

## Sample Checklist for Block Divestment

**Please fill and execute this checklist as the Sponsor's Declaration on Documentation and Due Diligence**

Checklist for First Submission: *(insert name of issuer)*

Description of Application: Block Divestment of .....

### Note:

- i. This checklist is applicable to application for block divestment. A block divestment is as defined in Paragraph 1, Amendments to Trading License Holders' Rules (Part XIII A) – Block Divestments and Large Volume Trades in Equities.
- ii. Applicants must comply with Amendments to Trading License Holders' Rules (Part XIII A) – Block Divestments and Large Volume Trades in Equities.
- iii. Soft copy document should be forwarded to [IssuerAnalysis@ngxgroup.com](mailto:IssuerAnalysis@ngxgroup.com). NGX Regulation Limited will **not conclude** on an application until all relevant documents are submitted.
- iv. The Sponsoring Trading License Holder is required to fill out the table below using the appropriate key indicating whether the Issuer has submitted the required documents. Where the requirement is not applicable to the Issuer, the reason should be provided in the "comment" box.

### Keys:

- ✓ Submitted/Complied with  
 X Not submitted/Not complied with  
 N/A Not applicable

S/N	Particulars		Tick as appropriate	
	Documentation Required	Particulars	Status	Comments
	<b>(Hard Copies) 1 - 3</b>			
1.	Consent letters of Directors of the seller and buyer confirming the accuracy and adequacy of information contained in the Information Memorandum	Only applicable where buyer or seller is a corporate entity		
2.	Attestation by the seller that the information in the Information Memorandum is accurate and adequate	Only for sellers who are not institutional investors		
3.	Indemnity letter	To be provided by seller(s)		
	<b>Documentation Required in Soft Copies (4-13)</b>			

This document is classified as: **DC1 - Authorised Use Only – PUBLIC**

S/N	Particulars		Tick as appropriate	
	Documentation Required	Particulars	Status	Comments
4.	Application Letter	<ul style="list-style-type: none"> <li>The Trading License Holder is required to provide details of the block divestment including the quantum of shares offered for sale, the price and the percentage of the offer</li> </ul>		
5.	Evidence of payment of block divestment fee	<ul style="list-style-type: none"> <li>Being 0.2% of the value of the transaction to be paid at the point of submission of the application for approval; and</li> <li>Being 0.3% of the value of the transaction to be paid at the point of executing the transaction on the floor of the Exchange</li> </ul>		
6.	Sponsor's declaration on documentation and due diligence			
7.	Abridged application			
8.	Certified copy of board resolution approving the acquisition and divestment (where a seller is AMCON, CBN's approval is also required)	Only applicable where buyer or seller is a corporate entity		
9.	Certified copy of Share Sale and Purchase Agreement (if any)			
10.	Information Memorandum, which must contain the following information among other <b>relevant</b> facts:	<ul style="list-style-type: none"> <li>The reasons why the seller is divesting</li> </ul>		
		<ul style="list-style-type: none"> <li>Price at which seller is divesting</li> </ul>		
		<ul style="list-style-type: none"> <li>The identity of the proposed new investor(s) and where it is a corporate body, the identity of the promoters, directors and management of the buying company</li> </ul>		
		<ul style="list-style-type: none"> <li>Where applicable, details of the experience possessed by the directors and proposed management relevant to the industry</li> </ul>		

This document is classified as: **DC1 - Authorised Use Only – PUBLIC**

S/N	Particulars		Tick as appropriate	
	Documentation Required	Particulars	Status	Comments
		<ul style="list-style-type: none"> <li>The qualifications of the buyers and the nature of the expertise possessed by them, which they intend to bring into the target company</li> </ul>		
		<ul style="list-style-type: none"> <li>The value added, the buyer is planning on bringing into the business</li> </ul>		
		<ul style="list-style-type: none"> <li>Buyer's confirmation regarding the:               <ul style="list-style-type: none"> <li>Investment objectives in the company; and</li> <li>Plan for continuity management and profile of the post-acquisition management</li> </ul> </li> </ul>		
11.	CAC Status Report of the buyer(s), certified by CAC not later than two months prior to the date of application	<ul style="list-style-type: none"> <li>only required where the buyer(s) is an institutional investor(s)</li> </ul>		
12.	CAC Status Report of any institutional investor(s) holding 5% or more of the issued and fully paid-up share capital of the buyer, certified by CAC not later than two months prior to the date of application	<ul style="list-style-type: none"> <li>CAC Status Report of corporate entities who own 5% or more should be provided until all natural persons who own such shares, and their directors are disclosed</li> </ul>		
13.	Any other document which is material to the transaction			

I..... a duly authorized officer of..... (Full corporate name of Sponsoring Trading License Holder) hereby confirm that I have duly completed the above checklist on behalf of ..... (Full corporate name of Issuer) and that no item on the said checklist has been left without a response.

Additionally, I hereby confirm that I and my firm (insert full corporate name) have carried our reasonable due diligence on the Issuer and its directors and on the basis of our findings, we have accepted the appointment as Sponsoring Trading License Holder.

Signed by an approved executive of the Sponsoring Trading License Holder.

Signature \_\_\_\_\_

This document is classified as: **DC1 - Authorised Use Only – PUBLIC**

Date \_\_\_\_\_

This document is classified as: **DC1 - Authorised Use Only – PUBLIC**