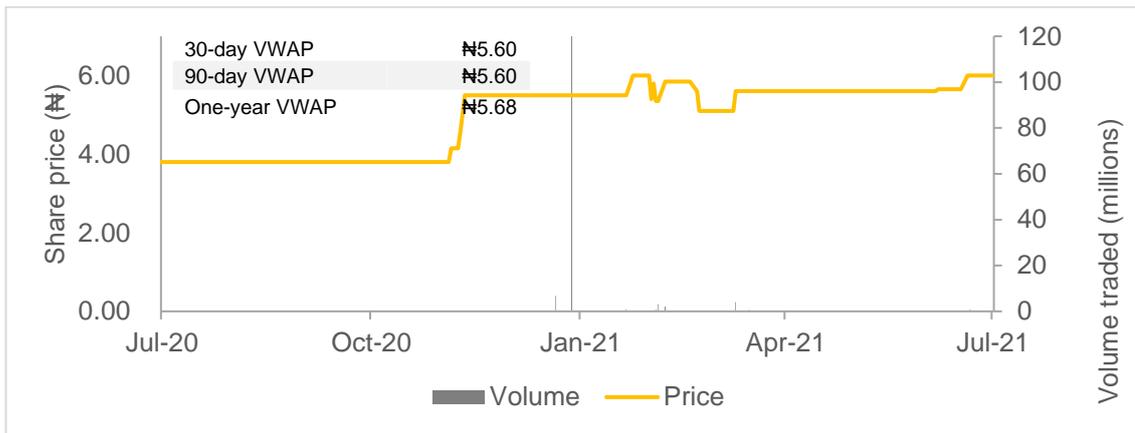
9. APPENDIX II – FURTHER INFORMATION REGARDING UPDC REIT

notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register.

27.8 Subject to obtaining the requisite regulatory approvals, the Units of the Trust shall be freely tradeable on the Exchange.

9.6 HISTORICAL MARKET TRADING OF UPDC REIT

UPDC REIT is listed on the NGX with average daily trading volume of 3,897,943, units and average daily value traded of ₦17,230,640 over the last 12 months. The chart below reflects the trading pattern of UPDC REIT units on the NGX, with 30-Day, 90-Day and one-year volume-weighted average prices of ₦5.60, ₦5.60 and ₦5.60 respectively.



Source: Bloomberg data as at 15 July 2021

9. APPENDIX II – FURTHER INFORMATION REGARDING UPDC REIT

9.7 FINANCIAL INFORMATION

A. Statement of profit and loss

	<----- audited ----->				
	Dec 2020	Dec 2019	Dec 2018	Dec 2017	Dec 2016
	N'000	N'000	N'000	N'000	N'000
Rental income	1,566,896	1,686,205	1,324,867	1,124,723	1,104,033
Interest income on deposit with banks	10,660	12,413	24,455	7,434	-
Interest income	321,381	679,853	812,386	1,123,605	750,272
Net gain/(loss) on financial assets held for trading	246,502	100,782	(71,221)	79,696	(98,166)
Net gain/(loss) on financial assets at fair value through profit or loss	-	6,129	(812,963)	(139,474)	292,580
Net gain/(loss) on disposal of investment property	101,453	-	-	-	-
Other income	118,343	11,558	1,155	85,385	-
Impairment charge on receivables	(5,485)	(8,055)	-	-	-
Fair value gain/(loss) on investment property	53,077	(2,395,285)	1,774,014	356,410	(204,637)
Operating expenses	(480,534)	(542,893)	(407,930)	(429,432)	(331,943)
Profit before tax	1,932,292	(449,293)	2,644,763	2,208,347	1,512,139
Tax	-	-	-	-	-
Profit after tax	1,932,292	(449,293)	2,644,763	2,208,347	1,512,139

9. APPENDIX II – FURTHER INFORMATION REGARDING UPDC REIT

B. Statement of financial position

	<----- audited ----->				
	Dec 2020	Dec 2019	Dec 2018	Dec 2017	Dec 2016
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Bank balances	1,305,432	3,174,924	34,287	455,580	7,307
Financial assets held for trading	3,847,599	928,673	3,932,783	4,858,866	5,484,515
Financial assets at fair value through profit or loss	19,003	19,829	-	2,016,969	2,684,945
Other assets	231,670	76,595	64,899	157,188	258,645
Property and equipment	93,343	140,302	85,843	89,519	126,651
Investment property	26,522,225	26,893,847	29,289,132	23,869,750	23,428,563
TOTAL ASSETS	32,019,272	31,234,169	33,406,944	31,447,871	31,990,626
LIABILITIES					
Total liabilities	1,108,782	681,691	857,577	209,132	1,138,875
Net assets attributable to unitholders	30,910,490	30,552,478	32,549,367	31,238,739	30,851,751
Represented by:					
Unit holders' contributions	26,682,695	26,682,695	26,682,695	26,682,695	26,682,695
Retained earnings	4,227,795	3,869,783	5,866,672	4,556,044	4,169,056
	30,910,490	30,552,478	32,549,367	31,238,739	30,851,751

9. APPENDIX II – FURTHER INFORMATION REGARDING UPDC REIT

9.8 DOCUMENTS AVAILABLE FOR INSPECTION

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- i) Trust Deed dated February 5, 2013, between FSDH Asset Management Limited and United Capital Trustees Limited and FBNQuest Trustees Limited for the establishment of the 3,000,000,000 units at ₦10.00 per unit in the REIT amended by the UPDC Real Estate Investment Trust First Supplemental Trust Deed dated April 22, 2015; and
- ii) The audited financial statements of UPDC REIT for each of the preceding five years from 31 December 2016 to 31 December 2020.

10. APPENDIX III – PROFORMA EFFECTS OF THE SCHEME

10.1 PROFORMA STATEMENT OF SHAREHOLDING IN UPDC REIT

The proforma shareholding below depicts the expected effect of the Scheme on the unitholding of UPDC REIT based on 2,668,269,500 issued and fully paid REIT units.

Shareholders	Pre-Scheme		Post-Scheme	
	Units	%	Units	%
UAC	649,392,661	24.34	-	0.00
Existing unitholders of UPDC REIT	2,018,876,839	75.66	2,018,876,839	75.66
Eligible Shareholders	-	-	649,392,661	24.34
Total	2,668,269,500	100.00	2,668,269,500	100.00

10.2 PROFORMA FINANCIAL EFFECTS OF THE SCHEME

Based on UAC's consolidated audited financial results for the year ended 31 December 2020, the proforma financial effects of the Scheme on the net asset value ("NAV") of UAC is set out below.

These financial effects are prepared for illustrative purposes only to assist shareholders to assess the impact of the Scheme and, because of their nature, may not give a fair presentation of the effect of the Scheme on UAC's results of operations.

The summarised proforma financial effects have been prepared in a manner consistent in all respects with International Financial Reporting Standards ("IFRS"), the accounting policies adopted by UAC as at 31 December 2020 and the NGX Listings Requirements. The summarised proforma financial effects have not been audited by UAC's auditors.

In line with the accounting standards, the decision to unbundle an asset is a change in the asset's realisation plan and triggers an impairment assessment. Assets held for distribution are stated at the lower of the carrying amount and fair value less any costs to distribute. Fair value is the quoted price of UPDC REIT units as the shares are quoted in an active market, i.e. the daily official price list of the NGX.

The carrying amount of the asset (UAC's investment in UPDC REIT) is tested for impairment and impairment charges (if any) are recognised through the profit or loss statement. The estimated fair value of UPDC REIT was determined using the share price as at 15 July 2021 (₦6 per share) which amounts to ₦3.89 billion. Per the requirement of the standard to measure asset held for distribution at the lower of the carrying amount and the fair value less cost to distribute, no impairment loss is recognised on the interest in UPDC REIT (as at 15 July 2021) in the proforma income statement as reflected on pages 40 and 41.

Furthermore, the accounting standard requires that a liability to the shareholders is recognised when the shareholders have approved the unbundling of the Scheme Units. This liability is recognised through equity, and for this Scheme by the transfer from the share premium account via a capital reduction ("Share Premium Deduction Amount"). Any further change in this liability to shareholders is also measured through equity. Following the determination of the Share Premium Deduction Amount, a capital reserve account is established under equity through which any further changes in the value of the liability is recognized. The liability to shareholders is determined as the fair value of the Scheme Units to be unbundled. Therefore, any changes in the fair value of the Scheme Units affects the carrying amount of the liability as at each reporting date.

The asset and the liability, though both driven by fair value of the Scheme Units, will continue to be measured independently of each other and will only be offset when the unbundling is completed (i.e. upon the Effective Date).

10. APPENDIX III – PROFORMA FINANCIAL EFFECTS OF THE SCHEME

Given that the estimated fair value of UPDC REIT is ₦3.89 billion while the carrying amount of the asset in the Group and Company account was ₦3.57 billion. A gain on settlement of asset held for distribution of ₦325 million is recognised in the profit or loss statement on completion.

In the event that the fair value of the Scheme Units, determined by the number of Scheme Units multiplied by UPDC REIT's share price as reflected on the daily official price list of the NGX on the Effective Date (the "Final Market Value"), is lower than the Share Premium Deduction Amount, an amount representing the difference between the Final Market Value and the Share Premium Deduction Amount is transferred from the UPDC REIT Unbundling liability account into the Company's capital reserve account which will form part of equity.

Illustration of impact of impairment assessment on value of Scheme Units

UAC – Company	REIT units	Cost / Price (₦)	Amount (₦)
Investment in UPDC REIT as at 31 December 2020	649,392,661	5.50	3,571,659,636
Market value of investment in UPDC as at 15 July 2021	649,392,661	6.00	3,896,355,966
No impairment loss			-

Proforma Effects on UAC's share capital

UAC - Company (₦'000)	Issued share capital	Share premium	Fair Value/ AFS Reserve	Retained earnings	Total
Pre-Scheme - 31 December 2020	1,440,648	18,509,120	187,124	17,030,178	37,167,070
Gain on settlement of asset held for distribution				324,696	324,696
Capital reduction		(3,896,356)			(3,896,356)
Post-Scheme	1,440,648	14,612,764	187,124	17,354,874	33,595,410

10. APPENDIX III – PROFORMA FINANCIAL EFFECTS OF THE SCHEME

10.3 UAC OF NIGERIA PLC

A. Proforma Statement of profit or loss

	31-Dec-20		Post Scheme	
	The Group N'000	Company N'000	The Group N'000	Company N'000
Continuing operations				
Revenue	81,357,960	758,447	81,357,960	758,447
Cost of sales	(65,367,532)	-	(65,367,532)	-
Gross profit	15,990,428	758,447	15,990,428	758,447
Dividend income	9,675	349,695	9,675	349,695
Other operating income	1,228,233	1,404,295	1,228,233	1,404,295
Other operating losses	(140,797)	(3,547,999)	(140,797)	(3,547,999)
Selling and distribution expenses	(5,776,661)	-	(5,776,661)	-
Administrative expenses	(7,713,569)	(2,461,908)	(7,713,569)	(2,461,908)
Gain on settlement of asset held for distribution	-	-	324,696	324,696
Operating profit/(loss)	3,597,309	(3,497,470)	3,922,005	(3,172,774)
Finance income	1,052,050	1,435,793	1,052,050	1,435,793
Finance cost	(501,830)	-	(501,830)	-
Net finance cost	550,220	1,435,793	550,220	1,435,793
Share of profit of associates and joint venture using the equity method	973,316	-	973,316	-
(Loss)/Profit before tax	5,120,845	(2,061,677)	5,445,541	(1,736,981)
Income Tax Expense	(1,662,581)	(413,909)	(1,662,581)	(413,909)
Profit/(loss) after tax for the year from continuing operations	3,458,264	(2,475,586)	3,782,960	(2,150,890)
Discontinued operations				
Profit after tax for the year from discontinued operations	469,662	-	469,662	-
Profit/(loss) for the period	3,927,926	(2,475,586)	4,252,622	(2,150,890)
Other comprehensive income:				
<i>Items not to be subsequently recycled to profit or loss</i>				
Net changes in fair value of financial assets	159,354	159,354	159,354	159,354
Share of other comprehensive income of associates and joint venture using the equity method	71,460	-	71,460	-
Other comprehensive income for the period net of tax	230,814	159,354	230,814	159,354
Total comprehensive income/(loss) for the period net of tax	4,158,740	(2,316,232)	4,483,436	(1,991,536)
Profit/(loss) attributable to:				
Equity holders of the parent	2,651,431	(2,475,586)	2,976,127	(2,150,890)
Non-controlling interests	1,276,495	-	1,276,495	-
	3,927,926	(2,475,586)	4,252,622	(2,150,890)
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	2,882,245	(2,316,232)	3,206,941	(1,991,536)
Non-controlling interests	1,276,495	-	1,276,495	-
	4,158,740	(2,316,232)	4,483,436	(1,991,536)

10. APPENDIX III – PROFORMA FINANCIAL EFFECTS OF THE SCHEME

B. Proforma Statement of financial position

	31-Dec-20 The Group N'000	Company N'000	Post Scheme The Group N'000	Company N'000
Assets				
Non-current assets				
Property, plant and equipment	21,011,834	888,144	21,011,834	888,144
Intangible assets and goodwill	1,373,223	10,034	1,373,223	10,034
Investment property	2,634,999	2,331,287	2,634,999	2,331,287
Finance lease receivables	8,766	-	8,766	-
Investment in associates and joint ventures	13,018,568	8,886,167	9,446,908	5,314,507
Right of use assets	488,989	-	488,989	-
Debt instrument at amortised cost	2,174,304	2,174,304	2,174,304	2,174,304
Equity investments at fair value through other comprehensive	188,125	188,125	188,125	188,125
Investments in subsidiaries	-	14,615,951	-	14,615,951
Deferred tax assets	38,653	-	38,653	-
Prepayment	48,126	48,126	48,126	48,126
	40,985,587	29,142,138	37,413,927	25,570,478
Current assets				
Inventories	20,123,071	3,602	20,123,071	3,602
Trade and other receivables	6,500,290	2,599,896	6,500,290	2,599,896
Finance lease receivable	1606	-	1606	-
Cash and cash equivalents	24,272,314	14,803,765	24,272,314	14,803,765
Refund asset	14,330	-	14,330	-
	50,911,611	17,407,263	50,911,611	17,407,263
Non-current asset held for sale	265,496	-	265,496	-
Assets of disposal group classified as held for sale/distribution to owners	3,865	130,000	3,865	130,000
Total assets	92,166,559	46,679,401	88,594,899	43,107,741
Equity and Liabilities				
Ordinary share capital	1,440,648	1,440,648	1,440,648	1,440,648
Share premium	18,071,545	18,509,120	14,175,189	14,612,764
Contingency reserve	69,571	-	69,571	-
Fair value/available for sale reserve	258,584	187,124	258,584	187,124
Statutory reserve	91,923	-	91,923	-
Retained earnings	32,710,006	17,030,178	33,034,702	17,354,874
Equity attributable to equity holders of the Company	52,642,277	37,167,070	49,070,617	33,595,410
Non-controlling interests	8,729,588	-	8,729,588	-
	61,371,865	37,167,070	57,800,205	33,595,410
Liabilities				
Non-current liabilities				
Borrowings	1,735,284	-	1,735,284	-
Deferred tax liabilities	4,486,338	435,991	4,486,338	435,991
Lease Liability	224,391	-	224,391	-
Government grant	209,040	-	209,040	-
Provisions	6,357	-	6,357	-
	6,661,410	435,991	6,661,410	435,991
Current liabilities				
Trade payables & other payables	9,829,941	1,219,418	9,829,941	1,219,418
Contract liabilities	1,340,627	159,277	1,340,627	159,277
Current income tax liabilities	3,814,160	2,480,618	3,814,160	2,480,618
Bank overdrafts and current portion of borrowings	2,503,673	-	2,503,673	-
Dividend payable	6,084,307	5,127,079	6,084,307	5,127,079
Government grant	58,343	-	58,343	-
Lease liability	250,926	-	250,926	-
Distribution liability	-	-	-	-
Provisions	192,018	89,948	192,018	89,948
Refund liabilities	17,195	-	17,195	-
	24,091,190	9,076,340	24,091,190	9,076,340
Liabilities of disposal group classified as held for sale/distribution to owners	42,094	-	42,094	-
Total liabilities	30,794,694	9,512,331	30,794,694	9,512,331
Total equity and liabilities	92,166,559	46,679,401	88,594,899	43,107,741

11. APPENDIX IV – STATUTORY AND GENERAL INFORMATION

11.1 RESPONSIBILITY STATEMENT

The information contained in this Document in relation to UAC has been supplied by the Company. The Board of UAC have taken all reasonable care to ensure that the facts stated and opinions expressed in this Document with regard to the Company, are all fair and accurate and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief as at the date of this Scheme Document, no material facts concerning the Company have been omitted from this Scheme Document. The Board hereby accepts responsibility for the information provided in relation to UAC.

11.2 CLAIMS & LITIGATIONS

The Company is not involved in any litigation relating to its ownership of the Scheme Units.

11.3 MATERIAL CONTRACTS TO THE SCHEME

The following agreement(s) have been entered into by UAC and are deemed material to the Scheme:

1. Financial Advisory Services Agreement between UAC and Stanbic IBTC Capital Limited.

Other than as stated above, the Company has not entered into any material contract in relation to its ownership of the Scheme Units except in the ordinary course of business.

11.4 CONSENTS OF PARTIES TO THE SCHEME

The following have given and have not withdrawn their written consents to the issue of this Scheme Document with the inclusion of copies of their reports and references to their names in the form and context in which they appear herein:

Directors:	Mr Daniel Agbor Mr Folasope Aiyesimoju Dr Vitus Ezinwa Mrs Suzanne Iroche Dr Umaru Alka Mr Babatunde Kasali Dr Okechukwu Mbonu Mr Bolaji Odunsi Mr Toriola Olutokun
Company Secretary:	Ms Nkem Agboti
Financial Adviser:	Stanbic IBTC Capital Limited
Legal Adviser:	Banwo & Ighodalo
Tax Adviser:	KPMG Professional Services
Joint Stockbrokers:	CardinalStone Securities Limited Stanbic IBTC Stockbrokers Limited
Registrars:	Africa Prudential PLC
Scrutineers:	KPMG Professional Services

11. APPENDIX IV – STATUTORY AND GENERAL INFORMATION

11.5 GENERAL INFORMATION

1. Except as otherwise disclosed in this Document, there is no agreement, arrangement or understanding between UAC or any other person acting in concert with the respective companies and any of the Directors or recent Directors, shareholders or recent shareholders of UAC in relation to the Scheme.
2. Except as otherwise disclosed in this Document, no share or loan capital of UAC is under option or agreed conditionally or unconditionally to be put under option.
3. Except as otherwise disclosed in this Document, there are no founders, management or deferred shares or any options outstanding in UAC.
4. Except as otherwise disclosed in this Document, there are no material service agreements between UAC or any of their directors and employees other than in the ordinary course of business.
5. Except as otherwise disclosed in this Document there are no contracts, which are or may be material, entered into by UAC with other parties other than in the ordinary course of business.

12. APPENDIX V - NOTICE OF COURT-ORDERED MEETING

IN THE FEDERAL HIGH COURT OF NIGERIA HOLDEN AT LAGOS

SUIT NO: FHC/L/CS/878/2021

IN THE MATTER OF THE COMPANIES AND ALLIED MATTERS ACT, NO 3 OF 2020 (AS AMENDED) AND IN THE MATTER OF AN APPLICATION UNDER SECTIONS 715 AND 131 THEREOF

IN RE: UAC of NIGERIA PLC (RC 341)

-

APPLICANT

NOTICE IS HEREBY GIVEN that by an Order of the Federal High Court (hereinafter referred to as the "Court") dated this 23rd day of July 2021 made in the above matter, the Court has directed that a meeting of the holders of the issued and fully paid ordinary shares of UAC of Nigeria PLC (hereinafter referred to as "UAC" or the "Company") be convened for the purpose of considering, and if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be entered into between UAC and the holders of its fully paid ordinary shares (the "Scheme"). The Scheme is explained in detail in the Explanatory Statement in the Scheme Document.

A copy of the said Scheme and a copy of the Explanatory Statement that each shareholder of the Company is required to be furnished with pursuant to Section 716 of the Companies and Allied Matters Act, No 3 of 2020 (as amended) ("CAMA") can be found on pages 15 to 18 and pages 9 to 13 of the Scheme Document respectively.

The Court-Ordered Meeting of the shareholders of UAC will be held virtually, on the 20th of September at 10:00am.

At the Court-Ordered Meeting, the following sub-joined resolutions will be proposed and if thought fit passed as a Special Resolution of the Company:

1. *"That, the Scheme Document, including the proposed scheme of arrangement between the Company and the holders of the ordinary shares of the Company (the "Shareholders"), pursuant to Section 715 of CAMA, incorporating a reduction of share capital under Section 131 of CAMA, set out on pages 15 to 18 of the Scheme Document, dated 15 July 2021 in its original form or with, or subject to, such modification(s), addition(s) or condition(s) agreed between the Company and the shareholders and/or as approved or imposed by the Court (the "Scheme"), be and is hereby approved;*
2. *That, the Scheme be effected by the transfer of the units held by the Company in UPDC Real Estate Investment Trust ("UPDC REIT") to the Eligible Shareholders of the Company (as defined in the Scheme Document) based on the application of the Allocation Ratio as specified in the Scheme Document;*
3. *That, pursuant to the provisions of Section 131 of CAMA and in consideration for the transfer by the Company to its shareholders of its entire units in UPDC REIT, the Company's share capital account shall be reduced by the sum of ₦3,896,355,966 (the "Share Premium Deduction Amount"), being the value of the transferred units through the reduction of its share premium account and the Share Premium Deduction Amount shall be transferred into the UPDC REIT Unbundling Liability Account;*
4. *That, in the event that the market value of the units held by UAC in UPDC REIT based on the price per unit reflected on the official list of the Nigerian Exchange Limited on the Effective Date (as defined in the Scheme Document) (the "Final Market Value"), is lower than the Share Premium Deduction Amount, an amount representing the difference between the Final Market Value and the Share Premium Deduction Amount shall be transferred from the UPDC REIT Unbundling Liability Account into the Company's reserve account or such other account as the board of directors of the Company (the "Board") may deem fit and in compliance with applicable laws;*

12. APPENDIX V – NOTICE OF COURT-ORDERED MEETING

5. *That the Solicitors of the Company be directed to seek orders of the Court sanctioning the Scheme and the foregoing resolutions, as well as such incidental, consequential and supplemental orders as are necessary or required to give full effect to the Scheme; and*
6. *That, the Board be and is hereby authorized to do all such other acts or things as may be necessary, incidental, consequential or supplemental in order to give full effect to the Scheme and the foregoing resolutions.”*

By the said Order, the Court has appointed Mr. Daniel Agbor, or failing him/her, Mrs Suzanne Olufunke Iroche or failing them both, any other Director of the Company present at the Court-Ordered Meeting and appointed in their stead by the Directors of the Company present at the Court-Ordered Meeting, to act as Chairman of the said meeting and has directed the Chairman to report the results thereof to the Court.

Voting at the Court-Ordered Meeting will be by poll. The Scheme will be subject to the subsequent approval of the SEC and to the sanction of the Court.

Pursuant to the Court Order, in the interest of public safety and having due regard to the Nigeria Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Nigeria, and the restrictions on public gatherings by the Lagos State Government, the shareholders can only attend and vote at the meeting through their proxy. The proxies must be selected from any of the following individuals; Mr. Daniel Agbor, Mr. Folasope Aiyesimoju, Mrs Babafunke Ijaiya-Oladipo and Mr. Matthew Akinlade (the “**Selected Proxies**”). Shareholders can join the meeting and follow the proceedings remotely via real-time streaming options. The link for the live stream will be provided on the Company’s website at www.uacnplc.com.

The Selected Proxies will vote on their own behalf where such a proxy is a shareholder as well as on behalf of the shareholders who selected them as proxies. Where a shareholder executes a proxy form, without selecting a proxy or indicating how his or her shares should be voted, such proxy form will be deemed to be invalid.

A Proxy Form is being sent to each shareholder. In the case of joint shareholders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders; and for this purpose, seniority will be determined by the order in which their names stand in the Register of Members of UAC.

It is requested that duly executed Proxy Forms (together with any power of attorney or other authority under which it is signed, or a notarised copy of such power of attorney or other authority) be lodged at the office of Africa Prudential Plc as shown on the Proxy Form, not less than 24 hours before the time appointed for the Court-Ordered Meeting. The Company has made arrangements at its cost, for the stamping of the duly completed and signed Proxy Forms submitted to the Company’s registrars within the stipulated time. Shareholders are therefore encouraged to submit the Proxy Form well ahead of the meeting in any event, no later than 24 hours before the time of the meeting.

The qualifying shareholders may submit questions on the Scheme to the Company prior to the date of the Court-Ordered Meeting. All such questions must be submitted to the Company Secretary via email to info@uacnplc.com not less than 24 hours before the time appointed for the Court-Ordered Meeting. Shareholders sending in their questions will be required to provide the following details along with their questions: full name as provided during the purchase of the share(s), phone number and email address (if available).

A member entitled to attend the Court-Ordered Meeting who does not receive a copy of the Scheme Document within 14 days of the date of this notice can obtain copies of same from the registrars of UAC, Africa Prudential PLC, 220B Ikorodu Road, Palmgrove, Lagos. Copies of the Scheme Document will also be available for download on the company’s website www.uacnplc.com.

Closure of Register of Members

Entitlement to attend and vote at the Court-Ordered Meeting or any adjournment thereof and the number of votes which may be cast thereat will be determined by reference to the contents of the Register of Members of the Company as at 8 September 2021, after which the register will be closed

12. APPENDIX V – NOTICE OF COURT-ORDERED MEETING

for the purposes of the Court-Ordered Meeting. Changes to, or entries in, the Register of Members after that date and time shall be disregarded for purposes of the Court-Ordered Meeting.

Dated this 23rd day of July 2021

NKEM AGBOTI
UAC of Nigeria PLC
UAC House
1-5 Odunlami Street
Lagos
Company Secretary

BANWO & IGHODALO
48 Awolowo Road
South West Ikoyi
Lagos
Solicitors to the Company

PROXY FORM



Proxy Form for the proposed Scheme of Arrangement between UAC of Nigeria PLC and holders of its ordinary shares of 50 kobo each

RC 341

I/We,

Shareholder's Name:
Address:
Account Number:
No of shares held:

being the registered holder(s) of the ordinary shares of

UAC of Nigeria PLC,

hereby appoint*

or failing him/her,
as my/our proxy to vote on my/our behalf at the Court-Ordered Meeting of the holders of the ordinary shares of the Company to be held virtually by 10:00 am on 20 September 2021 or at any adjournment thereof.

Signed this day of 2021

Shareholder's Signature

NOTES:

1. A member (shareholder) who is unable to attend the Court-Ordered Meeting is allowed by law to vote by proxy and this Proxy Form has been prepared to enable you to exercise your right to vote via your appointed proxy.
2. Voting at the Court-Ordered Meeting will be by poll which means that each shareholder has one vote for each of the shares he/she/it holds in UAC.
3. In the interest of public safety on account of the ongoing COVID-19 pandemic, voting at the meeting shall be by proxy only.
4. Shareholders are required to appoint a proxy only from the list of the following proxies; (a) Mr. Daniel Agbor (b) Mr. Folasope Aiyesimoju (c) Mrs Babafunke Ijaiya-Oladipo (d) Mr. Matthew Akinlade
5. Where a shareholder executes a proxy form, without selecting a proxy or indicating how his or her shares should be voted, such proxy form will be deemed to be invalid.
6. Please sign and post the Proxy Form so as to reach the registrar not less than 24 hours before the time appointed for the Court-Ordered Meeting. The Company has made arrangements at its expense, for the stamping of the duly completed and signed Proxy Forms submitted to the Company's Registrars within the stipulated time.
7. If executed by a corporate body, the Proxy Form should be sealed with the Common Seal.
8. The details in the Scheme of Arrangement provide information on the material features of the proposed Scheme and the general effect thereof upon the rights of shareholders of UAC whilst also providing information essential to a shareholder's appraisal of the action to be taken with regards to the Scheme.

SPECIAL RESOLUTION

"At the meeting, the following sub-joined resolutions will be proposed and if thought fit passed as a Special Resolution of the Company:

1. "That, the Scheme Document, including the proposed scheme of arrangement between the Company and the holders of the ordinary shares of the Company (the "Shareholders"), pursuant to Section 715 of CAMA, incorporating a reduction of share capital under Section 131 of CAMA, set out on pages 16 to 19 of the Scheme Document, dated 15 July 2021 in its original form or with, or subject to, such modification(s), addition(s) or condition(s) agreed between the Company and the shareholders and/or as approved or imposed by the Court (the "Scheme"), be and is hereby approved;
2. That, the Scheme be effected by the transfer of the units held by the Company in UPDC Real Estate Investment Trust ("UPDC REIT") to the Eligible Shareholders of the Company (as defined in the Scheme Document) based on the application of the Allocation Ratio as specified in the Scheme Document;
3. That, pursuant to the provisions of Section 131 of CAMA and in consideration for the transfer by the Company to its shareholders of its entire units in The REIT, the Company's share capital account shall be reduced by the sum of ₦3,896,355,966 (the "Share Premium Deduction Amount"), being the value of the transferred units through the reduction of its share premium account and the Share Premium Deduction Amount shall be transferred into the UPDC REIT Unbundling Liability Account;
4. That, in the event that the market value of the units held by UAC in UPDC REIT based on the price per unit reflected on the official list of the Nigerian Exchange Limited on the Effective Date (as defined in the Scheme Document) (the "Final Market Value"), is lower than the Share Premium Deduction Amount, an amount representing the difference between the Final Market Value and the Share Premium Deduction Amount shall be transferred from the UPDC REIT Unbundling Liability Account into the Company's reserve account or such other account as the board of directors of the Company (the "Board") may deem fit and in compliance with applicable laws;
5. That the Solicitors of the Company be directed to seek orders of the Court sanctioning the Scheme and the foregoing resolutions, as well as such incidental, consequential and supplemental orders as are necessary or required to give full effect to the Scheme; and
6. That, the Board be and is hereby authorized to do all such other acts or things as may be necessary, incidental, consequential or supplemental in order to give full effect to the Scheme and the foregoing resolutions.

FOR AGAINST ABSTAIN

Please indicate how you wish your vote to be cast on the Special Resolution set out above by placing an "x" in the appropriate box. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

IMPORTANCE NOTICE – PLEASE:

- (a) Write the name of your proxy where marked*
- (b) Ensure that the form is signed by you
- (c) Return the Proxy Form to reach the address shown overleaf not less than 24 hours before the time for holding the Court-Ordered Meeting.

**Please affix
postage
stamp**

Africa Prudential PLC
Registrar's Department
220B Ikorodu Road
Palmgrove
Lagos