

Checklist for Initial Listing on the Main Board of Nigerian Exchange Limited (NGX or The Exchange)

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: (Listing of)

Note:

- i. This checklist is applicable to application for Initial Listing of equity shares of the Issuer on the Main Board of NGX. Initial Listing refers to a listing of equity shares of an issuer whose equity capital is not already listed on NGX. This includes Listing by Introduction and Initial Public Offering (IPO). Listing by Introduction means Initial Listing whereby the Issuer is not raising capital as at the time of the application. IPO is an Initial Listing whereby the Issuer embarks on IPO as at the time of the listing application.
- ii. The Issuer must comply with Section C: *Requirements for All Listings* as well as Chapter 1: *New Listing of Securities*, Rulebook of NGX, 2015 (Issuers' Rules).
- iii. Pursuant to Chapter 1 of the Rulebook, the Issuer is required to meet either qualification standard A, B or C. The Issuer must state clearly the prequalification criteria through which the Issuer is applying (i.e. A, B or C).
- iv. Soft copy documents should be forwarded to IssuerAnalysis@ngxgroup.com. NGX Regulation Limited will **not conclude** on an application until all relevant documents are submitted.
- v. The checklist is categorized into qualification requirements and documentation requirements. The Sponsoring Trading License Holder is required to fill out the table below using the appropriate key indicating whether the Issuer meets the qualification requirements and 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

| | | Please tick as appropriate | |
|----|-----------------------------------------------------------------------------------------------------|----------------------------|----------|
| | Qualification Requirements | Status | Comments |
| | General Requirements | | |
| i. | Be registered as a public limited company with no restrictions on the transfer of fully paid shares | | |

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| | Qualification Requirements | Status | Comments |
| ii. | Ensure that a minimum of 20% of the issued share capital or N20 billion worth of share capital is made available to the public and held by not less than 300 shareholders | | |
| iii. | Ensure that the securities are fully paid up at the time of allotment or registration in compliance with the applicable SEC rules | | |
| iv. | Undertake to promptly pay annual listing fees based on market capitalization | | |
| v. | Have a functioning website | | |
| vi. | Have a governance process which is in line with the SEC Codes | | |
| vii. | Ensure that if the listing is in connection with an Initial Public Offering (IPO) the promoters and directors will hold a minimum of 50% of their shares in the company for a minimum period of 12 months from the date of the listing and will not directly or indirectly sell or offer to sell such securities during that period | | |
| | Initial Listing Standard A | | |
| i. | Have a minimum of three (3) years' operating track record | | |
| ii. | Have a pre-tax profit from continuing operation of not less than N300million cumulatively for the last three (3) fiscal years and a minimum of N100 million in two (2) of these years | | |
| iii. | Have financial statements which shall be compliant with the applicable SEC rules and covering the last three (3) fiscal years provided that the most recent statement at the time of submission of the application is not more than Nine (9) months old | | |
| iv. | Have shareholders' equity of not less than N3 billion | | |
| | Initial Listings Standard B | | |
| i. | Have a minimum of three (3) years' operating track record; and where the Issuer does not have three (3) years' operating track record the Issuer shall provide evidence of a core investor who has a minimum of three (3) years' operating track record | | |

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| | Qualification Requirements | Status | Comments |
| ii. | Have a pre-tax profit from continuing operation of not less than N600million cumulatively for the last one (1) or two (2) fiscal years | | |
| iii. | Have financial statements which shall be compliant with the applicable SEC rules and covering the last three (3) fiscal years provided that the most recent statement at the time of submission of the application is not more than Nine (9) months old. where the Issuer does not have financial statements for the last three (3) years the Issuer shall provide evidence of a strong technical partner who has a minimum of three (3) years' operating track record with substantial equity and involvement in management and the financial statements for the last three (3) years of the technical partner | | |
| iv. | Have shareholders' equity of not less than N3 billion | | |
| | Initial Listings Standard C | | |
| i. | Have a minimum of three (3) years' operating track record; and where the Issuer does not have three (3) years' operating track record the Issuer shall provide evidence of a core investor who has a minimum of three (3) years' operating track record | | |
| ii. | Have financial statements which shall be compliant with the applicable SEC rules and covering the last three (3) fiscal years provided that the most recent statement at the time of submission of the application is not more than 9 months old and where the Issuer does not have financial statements for the last three (3) years the Issuer shall provide evidence of a strong technical partner who has a minimum of three (3) years' operating track record with substantial equity and involvement in management and the financial statements for the last three (3) years of the technical partner | | |
| iii. | Have a market capitalization of not less than N4 billion at the time of the listing, calculated using the listing price and shareholders' equity | | |
| Documentation Required | | | |
| | Documentation Required in Original Hard Copies (items 1-2) | | |

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| | Qualification Requirements | Status | Comments |
| 1. | Letters of consent from all parties and Directors | | |
| 2. | Certification that the directors are Fit and Proper persons in compliance with relevant Nigerian Codes of Corporate Governance Principles (NCCG) | | |
| | | | |
| | Documentation Required in soft copies (items 3-22) | | |
| 3. | Application Letter | | |
| 4. | Evidence of payment of application/listing fees and CSCS eligibility fee | | |
| 5. | 3 to 5 years audited accounts | | |
| 6. | Sponsor's Declaration on documentation and due diligence | | |
| 7. | Prospectus/ Information Memorandum | | |
| 8. | Solicitors' opinion on claims and litigation | | |
| 9. | Estimated cost of issue detailing the cost attributed to each party to a transaction | | |
| 10. | Pricing memorandum | | |
| 11. | Certified true copy of certificate of incorporation and conversion to Plc | | |
| 12. | <p>Memorandum and Articles of Association certified by CAC not later than two months prior to the date of application and contain the following provisions:</p> <ul style="list-style-type: none"> • That fully paid shares shall be free from any restriction on the right of transfer and shall also be free from all liens, except as otherwise prescribed by the operation of law. • That the borrowing powers of directors are limited so that the aggregate amount at any time owing in respect of monies borrowed by the company and its subsidiary companies (exclusive of inter-company borrowings) shall not exceed a reasonable amount except with the consent of the company in general meetings. • That a director shall not vote on any contract, arrangement or proposal in which he is interested and if he does vote; the vote shall not be counted. | | |

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| | Qualification Requirements | Status | Comments |
| | <ul style="list-style-type: none"> That the structure of the share capital of the company is stated and where the capital consists of more than one class of security, it must also be stated how the various classes shall rank for any distribution by way of dividend or otherwise. That where power is reserved to give notice by advertisement, such advertisement shall be inserted in at least two leading national daily newspapers That where it is provided that notices shall be given only to those members whose registered addresses are within Nigeria, any member whose registered address is not within Nigeria, may name an address within Nigeria which for the purposes of notice, shall be considered as the registered address. | | |
| 13. | CAC Status Report of the company/issuer certified by CAC not later than two months prior to the date of application | | |
| 14. | Certified copy of Board resolution approving the offer and listing | | |
| 15. | Certified copy of shareholders resolution | | |
| 16. | CAC Status Report of any institutional investor holding 5% or more of the issued and fully paid up share capital of the company/issuer certified by CAC not later than two months prior to the date of application (note: 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) | | |
| 17. | SEC Approval (and registration of the security) | | |
| 18. | Approval of Primary Regulator (CBN, NAICOM, NCC) If Applicable | | |
| 19. | Letter nominating three (3) primary market makers | | |
| 20. | Register of members | | |
| 21. | CSCS account statement of all Directors with an undertaken to update NGX with subsequent changes before the listing | | |

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| | Qualification Requirements | Status | Comments |
| 22. | Any other document which is material to the listing or to the business of the issuer | | |

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 _____

Date _____

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