

RULES FOR REMOVAL OF THE SECURITIES OF A COMPANY FROM NASD OTC SECURITIES EXCHANGE.

Interpretation

The provisions of these Rules shall supersede Clause 8(4) of the NASD OTC Market Rules.

Except as otherwise defined, the following terms used in these Rules shall have the meaning ascribed to them below:

“Admitted Company” shall have the meaning ascribed to it in the NASD OTC Market Rules

“Admitted Security” shall have the meaning ascribed to it in the NASD OTC Market Rules

“Removal Order” means an approval given by the NASD for an Issuer to remove its securities from the NASD OTC Securities Exchange

“Issuer” For the purposes of these Rules means any company whose securities were admitted to trade on the NASD OTC Securities Exchange by virtue of either a Company Admission or a Securities Admission.

1. Regulatory Removal

- 1.1. NASD Plc (“NASD”) may remove an Issuer from the Market tier if it falls below the minimum admission requirements outlined in Schedule II of the NASD OTC Market Rules.
- 1.2. Where the Issuer has fallen below the requirement; NASD shall issue a warning of non-compliance in writing and request that it rectify the issue within Twenty-Eight (28) days. If the Issuer fails to rectify the issue within the stipulated time, then NASD shall remove the name of the Issuer from the published list.
- 1.3. NASD shall issue a Notice and publish on its website that the Company has been removed from the Market tier.

2. Scheme of Arrangement

2.1. Documentation Requirements

- 2.1.1. The Applicant must satisfy the eligibility requirements in these Rules and as highlighted in the Appendix.
- 2.1.2. The application shall be made in writing by a registered Participating Institution to NASD and accompanied by all the documents listed in the Appendix to these Rules.

2.2. *Application Procedure*

- 2.2.1. NASD shall review the application documents listed in the Appendix below and communicate its feedback (in respect of the scheme documents) to the Registered Participating Institution within Forty-Eight (48) two working days from receipt of all required documents.
- 2.2.2. NASD will hold a stakeholder meeting with all relevant parties (stockbrokers, registrars, depositary) to agree on Transaction modalities.
- 2.2.3. NASD shall notify the market of the Scheme and the court-ordered meeting upon satisfaction with the application documents within two working days from the date of the stakeholders meeting or as applicable.

2.3. *Post Court-Ordered Shareholders' Meeting*

- 2.3.1. After the Issuer has successfully convened its Court-Ordered Shareholders' meeting, the Issuer shall submit the documents listed in the Appendix below.
- 2.3.2. NASD shall review the application documents and communicate its feedback to the relevant Participating Institution **within two working days** from receipt of the documents.
- 2.3.3. NASD shall issue an approval/acknowledgment if satisfied that the Applicant has complied with its requirements.

3. **Removal of Shares pursuant to a Scheme of Arrangement or Conversion to a Private Company**

- 3.1. Upon conclusion of the Scheme, a separate application for the removal of securities from the NASD OTC Securities Exchange will be submitted to NASD together with relevant documents. The required documents are listed in the Appendix below.
- 3.2. NASD will review the application and if satisfied commence its administrative processes (e.g., deactivation of security code, notification to the Securities and Exchange Commission ("SEC"), market announcements), etc.
- 3.3. NASD will formally communicate the removal of the securities from the NASD OTC Securities Exchange to the Issuer within Five (5) working days from receipt of the application.

4. Removal to another Exchange

- 4.1. An Issuer may apply for the removal of its securities from NASD by submitting a written application with sufficient justification for removal from NASD OTC Securities Exchange accompanied by:
 - a. A Special Resolution passed at a general meeting of the Issuer approving the application for removal.
 - b. Evidence of admission date on the new Exchange.
 - c. Evidence of payment of NASD fees- 0.3% of the market capitalization of the company's shares and ₦100,000.00 (One Hundred Thousand Naira) administrative fees.
 - d. An executed Letter of Indemnity in favour of NASD Plc.
- 4.2. NASD shall review the application and grant approval for a Removal Order within 10 days from the date of receipt of the application. Approval may be granted subject to conditions as may be determined by NASD. Note that removal would be done at least one week to the admission date on the new Exchange.
- 4.3. Upon receipt of the Removal Order, the company shall publish the removal order in at least one national newspaper and the company's website.

5. Purchase of Shares of Dissenting Shareholders

- 5.1. An Issuer seeking to remove its securities from the NASD OTC Securities Exchange shall ensure that the interests of minority shareholders are adequately protected and shall set aside sufficient funds to acquire the shares of any shareholder dissenting to the resolution to remove the said company.
- 5.2. The share price for acquiring the shares of dissenting shareholders shall be:
 - 5.2.1. where the issuer is liquid, an amount not less than the highest price at which the Issuer's shares traded in the twelve (12) months preceding the resolution for removal of the securities;
 - 5.2.2. where the issuer is illiquid, an amount not less than the highest price at which the Issuer's shares have traded in the preceding six (6) months, as well as a premium of 20%.
- 5.3. NASD shall review the Issuer's application to ensure compliance with this Clause 5 of these Rules.

6. Readmission of Removed Shares

An issuer that has removed its securities from the NASD OTC Securities Exchange, shall not apply to re-admit the said securities on the Market until the expiration of two (2) years from the date the securities were removed.

APPENDIX
Documentation Checklist

S/N	DOCUMENTATION	YES/NO	COMMENTS
Scheme of Arrangement-Phase One - Initial Application			
1.	An application letter by the Participating Institution explaining the Transaction and forwarding relevant documents		
2.	Board Resolution (of the Issuer and the Buyer) authorising the Scheme		
3.	An executed Letter of Indemnity in favor of NASD PLC		
4.	Scheme Document		
5.	Primary Regulator No Objection Letter (if applicable)		
6.	Evidence of payment of NASD fees @0.3% of scheme shares		
7.	SEC No Objection to the Scheme		
Scheme of Arrangement- Phase Two - Post Court-Ordered Meeting			
8.	Shareholder Resolution Approving the Scheme of Arrangement and any modifications f by the Federal High Court		
9.	Duly executed final approved Scheme of Arrangement		
10.	Formal approval from the SEC		

Removal of Securities pursuant to Conversion of the company to a Private Company			
11.	Special resolution of the Shareholders authorizing the conversion of the company to a Private		
12.	Copy of Certificate of Incorporation from the CAC reflecting that the company is now a private company		
13.	Shareholder Register post-conversion		
14.	Evidence of settlement arrangement entered with shareholders		
15.	Evidence of admission date on the new Exchange (if applicable)		
16.	Evidence of Payment of NASD fees – 0.3% of market capitalization and ₦100,000 Administrative Fees		