

ACCESS BANK 2013 EQUATOR PRINCIPLES REPORT

1.0. INTRODUCTION

Access Bank is an Equator Principles Financial Institution (EPFI) and as part of the requirements of being a signatory, the Bank reports on transactions screened using the Equator Principle standards.

In line with this commitment, Access Bank in the year 2013, applied the Equator Principles in the process leading to the granting of the following transactions:

1. US\$90 million medium term facility to OIS-Indorama Limited (“OISIL” or “Project Sponsor”) with respect to the construction of a multipurpose jetty to be used by Indorama Eleme Fertilizer & Chemical Company Limited (“IEFCL” or “Project Proponent”) for evacuation of its urea fertilizer product meant for export. Access Bank Plc solely funded the facility. However, we are currently working with other lenders to sell down part of the facility to the identified lenders.
2. US\$800 million syndicated facility by Indorama Eleme Fertilizer & Chemicals Ltd. (“IEFCL” or the “Sponsor”) with respect to the provision of debt financing of US\$10 million for a 1.4m MTPA Nitrogenous Fertilizer Complex comprising a 2,300 tonnes per day (TPD) Ammonia Plant and a 4,000 TPD Urea and Granulation Plant at the Indorama Eleme Petrochemical Complex Site, Eleme, Port Harcourt, Nigeria (the Project). Access Bank’s participated in the local commercial bank tranche of which the bank provided US\$10 million only.

2.0. PROJECT DESCRIPTION

(a) OIS-Indorama Limited US\$90 million medium term facility

The project involves construction and development of a multipurpose jetty which comprise of two sections (Berths). Berth one is for Urea Export with design capacity of 1.0 MMTPA and vessels size of 30-35,000 Mt (DWT). The second Berth is for Container/Break Bulk Cargo. The project has the following facilities and components:

- 320m long quay
- Flat store for Urea storage
- Truck unloading station
- Container and break bulk storage yard
- Material handling system for Urea
- Gantry type ship loader
- Utilities (e.g Power generation, raw water bore wells or sea water system, lighting, fire fighting, offices, amenities, control room, workshop with small storage room, water storage and diesel storage, drainage system).

The Multipurpose Jetty project site is located about 20km south east of Port Harcourt and about 14km from Eleme Petrochemicals Complex Onne Creek.

JUSTIFICATION OF THE PROJECT

IEFCL (Project Proponent) requires a new Port facility as the proposed multipurpose jetty to be able to service a new fertilizer (urea) production plant through export of the product (urea) as well as import and export of containerized cargos and break bulk cargoes. The jetty development is therefore set to reduce activities in the existing jetties within the Port and promote economic business activities in the Port.

PROJECT ALTERNATIVE

A range of alternatives are evaluated to facilitate identification of the most appropriate means of meeting the purpose and need for this project. The benefits of evaluating alternatives are for the selection of the best project design, selection of the best project location, most efficient use of resources; avoidance of adverse impacts; and achievement of sustainable development goals only achievable through consideration of new ways of doing business. Bearing on the above factors, the following alternatives were appraised: no project alternative; delayed project alternative; alternative locations or sites; and alternative technology.

Based on the above the alternative site (OIS Ltd Property) within the Oil and Gas Free Zone was chosen because of available land space, adequate water front and draft to accommodate ocean vessels of 35,000 DWT, not available at other alternative sites within the same Oil and Gas Free Zone at NPA Port Harcourt.

(b) Indorama Eleme Fertilizer & Chemical Plant Project US\$800 million facility

The Project is defined as:

- Construction and operation of a 1.4M MTPA Nitrogenous Fertilizer Complex comprising a 2,300 TPD Ammonia Plant, 4,000 TPD Urea and Granulation Plant including support infrastructure and utilities (the Plant) at the Eleme petrochemicals complex site, Eleme, Port Harcourt, Nigeria;
- Construction of a 84km pipeline from the Gas Suppliers processing facilities to the plant (the Pipeline) for supply of the feedstock gas that will run adjacent to two existing pipelines within an existing right of way; and
- Construction of a multipurpose jetty inclusive of material handling facility (jetty) located 16kms from the site within the operational Onne Federal Ocean Terminal Zone.

Construction of the Fertilizer Plant is envisaged to start during the third trimester of 2013 and last about 27 months. The construction of the Jetty and Pipeline will also be undertaken during this period, with projected start up of operations for the entire Project in early 2016.

IEFCL are in final stages of negotiations with two potential EPC Contractors (SAIMPEM and TOYO) for the construction of the Fertilizer Plant, the final decision is due in October- November 2012. We have no details as to the EPC Contractor engaged for the construction of the Jetty, and the Pipeline will be built and operated by Nigerian Agip Oil Company (NAOC).

3.0. Categorisation under Equator Principles & Environmental and Social Risk Management.

| Category | Number of Project reviewed in the year 2013 |
|----------|---------------------------------------------|
| A | |
| B | 2 |
| C | - |
| Total | 2 |

EP Reporting- By Sector

| Category | Petrochemical | Jetty Infrastructure |
|----------|---------------|----------------------|
| A | - | - |
| B | 1 | 1 |
| C | - | - |
| Total | 1 | 1 |

Reporting- By Region

| Category | Africa |
|----------|--------|
| A | |
| B | 2 |
| C | - |
| Total | 2 |

| EP Category | Projects receiving review at marketing or appraisal stage | Project fully funded or executed |
|-------------|-----------------------------------------------------------|----------------------------------|
| A | 1 | - |
| B | 3 | 2 |
| C | - | - |
| Total | 4 | 2 |

4.0. ENVIRONMENTAL & SOCIAL RISK MANAGEMENT REVIEW OF THE PROJECT

| Equator Principle | Review Findings on Indorama Fertilizer Plant | Review Findings on OIS-Indorama Limited |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Review and Categorization | Based on our review, the project was classified as Category B. The categorization was based on the due diligence and independent assessment of the project. | Access Bank was classified as Category B. The classification was based on our due diligence exercise and assessment of the project |
| Social and Environmental Assessment | The Environmental & Social Impact Assessment for the project had been prepared and currently awaiting approval from the Federal Ministry of Environment. The E&S issues were inherent in the project were identified and an action plan proposed. Given the commitment of the sponsor, we believe that this will be done. There are covenants and conditions in place to address the identified E&S risks. | The project's Environmental & Social Impact Assessment is awaiting approval from the Federal Ministry of Environment. The client is commitment to sustainable business practices. Applicable covenants are in place to mitigate the identified E&S issues and covenanted as conditions for disbursement while others are conditions subsequent to further disbursement. |
| Applicable Environmental and Social Standards | In line with our review and independent check as well as verifications on the permits and consents applicable, the project is in compliance with local laws and international standards. It is noteworthy to state that the ESIA is awaiting final approval by Ministry of Environment. | In line with our review and independent check and verification carried out on the permits and consents obtained, the project is in compliance with local laws and standards. It is noteworthy that the ESIA is awaiting final approval by Ministry of Environment. Part of the facility had been disbursed to cater for project development while the largest portion is tied to receipt of ESIA and other conditions subsequent to further disbursement |

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| | | <p>The IFC Performance Standards applicable to the project is detailed below:</p> <p>PS 2: Labour and working condition. Employee occupational health and safety issues.</p> <p>PS 3: Resource Efficiency through noise pollution associated to the multipurpose jetty project. Increase in the risk of spills of hazardous materials and waste from marine vessels causing water pollution. Solid/liquid waste production</p> <p>PS 4: Community Health, Safety and Security. Modification of social equilibrium potentially causing friction and social strain.</p> <p>Ps 7: Biodiversity conservation and sustainable management of living natural resources</p> <p>To address the issues identified, an environmental & social action plan as shown in Annex 1 was agreed and incorporated in the facility documentation.</p> |
| Action Plan Management System | <p>We have reviewed the Fertilizer Plant ESIA which summarizes all the obligations, however these do not constitute a construction environmental management plan. The ESIA for the Fertilizer Plant contains the framework for mitigation and a monitoring plan which we have reviewed and commented on. To cater for implementation of the</p> | <p>We have reviewed the Multipurpose jetty ESIA which summarizes all the obligations. The ESIA contains framework for mitigation and a monitoring plan which we have reviewed and commented on. To facilitate the implementation of the</p> |

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| | action plan, we have incorporated this into the facility documentation for the purpose of monitoring and compliance by the Lenders. | action plan, we have incorporated this into the facility documentation for the purpose of monitoring and compliance by the Lenders. |
| Consultation and Disclosure | We reviewed the documents and approval obtained by IEFCL and we found out that appropriate consultation and disclosure has been made with the various stakeholders and thus do not constitute any risk to the project. | We reviewed the documents and approval obtained by OISIL and found out that appropriate consultation and disclosure has been made with the various stakeholders and thus do not constitute any risk to the project. |
| Grievance Mechanism | Based on our review and independent report, IEFCL has established mechanisms for addressing stakeholder or labour concerns for the fertilizer plant. This is considered adequate. | Based on our review and independent report, OISIL has established mechanisms for addressing stakeholder or labour concerns for the multipurpose jetty. This is considered adequate. |
| Independent Review | A due diligence exercise was carried out by the lenders consultant, with a view of given us an independent opinion on the project. The report was reviewed and recommendations thereof were incorporated into the action plan. This report constitutes an independent review of the ESIA. | A due diligence exercise was carried out by a lenders consultant, with a view of given us an independent opinion on the project. The report was reviewed and recommendation thereof was incorporated into the action plan. This report constitutes an independent review of the ESIA. |
| Covenants | Adequate affirmative covenants and negative covenants are contained in the facility documentation, this is to ensure monitoring and compliance with agreed action plans | Adequate affirmative covenants and negative covenants are contained in the facility documentation, this is to ensure monitoring and compliance with agreed action plans |

5.0. DECISION AND DOCUMENTATION

In line with our review and the extent of compliance with environmental & social issues on the project, we incorporated in our documentation process certain requirements, representations and warranties, conditions precedent and subsequent to disbursement as well as affirmative and negative covenants for this project. Some of the terms include:

Conditions Precedent to Disbursement

- Certification that the Borrower is in compliance with the Action Plan
- Receipt of the ESIA's for the multipurpose jetty project

Representations and Warranties: The facility agreement contained standard representation and warranties which include compliance with environmental laws.

Covenants: We have affirmative covenants like implementation of the agreed Environmental Management Action Plan (EMAP), Submission of annual environmental report while negative covenants include not doing activities within the prohibited or exclusion list.

6.0. MONITORING

The project is ongoing with monitoring undertaken once and this was done by the consultant appointed by the bank. Regular monitoring report is being provided by the consultant. This report details the level of compliance by OISIL and IEFCL in line with agreed action plan

7.0. REPORTING

Based on the fact that this is a project finance transaction coupled with the fact that the bank is an Equator Principle Finance Institutions, periodic reporting on progress made by the companies is reported to our management

8.0. NEXT STEPS

The Bank's sustainability team intend to continue monitoring the project to ensure compliance with agreed action plan. Disbursement of the facility is being made in milestones.

9.0 CONCLUSION

Based on our review of the Project documentation and discussion with the sponsor, we consider that the Project impacts are being addressed in line with the action plan. Our review concludes that the level of assessment undertaken is appropriate to the nature and scale of the development and broadly along the line of what would be expected for such a project.

Our review has identified some areas for strengthening or clarification and this has been included in the ESAP to ensure compliance with our ESMS, Equator Principle and local and international standard.

ANNEX 1: ENVIRONMENTAL & SOCIAL ACTION PLAN FOR INDORAMA FERTILIZER PROJECT

| S/N | Corrective Action plan | Responsibility | Deliverable | Timeline |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------|--------------------------------------------------------|
| 1 | Submit report to the Bank on environmental, social, health and safety performance, including status of each ESAP element and current status of Environmental Health and Safety issues. | IEFCL | Submission of report as agreed in loan agreement | Semi-annually |
| 2 | Gain National Approval (EIS) for all Project components | IEFCL | Approved ESIA | Prior to construction and disbursement of the facility |
| 3 | As part of EPC reporting programme, produce monthly reports on compliance with their EHS system, ESMS commitments, health and safety aspects and identification of incidents and correction actions. | EPC Contractor | Report to facility agent | During construction |
| 4 | Develop and implement a Project Specific Environmental and Social Management System (ESMS) detailing EPC contractor duties and responsibilities (Project Management). EPC Contractor HSE terms should form part of any contractual documentation. Approval of the EPC Contractor EHS management plans for implementation during construction. | IEFCL | Report to Facility Agent | Prior and during construction |
| 5 | Ensure the EPC-Contractor has principles of non discrimination and equal opportunities in place when hiring local workforce. | IEFCL | Communicated at the point of engagement of employees | Prior to construction |

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| 6 | Undertake a dedicated Noise Impact Study for the proposed Fertilizer Plant taking into consideration all new potential sensitive receptors | IEFCL by appointing consultant | Noise levels report and must be in compliance with international standards | Before financial close |
| 7 | Integrate mitigation measures identified in the Project ESIA / ESAP into the EPC-Contractor policies, plans and method statements. | EPC Contractor | greed mitigation plan in place | Before construction |
| 8 | Confirm the capacity and design of the water treatment plant to incorporate wastewater from the new fertilizer plant | IEFCL | Confirm by technical consultant | Before financial close |
| 9 | Strengthen the current Waste management system to account for new material handling from the new Plant. | IEFCL | Revised waste management guidelines | Before construction |
| 10 | Ensure pipeline project includes a plan of how to manage sensitive Receptors, an appropriate traffic management plan and a procedures to minimize safety and health impacts on the community, e.g. from noise and dust etc (as applicable). | IEFCL | Procedures in compliance with international standards | Prior to construction |
| 11 | Involve the community in the emergency response plans. It is also recommended that a community warning system be developed. | IEFCL | Emergency plan with consideration of the community in place | Prior to construction |

ANNEX 2: ENVIRONMENTAL & SOCIAL ACTION PLAN FOR OIS-INDORAMA MULTIPURPOSE JETTY PROJECT

| S/N | Corrective Action plan | Responsibility | Deliverable | Timeline |
|-----|------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------|---------------|
| 1 | OISIL will implement a Program regular monitoring that controls fugitive dust emissions from the shiploader. On the basis of | OISIL | Submission of report as agreed in loan agreement. Independent confirmation | Semi-annually |

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| | monitoring activities, dedicated actions for the safeguard of ambient air quality will be implemented, if necessary | | required and provided to lenders | |
| 2 | OISIL will conduct enlightenment campaign and health education for the abatement of abuse of drugs, alcohol among workers throughout the life of the project. Alcohol and drug policy shall be implemented to encourage healthy lifestyle for | OISIL | Training report to be provided to lender | Annually |
| 3 | Monitoring of the effects of changes in water quality that may influence activities of fishes, benthic organisms etc. shall be undertaken in the projects life cycle, by OISIL HSE department. | OISIL | Report to be provided to lenders | Annually |
| 4 | OISIL will develop a dedicated study for the noise impact assessment aimed at ensuring the compliance with regulatory/guidelines standards. If necessary, mitigation measures will be implemented. | OISIL | Study to be provided | Prior to financial close |
| 5 | OISIL will ensure that a controlled fuelling, maintenance and servicing protocol for construction machinery at worksite is established and followed to minimize leaks and spills. | OISIL | Study to be provided | Prior to financial close |
| 6 | OISIL will ensure that all | OISIL | Annual report to be provided | Annually |

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| | <p>maintenance and repair of equipment and vehicles are done in a secure location with clean-up materials (e.g. drip pans, containers, absorbent materials etc) readily available.</p> | | | |
| 7 | <p>OISIL will implement a Risk management Plan for Contaminated Jetty shoreline in order to identify, if necessary, dedicated actions aimed at minimizing the risk of water contamination caused by accidental spills of Urea materials</p> | OISIL | <p>Risk management plan to be put in place and provided to lender</p> | <p>Prior to financial close</p> |
| 8 | <p>In order to beef up security for the project, OISIL will contact government authorities to improve the strength of the police force and shall consider providing assistance with equipment to ensure improved security, if necessary</p> | OISIL | <p>To be put in place</p> | <p>Prior to financial close and on a continuous basis if necessary</p> |
| 9 | <p>OISIL to ensure that all host communities are represented in the employment of locals during land clearing and excavation to avert any conflict that could arise from perceptions of unfairness.</p> | OISIL/Community | <p>Agreement in place</p> | <p>Prior to financial close</p> |
| 10 | <p>OISIL will adopt a Social Management System to avoid possible inter and intra communities conflicts or possible socio-cultural conflicts between the construction team and members of the host</p> | OISIL | <p>SEMS to be provided</p> | <p>Prior to financial close</p> |

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| | <p>communities.</p> <p>OISIL will regularly hold Stakeholders Forum with the representatives of the communities</p> | | | |
| 11 | <p>OISIL will ensure that contractor implements social and health awareness programs for all workers at induction and on a continuous basis throughout the life of the project.</p> | OISIL | Implementation report provided | During construction stage |
| 12 | <p>OISIL will adopt a dedicated traffic management plan for the mobilization of vehicles during the construction, operation and decommissioning phases to minimize the risk of traffic accidents, implementing the mitigation measures included</p> | OISIL | Plan to be in place and provided to lender | Prior to financial close |
| 13 | <p>In accordance to the Monitoring Program OISIL will yearly verify the waste production in order to implement dedicated actions if necessary.</p> | OISIL | Waste production report to be provided to lender | Annually |