

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about the contents of this document or any action to be taken, you should consult your Stockbroker, Banker, Solicitor, Accountant or any other independent professional adviser duly registered under the Investments and Securities Act (No. 29 of 2007) immediately.

If you have sold or otherwise transferred all your shares in Continental Reinsurance Plc, please give this document and the accompanying proxy forms to the purchaser or transferee or to the Stockbroker, Bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. In the alternative, kindly return this document to the Registrars.

The receipt of this document or of any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice to a shareholder of Continental Reinsurance Plc or to any other person by the Company or its directors and the Company does not commit to providing shareholders with other information, updates or corrections to this document or the information contained herein.

**SCHEME OF ARRANGEMENT FOR THE PROPOSED RESTRUCTURING**

(Under Section 539 of the Companies and Allied Matters Act (Chapter C20) Laws of the Federation of Nigeria 2004)

OF



**CONTINENTAL REINSURANCE PLC**  
RC 73956

**Incorporating an Explanatory Statement on the Proposed Scheme of Arrangement**

(in compliance with Section 540 of the Companies and Allied Matters Act (Chapter C20) Laws of the Federation of Nigeria 2004)

Chapel Hill Denham Advisory Limited is acting as Financial Adviser to Continental Reinsurance Plc.

Chapel Hill Denham Advisory Limited will not be responsible to any person, individual or corporate body other than Continental Reinsurance Plc in relation to the transaction and arrangements referred to herein.

The notice convening the Court-Ordered Meeting of the shareholders of Continental Reinsurance Plc is set out on pages 46 to 47. A proxy form is also attached on page 52. To be valid, the proxy form must be completed, signed and stamped (together with the Power of Attorney or other authority, if any, under which they are signed and in accordance with the instructions printed thereon) and must reach Pace Registrars Limited, 24 Campbell Street, Lagos Island, Lagos not less than 24 hours before the time fixed for the Court-Ordered Meeting.

**THE PROPOSALS, WHICH ARE THE SUBJECT OF THE SCHEME FOR THE PROPOSED RESTRUCTURING OF CONTINENTAL REINSURANCE PLC SET OUT IN THIS DOCUMENT, HAVE BEEN CLEARED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE ACTIONS THAT YOU ARE REQUIRED TO TAKE ARE SET OUT ON PAGE 14 OF THIS AMENDED SCHEME DOCUMENT.**

FINANCIAL ADVISER

CHAPEL HILL  DENHAM

ADVISORY LIMITED

RC 1381308

**This Amended Scheme Document is dated September 26, 2019**

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## 1. Definitions

The following definitions apply throughout this document except where otherwise stated:

<b>Term</b>	<b>Definition</b>
<b>Auditors</b>	means PricewaterhouseCoopers or any other reputable firm of chartered accountants appointed to provide audit services to the Company from time to time
<b>Board of Directors</b>	means the board of directors of the Company as at the relevant date
<b>Business Day</b>	means any day other than a Saturday, Sunday or public holiday declared by the Federal Government of Nigeria, on which banks are open for business in Lagos, Nigeria
<b>CAC</b>	means the Corporate Affairs Commission, Nigeria
<b>CAMA</b>	means the Companies and Allied Matters Act (Chapter C20) Laws of the Federation of Nigeria 2004
<b>Cash Consideration</b>	means ₦2.50 for every Scheme Share, being the sum payable by CRe Investments to Shareholder who elect to receive cash as consideration for their shares in CRe Nigeria under the Scheme.
<b>CDD</b>	means Customer/Client Due Diligence
<b>CDD Completion Date</b>	means the date that is three (3) months from the Effective Date
<b>Court</b>	means the Federal High Court of the Federal Republic of Nigeria
<b>Court-Ordered Meeting</b>	means the general meeting of the Shareholders of the Company convened by an order of the Court and held pursuant to Section 539 of CAMA to consider and if thought fit, approve (with or without modifications) the Scheme, notice of which is set out on pages 46 to 47 of this Amended Scheme Document
<b>Court Sanction</b>	means an order made by the Court pursuant to Section 539 (3) of CAMA, approving and giving effect to the Scheme
<b>C-Re Holding</b>	means C-Re Holding Limited, a private company limited by shares, which holds 65.20% of the issued share capital of the Company
<b>CRe Investments</b>	means CRe African Investments Ltd, a company incorporated in the Republic of Mauritius as a private company limited by shares with registration number 159396, and duly registered by the Financial Services Commission (Mauritius)
<b>CRe Nigeria or the Company</b>	means Continental Reinsurance Plc a company incorporated under the laws of Nigeria with company registration number RC 73956, and licensed by NAICOM to undertake the business of reinsurance
<b>CSCS</b>	means the Central Securities Clearing System, the electronic clearing and depository system for securities transactions in Nigeria (and operated by

## DEFINITIONS

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	the Central Securities Clearing System Limited) or any entity performing a similar function in Nigeria
<b>Effective Date</b>	means the date on which a certified true copy of the order of the Court sanctioning the Scheme is delivered to the CAC for registration
<b>Election</b>	means the decision of the Shareholders not later than the Final Election Date as to whether to receive the Cash Consideration or the Target Shares which shall be in the form set out on page 53 of this Amended Scheme Document
<b>Final Election Date</b>	means 5pm on November 12, 2019 being 14 days after the Court-Ordered Meeting
<b>FSCM</b>	means the Financial Services Commission, Mauritius
<b>FIRS</b>	means the Federal Inland Revenue Service
<b>Initial Scheme</b>	means the scheme of arrangement between the Company and the Shareholders pursuant to Section 539 of CAMA for the restructuring of the Company proposed under the Court-Ordered Meeting dated December 20, 2018
<b>Initial Scheme Consideration</b>	means the total proposed consideration payable by CRe Investments to the Shareholders for the Scheme Shares, either in the form of the Cash Consideration or the Target Shares under the Court-Ordered Meeting dated September 26, 2019
<b>ISA</b>	means the Investments and Securities Act (No. 29) of 2007
<b>LFN</b>	means Laws of the Federation of Nigeria
<b>NAICOM</b>	means the National Insurance Commission.
<b>Nominee</b>	means Pace Registrars Limited, the company that has been appointed by CRe Nigeria to act as nominee for purposes of the nominee structure.
<b>Ordinary Shares or Shares</b>	means the ordinary shares of 50 kobo each in the share capital of CRe Nigeria.
<b>Qualification Date</b>	means the close of business on October 7, 2019; being the last date of the closure of the Register of Members; and reflecting all shareholders as at that date (including shares purchased previously and settling on that date) which will be used to determine the Shareholders eligible to attend and vote at the Court Ordered Meeting.
<b>RIN</b>	means Registrar Identification Number
<b>Scheme or Scheme of Arrangement</b>	means the scheme of arrangement between the Company and the Shareholders pursuant to Section 539 of CAMA for the restructuring of the Company as set out on pages 20 to 25 of this Amended Scheme Document.

## DEFINITIONS

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<b>Scheme Consideration</b>	means the total consideration payable by CRe Investments to the Shareholders for the Scheme Shares, either in the form of the Cash Consideration or the Target Shares.
<b>Scheme Consideration Account</b>	means the bank account to be opened by the Registrar into which the Total Cash Consideration will be paid.
<b>Scheme Document</b>	means this Amended Scheme document, including the explanatory statement, the notice of the Court-Ordered Meeting and the various appendices herein, all in relation to the Scheme
<b>Scheme Shares</b>	means the 10,372,744,314 ( <i>Ten Billion, Three Hundred and Seventy-Two Million, Seven Hundred and Forty-Four Thousand, Three Hundred and Fourteen</i> ) fully paid Ordinary Shares of 50 Kobo each in CRe Nigeria, being the total number of issued shares of CRe Nigeria shares held by the Holders.
<b>SEC</b>	means the Securities and Exchange Commission, Nigeria.
<b>SEC Approval</b>	means the approval of the Scheme of Arrangement by the SEC, by way of the issuance of a letter of No Objection or Clearance to the Scheme of Arrangement.
<b>SEC Rules and Regulations</b>	means the Rules and Regulations of the Securities and Exchange Commission 2013 (as amended), made pursuant to the Investment and Securities Act No. 29 of 2017.
<b>Share Consideration</b>	means the offer of 1 ordinary share of US\$1 each in CRe Investments for every 144 ordinary shares of 50 kobo each in CRe Nigeria held as at the Effective Date. The share exchange ratio has been determined by converting the par value of each US\$1 CRe Investments share to Naira at an exchange rate of ₦360 to US\$1; which is equivalent to circa 144 shares in CRe Nigeria at ₦2.50 per share.
<b>Shareholders or Holders</b>	means the registered holders of the Scheme Shares as at the Qualification Date, which includes any person(s) entitled to the Scheme Shares by way of transmission.
<b>Shareholders' Approval</b>	means a resolution in favour of the Scheme passed at the Court-Ordered Meeting by the required three-fourth majority of Shareholders present and voting at the Court-Ordered Meeting pursuant to Section 539 of CAMA.
<b>Target Shares</b>	means the shares in the capital of CRe Investments that are to be issued to the Holders - who elect to receive shares as consideration for the transfer of their shares under the Scheme - either directly or held on their behalf by the Nominee in the nominee arrangement.
<b>Total Cash Consideration</b>	means the total proposed sum of ₦25,931,860,785.00 payable to the Holders as the Cash Consideration for the Scheme Shares.
<b>Unpaid Total Cash Consideration</b>	means that portion of the Total Cash Consideration which represents the amount that would otherwise have been paid to Holders electing to receive Target Shares

## DEFINITIONS

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### **Untraceable Holders**

means Holders whose whereabouts cannot be ascertained within 2 years of the Effective Date, the shareholders having been contacted at their last known and/or registered addresses and through publications in national daily newspapers.

Certain statements included herein may constitute forward-looking statements that could involve risks and uncertainties. Such forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately” or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding CRe Nigeria’s intentions, beliefs or current expectations concerning, amongst other things, CRe Investments, and CRe Nigeria’s subsidiaries’ results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

## 2. PROPOSED TIMETABLE

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<u>EVENT</u>	<u>DATE</u>
Obtain NAICOM 'No Objection'	March 15, 2018
Receive SEC 'No Objection'	Sept 17, 2019
Obtain Court Order to convene the Court-Ordered Meeting	Sept 26, 2019
Obtain NSE approval to publish notice of the Court-Ordered Meeting	Sept 27, 2019
Publish notice of Court-Ordered Meeting in national newspapers	Sept 30, 2019
Last date for lodgement of Proxy Forms	Oct 28, 2019
CRe Nigeria Court-Ordered Meeting ("COM")	Oct 29, 2019
File COM resolutions at CAC and obtain CAC-certified documents	Oct 30, 2019
File CTC of Court-Ordered Meeting Resolutions and Scrutineers Report with SEC	Nov 1, 2019
Notify NAICOM of the results of the COM	Nov 1, 2019
File petition for Court Order sanctioning the Scheme	Nov 5, 2019
Obtain Court Sanction of the Scheme	Nov 7, 2019
Register CTC of Scheme Court Sanction with CAC	Nov 8, 2019
File CTC of Court Sanction with SEC	Nov 8, 2019
Submit application for the withdrawal of the registration of CRe Nigeria shares	Nov 8, 2019
Publish copy of Court Sanction in at least two national newspapers	Nov 12, 2019
Last Date for submission of Election Form	Nov 12, 2019
Remit Cash Consideration to the Registrars	Nov 12, 2019
Remit Cash Consideration to Holders who are entitled to receive Cash Consideration	Nov 13, 2019
File Summary Report with SEC	Nov 18, 2019

**Important Notice:** The dates given above are indicative only and are subject to possible changes without prior notice. This timetable has been prepared on the assumption that Court dates for the Scheme will be available as and when applied for; and if this is not the case, then dates of key events in the timetable may be subject to a corresponding adjustment.

### 3. DIRECTORS AND PARTIES TO THE SCHEME

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<b>Continental Reinsurance Plc</b>	<b>Registered Address:</b> St. Nicholas House (8th Floor) 6 Catholic Mission Street Lagos, Nigeria Tel: +234 1 4622779, 8732624 Email: <a href="mailto:info@continental-re.com">info@continental-re.com</a>
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#### **Directors and Company Secretary:**

Chief Ajibola Ogunshola	<i>Chairman</i>
Dr. Olufemi Oyetunji	<i>Managing Director</i>
Mr. Lawrence Nazare	<i>Executive Director</i>
Mr. Foluso Laguda	<i>Non-Executive Director</i>
Mrs. Ahlam Bennani	<i>Non-Executive Director</i>
Mr. Paul Oje Kokoricha	<i>Non-Executive Director</i>
Mr. Steve Olisa Iwenjora	<i>Non-Executive Director</i>
Mr. Emmanuel Brule	<i>Non-Executive Director</i>
Mr. Ian Alvan Tofield	<i>Independent Director</i>
Mr. Stephen Murphy	<i>Non-Executive Director</i>
Ms. Patricia N. Ifewulu	<i>Company Secretary</i>



## DIRECTORS AND PARTIES TO THE SCHEME

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<b>Chapel Hill Denham Advisory Limited</b> 45 Saka Tinubu Street (1st Floor) Victoria Island Lagos	<i>Financial Advisers</i>
<b>Udo Udoma &amp; Belo-Osagie</b> St. Nicholas House (12th Floor) Catholic Mission Street Lagos	<i>Solicitors to the Company</i>
<b>PricewaterhouseCoopers</b> Landmark Towers 5B Water Corporation Road Victoria Island Lagos	<i>Auditors</i>
<b>Chapel Hill Denham Securities Limited</b> 45 Saka Tinubu Street (2nd Floor) Victoria Island Lagos	<i>Stockbrokers</i>
<b>PAC Securities Limited</b> 8A Elsie Femi Pearse Street Victoria Island Lagos	<i>Stockbrokers</i>
<b>Pace Registrars Limited</b> 24 Campbell Street Lagos Island Lagos	<i>Registrars</i>
<b>Coronation Merchant Bank Limited</b> 10 Amodu Ojikutu Street Victoria Island Lagos	<i>Independent Expert</i>

#### 4. LETTER FROM THE CHAIRMAN OF CONTINENTAL REINSURANCE PLC

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RC 73956

September 26, 2019

**To: The Shareholders of Continental Reinsurance Plc**

Dear Sirs/ Madams,

#### **SCHEME OF ARRANGEMENT FOR THE PROPOSED RESTRUCTURING OF CONTINENTAL REINSURANCE PLC**

##### **Introduction**

Following various strategic deliberations, the Board of Directors of Continental Reinsurance Plc ("CRe Nigeria" or "the Company") agreed to undertake a restructuring of the businesses of CRe Nigeria. The purpose of the proposed restructuring is to enhance the growth of our business and to provide for a sustainable increase in its profitability.

##### **Background to and reasons for the Recommendation**

CRe Nigeria is the leading reinsurance business in Nigeria. The Company continues to leverage on its strong business fundamentals, including the supply and demand for its services, to increase its profitability. CRe Nigeria's business continues to be bullish, despite the dampening effect of the state of the Nigerian economy.

Over the last 10 years, the Company has consistently recorded business growth, and increased its footprint across the entire African continent. Under the present corporate structure, CRe Nigeria has subsidiaries in Kenya, Botswana and most recently, Cameroun. It also has regional offices in Cote D'Ivoire and Tunisia.

In order to consolidate our gains and reposition the Company for enhanced competitiveness, it has become imperative to restructure the Company with the aim of enhancing capacity which will drive significant business growth and profitability for the group. Today, the key driver of competitiveness is financial strength underscored by ratings and capital. Ratings and capital increasingly determine business quality and volume and confer preferred status by ceding companies, thereby creating access to profitable big-ticket business.

Currently, CRe Nigeria has a "B+" rating and we aim to attain an A rating by 2020. Current market trends show an increasing demand for A-rated reinsurers by primary insurers, particularly for speciality lines. Regulations in the industry continue to penalize primary insurers for reinsuring with B-rated companies thereby increasing demand for A-rated reinsurers. Our path to an "A" rating requires us to overcome the challenges of Nigeria's low sovereign credit rating and improve our level of capitalisation while enhancing our capabilities. The Company's B+ rating is less favourable than other global reinsurers.

As players in global markets continue to provide cheap and abundant capital to highly rated reinsurance companies, the improved ratings following the proposed restructuring of CRe Nigeria will make the Company more attractive to investors and increase its ability to raise capital at very competitive rates. Expansion into other regions will strengthen the Company's competitiveness in terms of business volume and quality and as such will

## LETTER FROM THE CHAIRMAN OF CONTINENTAL REINSURANCE PLC

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also enable the Company to achieve its objective to be a preferred reinsurer for primary insurers in other geographical locations as well as for foreign ceding companies through improved broker relationships.

We are continuously exploiting the Company's respected profile as an excellent leverage to boost our growth. As a result, we have explored a number of strategic options aimed at better positioning our business.

To this end, your Board has proposed the Company's reorganisation under a holding company structure. This is aimed at enhancing the Company's access to diverse clientele and achieving increased profitability for our shareholders. The proposal will entail the creation of a new holding company that will be domiciled in Mauritius – CRe African Investments Ltd ("CRe Investments") and capitalised by C-Re Holding Limited, the majority shareholder of Continental Reinsurance Plc - with all the pan-African businesses eventually being consolidated as subsidiaries of CRe Investments.

### **The Benefits of the Scheme**

The Board believes that the Scheme should create considerable benefits and opportunities for shareholder and other stakeholders of the Company, including:

- Enable the CRe Investments to provide the support required for CRe Nigeria to shore up the balance sheet and capital required for maintaining and expanding the business; and
- Development of CRe's product portfolio to compete with the competition – both existing and new competition and satisfy consumers changing needs;

In the event that the Scheme becomes unsuccessful, CRe Nigeria will continue to compete in the reinsurance industry as a B+ rated entity, limiting its access to profitable big-ticket businesses that will drive significant business growth and profitability for the group.

Your Board of Directors has engaged Chapel Hill Denham Advisory Limited ("Chapel Hill Denham") and Udo Udoma & Belo-Osagie to act as independent advisers to the Company in relation to the structure of the transaction, regulatory engagement and the determination of the optimal transaction structure; so as to minimize transaction and execution risk, as well as protect the interests of the shareholders of the Company. The audit firm of Ernst & Young has also been engaged as independent valuation advisers, for the purpose of independently determining a valuation of the business.

### **The Effects of the Scheme**

The restructuring of the Company will be effected through a Scheme of Arrangement ("the Scheme") that will be executed pursuant to the Companies and Allied Matters Act (Chapter C20), Laws of the Federation of Nigeria 2004; the Investments and Securities Act No.29 of 2007 and the Rules and Regulations of the Securities and Exchange Commission 2013 (as amended), in respect of which applications will respectively be filed at the Securities & Exchange Commission ("SEC") and the Federal High Court. The Company has obtained the "No Objection" of the National Insurance Commission - the Company's primary regulator - to the implementation of the restructuring. Following the Scheme, CRe Nigeria's interests in its subsidiaries will be transferred to CRe Investments and the capital of CRe Nigeria will be reorganised to increase capital efficiency. The proposed restructuring will be subject to the approval of the SEC and the sanction of the Federal High Court. Upon the Scheme becoming effective, and subject to the decision of the respective shareholders of CRe Nigeria, all the shares in the capital of the Company will be transferred to CRe Investments (and a second shareholder) in exchange for shares in CRe Investments. CRe Nigeria will continue to operate as a going concern, sufficient to carry out its commitments, obligations, objectives and so on. Pursuant to the Scheme of Arrangement, CRe Nigeria could be delisted from the Nigeria Stock Exchange.

Under the Scheme, CRe Investments will offer the Shareholders of CRe Nigeria the option to receive either of the following as consideration for the transfer of the Shareholders' shares in CRe Nigeria to CRe Investments:

## LETTER FROM THE CHAIRMAN OF CONTINENTAL REINSURANCE PLC

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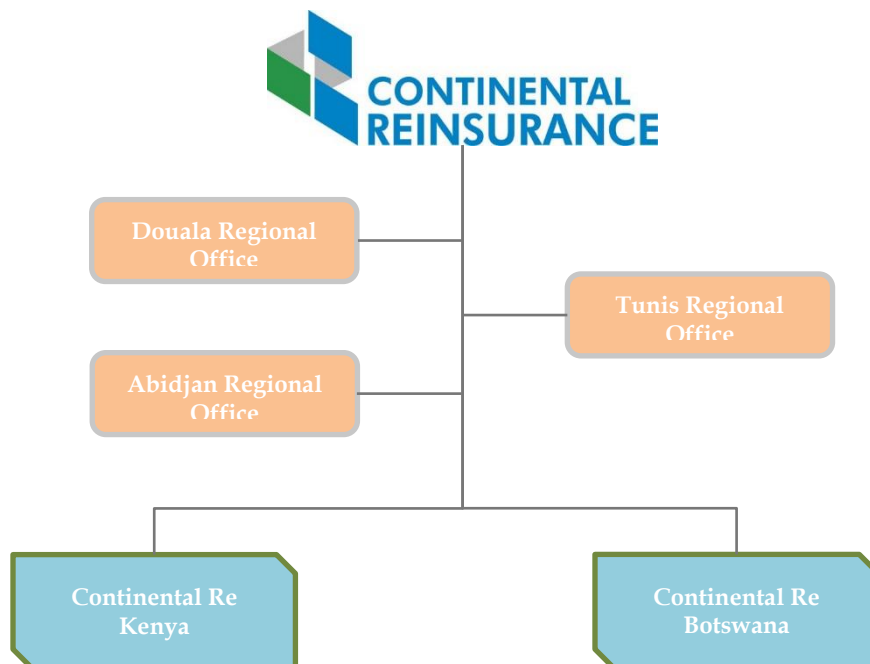
- (a) 1 ordinary share of \$1 each in the capital of CRe Investments for 144 ordinary share of 50 kobo each in the capital of CRe Nigeria as at the Effective Date; or
- (b) ₦2.50 per ordinary share of 50 kobo each held by the Shareholders as at the Effective Date

With respect to the option of receiving shares in CRe Investments:

- shareholders may opt to hold shares directly in CRe Investments and in their own name, where they have satisfied and completed the mandatory CDD requirements prescribed by the FSCM, which is the regulatory authority responsible for the regulation and supervision of most companies operating in the financial services sector in Mauritius. Such shareholders must ensure that the CDD process is completed by the CDD Completion Date). Only shareholders that have been cleared by the FSCM as at the CDD Completion Date - and whose names are entered in the Register of Members and Share Ledger of CRe Investments no later than two (2) Business Days after the CDD Completion Date - will be entitled to a direct shareholding in CRe Investments. The CDD regulations for financial services businesses, including insurance businesses, in Mauritius are stringent and require that information on shareholders of the Company - such as addresses and passport/national identity documentation - are provided in respect of the shareholders of a Mauritius-registered company, in this case, for CRe Investments. A summary of the CDD requirements is set out on page 50. However, please note that the FSCM has the discretion to request additional information on any shareholder as part of the CDD process.
- shareholders may also opt to receive shares through the nominee structure that will be managed by the designated nominee, Pace Registrars Limited. Shareholders under the nominee structure will hold an indirect interest in CRe Investments. Under the terms of the proposed Scheme, the Nominee - in accordance with the terms of a Nominee Agreement that will be executed between CRe Nigeria and the Nominee - will be the legal holder of the shares allotted to shareholders under the nominee structure and the registered shareholder of record in the Register of Members and Share Ledger of CRe Investments.

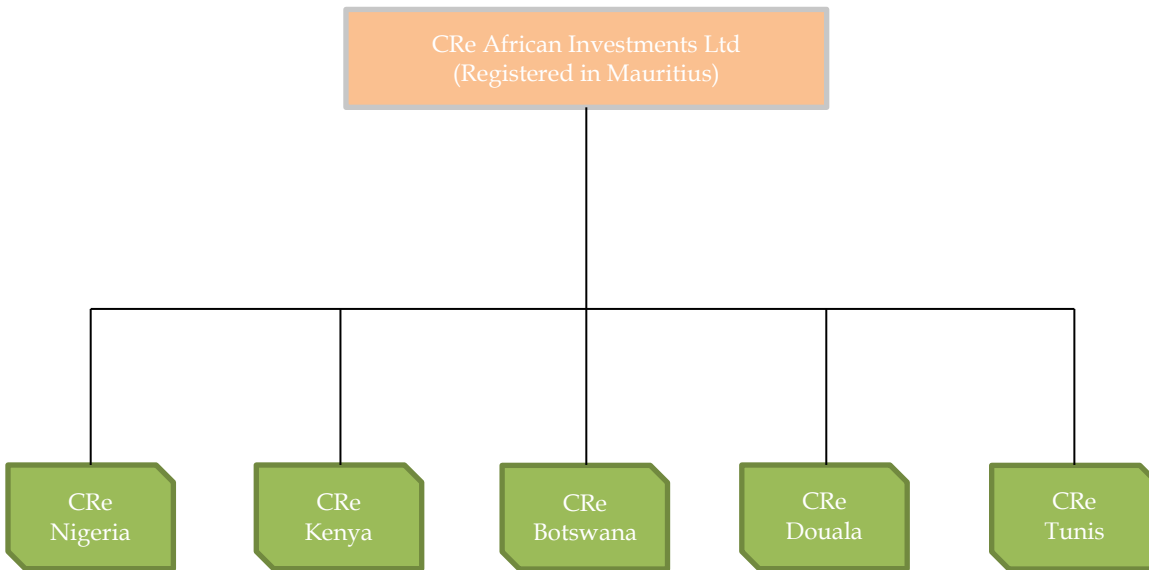
### Current Structure

The current structure of CRe Nigeria is as illustrated below:



**Proposed Structure**

The proposed structure, following the completion of the Scheme, and the transfer of the various subsidiaries in the Group to CRe Investments, will be as illustrated below:



Following the advice from the Company’s advisers on the fairness of the restructuring, the Board has resolved to recommend the restructuring to the Shareholders for consideration at a meeting to be convened by an order of the Federal High Court. The Board of Directors has further resolved to effect the restructuring by way of a Scheme of Arrangement between the members of the company in accordance with the provisions of Section 539 of the Companies and Allied Matters Act (Chapter C20), Laws of the Federation of Nigeria 2004. The Board is of the opinion that the transaction will serve the best interests of both the Company and its shareholders.

The transaction which is to be presented for your consideration and approval at the Court-Ordered Meeting has already received SEC’s “No Objection”. The terms and effects of the Scheme are explained further in an Explanatory Statement from Chapel Hill Denham, the Financial Advisers to CRe Nigeria on Pages 15 to 20 of this Amended Scheme Document.

The Company has neither sought, nor obtained an undertaking to vote or procure votes (either in part or in whole) in favour of the Scheme.

**Additional Update on the proposed Scheme of Arrangement**

A Court-Ordered Meeting (“the Meeting”) of the Company was duly convened and held - as ordered - on December 20, 2019. At that Meeting, shareholders expressed dissatisfaction with the consideration and the choice of the nominee and a majority walked out. The Scheme was nonetheless approved by 121 shareholders (holding 1,158,582,972 shares and representing 92.66% of shareholders present in person and by proxy. However, the SEC declined approval of the Scheme in view of the agitations and issues raised at the meeting. In light of the foregoing, this Amended Scheme Document has been prepared for purposes of providing information on the revised Scheme Consideration and the appointment of Pace Registrars Limited as the Nominee, in accordance with the terms of this amended Scheme of Arrangement.

Having obtained the SEC’s ‘No Objection’ to the proposed restructure, and an Order of the Court to reconvene another Court-Ordered Meeting, a meeting will be convened for the purposes of the shareholders considering and approving the revised Scheme Consideration and the appointment of Pace Registrars Limited as the Nominee.

**Recommendation**

The Board, having received and considered the valuation report from Ernst & Young, Nigeria and as advised by Chapel Hill Denham, considers the revised terms of the Scheme to be fair. The Board, therefore, recommends the Scheme because it will ensure the sustainability of Continental Reinsurance Plc as a going concern for the benefit of all its stakeholders including employees, federal and state governments, creditors, customers, distributors, transporters and other suppliers.

Shareholders shall be able to choose the form of Scheme Consideration they receive, which shall be one of the following options:

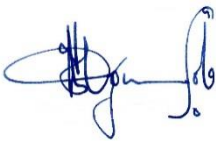
- 1 ordinary share of US\$1 each in CRe Investments for every 144 ordinary shares of 50 kobo each in CRe Nigeria ("the Share Consideration"). Shareholders who choose this option may acquire shares in CRe Investments either directly or indirectly through the Nominee; or
- ₦2.50 for every Scheme Share, being the sum payable by CRe Investments to the Shareholders who elect to receive cash as consideration for the transfer of their shares under the Scheme (the "Cash Consideration").

The Scheme is supported and recommended by your Board of Directors and we urge you to vote in favour of the resolutions, which are to be proposed at the Court-Ordered Meeting scheduled to hold on October 29, 2019.

If you are unable to attend the meeting in person, kindly complete and return the enclosed proxy form in accordance with the instructions thereon. Please note that the lodging of a proxy form does not prevent you from attending and voting in person, should you subsequently decide to do so. However, in such instance, your proxy will not be entitled to attend or vote at the meeting.

We look forward to welcoming you or your proxy at the meeting.

Yours faithfully,



Chief Ajibola Ogunshola  
**Chairman**

## 5. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS

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CHAPEL HILL  DENHAM

ADVISORY LIMITED

RC 1381308

September 26, 2019

**To: The Shareholders of Continental Reinsurance Plc**

Dear Sir/ Madam,

### **SCHEME OF ARRANGEMENT FOR THE PROPOSED RESTRUCTURING OF CONTINENTAL REINSURANCE PLC**

#### **5.1 Introduction**

You have been informed by the letter from your Chairman, presented on pages 10 to 14 of this Amended Scheme Document, of the proposal to restructure the Company; following a review of CRe Nigeria's governance structure vis-à-vis core operations and the opportunities to maximise efficiency and profitability. The restructuring is proposed to be effected by a Scheme of Arrangement pursuant to Section 539 of the Companies and Allied Matters Act Cap C20 LFN 2004.

The Directors have authorised us, as Financial Advisers to the Company, to write to you on their behalf, to explain the terms, conditions, provisions and effects of the Scheme as well as provide other relevant information as summarised below:

#### **5.2 The Transaction**

The proposal is for the restructuring of CRe Nigeria, to be effected by way of a Scheme of Arrangement.

The restructuring of CRe Nigeria will involve the transfer of the shareholding of the existing Shareholders of the Company to CRe Investments, either directly or through a nominee that will be appointed by CRe Nigeria. In that respect, Shareholders of CRe Nigeria that are able to satisfy and complete the CDD requirements of the FSCM by the CDD Completion Date will be entitled to hold their Target Shares directly in CRe Investments. A summary of the CDD requirements is set out on page 50; although this is subject to any other additional documents that the FSCM in exercise of its discretion may request on/from any shareholder as part of the CDD process.

Shareholders of CRe Nigeria that opt for an indirect holding in CRe Investments or are unable to satisfy and complete the CDD requirements of the FSCM by the CDD Completion Date will participate in CRe Investments - and receive the Target Shares - indirectly through a nominee; that will hold the Target shares on behalf of such Shareholders<sup>1</sup>.

In the alternative, Shareholders who elect to receive the cash consideration in exchange for their Scheme Shares will be paid the Cash Consideration.

Under the terms of the Scheme - and at the conclusion of the Transaction - the Shareholders of the Company will

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<sup>1</sup> Customer/Client Due Diligence requirements for financial services businesses in Mauritius require that information on shareholders of the Company - including house addresses and passport/national identity documentation - be provided in respect of *all* shareholders of a Mauritius-registered company, in this case, for CRe Investments. Under the terms of the proposed Scheme, the Nominee - in accordance with the terms of a Nominee Agreement that will be executed between CRe Nigeria and the Nominee - will be the legal holder of the Target Shares that are not held directly and the registered shareholder of record, in CRe Investments' register of shareholders in that regard.

be CRe Investments and a second shareholder nominated by CRe Investments.<sup>2</sup> Following the Scheme, CRe Nigeria's shareholdings in each of the subsidiaries will be transferred to CRe Investments and liquidated from CRe Nigeria's Share Premium Account. There is no consideration for capitalising CRe Investments Ltd by C-Re Holding Limited. C-Re Holding Limited shall be allotted shares in CRe African Investments Ltd in exchange for its shares in CRe Nigeria under the proposed Scheme on the same basis as all other shareholders of CRe Nigeria.

CRe Nigeria will continue to operate as a going concern, sufficient to carry out its commitments, obligations, and objectives. Pursuant to the Scheme of Arrangement, CRe may be delisted from the Nigeria Stock Exchange.

### **5.3 The Proposal**

Under the amended Scheme, CRe Investments will offer the Shareholders of CRe Nigeria the option to receive either of the following as consideration for the transfer of the Shareholders' shares in CRe Nigeria to CRe Investments:

- (a) 1 ordinary share of US\$1 each in the capital of CRe Investments for 144 ordinary share of 50 kobo each in the capital of CRe Nigeria as at the Effective Date; or
- (b) ₦2.50 per ordinary share of 50 kobo each held by the Shareholders as at the Effective Date.

### **5.4 Conditions Precedent**

The transaction is subject to the fulfilment of the conditions precedent detailed below:

- approval of the Scheme of Arrangement at the Court-Ordered Meeting by a majority of the Shareholders, representing not less than three-quarters (3/4) of those present and voting, either in person or by proxy;
- SEC approval of the terms and conditions of the Scheme as agreed by the majority of the Shareholders of the Company;
- the Scheme of Arrangement being sanctioned by the Court; and
- the delivery of the certified true copy of the Court Sanction to the CAC for registration.

Once sanctioned by the Court, the Scheme of Arrangement will be binding on all the Shareholders of the Company including those who did not attend the Meeting, those who attended the Meeting and did not vote or who voted against the Scheme of Arrangement. On the Effective Date, share certificates representing the interests of the Holders in the Scheme Shares shall cease to be valid. Furthermore, Scheme Shares previously held in dematerialized form shall also be expunged from the respective records of CRe Nigeria shareholders maintained by the CSCS. In respect of the Scheme Shares, the information on the Company's register of members on the Qualification Date (and as confirmed by any information provided by the CSCS as at the Qualification Date) shall be the definitive proof of shareholding.

### **5.5 Meeting to Approve the Scheme of Arrangement and Voting Rights**

The Court-Ordered Meeting - which has been scheduled to hold on October 29, 2019 at the Victoria Crown Plaza Hotel, 292B Ajoose Adeogun Street, Victoria Island, Lagos at 10:00am - is being held at the direction of the SEC and the Court for the purpose of considering, and if thought, fit approving the amended Scheme of Arrangement. At the Court-Ordered Meeting, each Shareholder entitled to vote will be entitled to one vote for every ordinary share

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<sup>2</sup> The second shareholder is required in order to comply with Nigerian law requirement for a company to have not less than two shareholders. The second shareholder will hold only 1 (one) share in CRe Nigeria.



held. Voting at the Court-Ordered Meeting will be by poll (and not by a show of hands). The majority required to pass the resolutions at the Court-Ordered Meeting is a majority representing not less than three-quarters in value of the ordinary shares of members present and voting in person or by proxy.

As far as the Company and the Financial Adviser are aware, no undertaking to vote has been secured, nor has any vote been procured in favour of the resolution to approve the Scheme.

C-Re Holding Limited, the majority shareholder in CRe Nigeria, will not exercise its right of voting at the Court-Ordered Meeting in accordance with the Rulebook of The NSE. Thus, C-Re Holding Limited will not be voting at the Court-Ordered Meeting.

The Notice of the Court-Ordered Meeting is on pages 46 to 47 of this Amended Scheme Document.

## 5.6 Basis of Scheme Consideration

Under the terms of the proposed Scheme of Arrangement, the Scheme Consideration - of either the Target Shares or Cash Consideration - which will be provided to the Company's Shareholders are stated below:

**Target Shares:** *Each Holder of the Scheme Shares will be entitled to receive the following Target Shares:*

- 1 ordinary share of US\$1 each in CRe Investments (*allotted directly*), in exchange for every 144 ordinary share of 50 kobo each in CRe Nigeria, provided that such shareholder has satisfied and completed the CDD process prescribed by the FSCM by the CDD Completion Date; or
- 1 ordinary share of US\$1 each in CRe Investments (*through the nominee arrangement*), in exchange for every 144 ordinary share of 50 kobo each in CRe Nigeria, as at the Qualification Date. In the case of shares that are to be allotted under the nominee arrangement, the Nominee will be allotted such number of shares as represent the aggregate number of CRe Investments shares that the Shareholders are entitled to receive, while the relevant Shareholders will receive and be advised of the appropriate number of shares that they each hold;

**or**

**Cash Consideration:** *Each Holder of the Scheme Shares who chooses to receive a cash payment; shall - having so opted - receive the following:*

- ~~₦~~2.50 per ordinary share of 50 kobo each held as at the Qualification Date

The proposed Scheme Consideration represents a total value of ₦25,931,860,785.00 which is equivalent to ₦2.50 per CRe Nigeria share; and is a 30.9% premium on the last traded share price of the Company on December 28, 2018 being the last day on which the shares were traded on The NSE. The shares of CRe Nigeria were placed on Full Suspension on December 28, 2018; following the decision at the Court-Ordered Meeting. The proposed Scheme Consideration is also a 69.4% premium on the 90-day weighted average share price of the Company as at the last trading date. From a valuation perspective, the proposed Scheme Consideration scores strongly - at a 7.2% premium - based on the Company's 2018 audited book value, compared to the average price for companies in the Nigerian insurance sector which trade at 48% discount to book<sup>3</sup>.

The NSE Rulebook (2015) is an independent bench-mark for the determination of the scheme consideration, which stipulates that the exit consideration to be offered to shareholders in a delisting process is a price that shall not be less than the highest price at which the Company traded in the 6 months

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<sup>3</sup> Based on trading statistics as at close of trading on May 30, 2019

preceding the date of the General Meeting where the resolution to de-list was passed. This provision has been taken into consideration in determining the Scheme Consideration.

## 5.7 Settlement of Scheme Consideration

### a. *Share Consideration*

Following the approval of the Scheme at the Court-Ordered Meeting, CRe Investments will ensure that its Company Secretary - Ocorian - updates the company's Register of Members and Share Ledger to reflect the name of the Nominee. Ocorian will also allot and issue the Target Shares to each Shareholder of CRe Nigeria that is able to satisfy and complete the CDD requirements of the FSCM by the CDD Completion Date; and has elected to receive Target Shares in accordance with terms of the Scheme. The Company Secretary of CRe Investments shall, not later than two (2) Business Days after the CDD Completion Date, give notice to the Mauritius Registrar of Companies of the allotments and will file any statutory documents in that respect. Once the Mauritius Registrar of Companies approves the notification of the issue of shares, the Company Secretary will - within 20 days after the said approval - deliver a share certificate duly signed on behalf of CRe Investments to each shareholder of CRe Investments.

The Nominee will be required to maintain a sub-register reflecting the details of all Holders on whose behalf the Target Shares are held.

### b. *Cash Consideration*

Pace Registrars Limited will open the Scheme Consideration Account. CRe Investments shall fund the Scheme Consideration Account with the Total Cash Consideration **immediately after the Scheme becomes effective**.

The Cash Consideration to which any Holder shall become entitled shall be transferred to the Registrar from CRe Investments, for onward settlement of the requisite Scheme Consideration by way of e-payments/electronic remittances (to bank accounts in respect of which the Registrars have e-dividend mandates). The Registrars will remit the Cash Consideration to the relevant Holders within Six Months (6 months) of the Effective Date.

### c. *Plans for Untraceable Holders*

Untraceable Shareholders will be deemed to have opted to receive the Cash Consideration and, with respect to such Holders, the Registrars shall have responsibility for warehousing the Cash Consideration on behalf of Untraceable Holders.

### d. *Plans for Holders of Scheme Shares Subject to Encumbrance*

Payment of the Scheme Consideration to Holders whose shares have been charged as collateral or which are subject to a lien or other encumbrance may be withheld. In that regard, such amounts as represent the aggregate due on any encumbered shares will be held pending the satisfactory resolution of the underlying indebtedness.

## 5.8 Provision for Dissenting Shareholders

Shareholders who vote against the Scheme are still entitled to make an election - by way of the Election Form - to receive either the Cash Consideration or the Target Shares. The provisions of Section 539 of CAMA are applicable and the Scheme will bind the Shareholders and the Company, where the statutory majority of shareholders vote in favour of the Scheme.

## 5.9 Voting Rights

A Court-Ordered meeting will be convened for the purpose of considering and if thought fit, approving the Scheme. Subject to the order of the Court convening the Court-Ordered Meeting, every Shareholder shall be entitled to attend and vote at the meeting. At the Court-Ordered Meeting, voting on all resolutions will be by poll and each shareholder present in person or by proxy will be entitled to one vote for every share held. The Scheme will be approved if a majority representing not less than three-fourths in value of the shares of members present and voting either in person or by proxy votes in favour. C-Re Holding Limited, the majority shareholder in Continental Reinsurance Plc, in compliance with the requirements of the Rulebook of The NSE, has informed CRe Nigeria that it will not exercise its right to vote at the Court-Ordered Meeting. Thus, C-Re Holding Limited will not be voting at the Court-Ordered Meeting.

### a. *Actions to be taken*

The appropriate proxy form for the Court-Ordered Meeting is enclosed. If you are unable to attend the meeting in person, you are requested to kindly complete the proxy form in accordance with the instructions thereon and return same as soon as possible to Pace Registrars Limited, 24 Campbell Street, Lagos to arrive no later than 24 (twenty-four) hours before the time appointed for the meeting. The lodging of a proxy form, which to be valid must be appropriately stamped, does not prevent you from attending the relevant meeting and voting in person should you so wish. However, in such instance, your proxy will not be entitled to attend or vote.

### b. *Delivery and Settlement*

As of the Effective Date of the Scheme, all existing share certificates, CSCS account and RIN balances for all the Holders in relation to the Scheme Shares will be delivered to the Registrar or the Company. Settlement of the Target Shares to the relevant Shareholders - including the Nominee - will be effected by CRe Investments, following confirmation that the Scheme Shares have been delivered to CRe Investments by way of the detachment (transfer) of the Scheme Shares by the CSCS to CRe Investments and the second shareholder that will hold a single share in CRe Nigeria, in view of the legal requirement that all companies must have a minimum of two (2) shareholders.

Unless specifically and otherwise notified by a Shareholder who opts to receive the Target Shares, the Cash Consideration will be paid in accordance with the settlement process stated in paragraph 5.6 (b) above.

## 5.10 Taxation

Under the Companies Income Tax Act Cap C21 Laws of the Federation of Nigeria 2004, the implementation of the Scheme of Arrangement as proposed will not give rise to any taxation disadvantage to the Holders, either with respect to capital gains tax or stamp duty. The provisions of the Capital Gains Tax Act Cap C1 Laws of the Federation of Nigeria 2004 exempt any gains realised by a person from a disposal of shares from capital gains tax. Furthermore, the Stamp Duties Act Cap S8 Laws of the Federation of Nigeria 2004 exempts instruments for the transfer of shares from the payment of stamp duty. However, this statement is not intended to be, and should not be construed to be, legal or tax advice.

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 professional advisers without delay as to the consequences of the Scheme in view of their circumstances.

The Financial Advisers confirm that the position on taxation, as indicated in this Amended Scheme Document, is true and not misleading specifically as it relates to capital gains.

### **5.11 Further Information**

Your attention is drawn to the following information contained in the appendices to this Amended Scheme Document. Shareholders are encouraged to read the whole of this Amended Scheme Document including appendices contained within this Amended Scheme Document and not just rely on the summarised information included in this Explanatory Statement and in other parts of the Document: (page references to be updated)

Appendix I: Further information on Continental Reinsurance Plc on pages 30 to 36

Appendix II: Further information on CRe African Investments Ltd (Mauritius Company) on Page 37

Appendix III: Pro forma Statement of Shareholding on page 37

Appendix IV: Statutory and General Information on pages 38 to 45

Appendix V: Notice of Court-Ordered Meeting on pages 46 to 47

### **5.12 Conclusion and Recommendation**

Your Board of Directors, as advised by the Financial Advisers, having considered the terms and conditions of the Scheme, as well as the benefits thereof, recommend that you vote in favour of the resolutions which will be proposed at the Court-Ordered Meeting. The Board recommends the Scheme because it will ensure the sustainability of Continental Reinsurance Plc as a going concern for the benefit of all its stakeholders including employees, federal and state governments, creditors, customers, distributors, transporters and other suppliers.

Yours faithfully,



**Kemi Awodein**  
**Managing Director, Investment Banking**  
**Chapel Hill Denham Advisory Limited**

## 6. SCHEME FOR THE RESTRUCTURING OF CONTINENTAL REINSURANCE PLC

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### SCHEME OF ARRANGEMENT FOR RESTRUCTURING (PURSUANT TO SECTION 539 COMPANIES AND ALLIED MATTERS ACT (CHAPTER C20) LAWS OF THE FEDERATION OF NIGERIA 2004)

#### BETWEEN CONTINENTAL REINSURANCE PLC AND THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50 KOBO EACH

#### A. PRELIMINARY

In this Scheme, as hereinafter defined, the following expressions have the following meanings where the context so admits:

**Auditors** means PricewaterhouseCoopers or any other reputable firm of chartered accountants, appointed to provide audit services to the Company from time to time;

**Board of Directors** means the board of directors of the Company as at the relevant date;

**Business Day** means any day other than a Saturday, Sunday or public holiday declared by the Federal Government of Nigeria, on which banks are open for business in Lagos, Nigeria;

**CAC** means the Corporate Affairs Commission, Nigeria;

**CAMA** means the Companies and Allied Matters Act (Chapter C20) Laws of the Federation of Nigeria 2004;

**Cash Consideration** means ₦2.50 for every Scheme Share, being the sum payable by CRe Investments to the Shareholders who elect to receive cash as consideration for their shares in CRe Nigeria under the Scheme;

**Court** means the Federal High Court of the Federal Republic of Nigeria;

**Court-Ordered Meeting** means the general meeting of the Shareholders convened by an order of the Court and held pursuant to Section 539 of CAMA to consider and if thought fit, approve (with or without modifications) this Scheme of Arrangement, notice of which is set out in Section 9 of this Scheme

**Court Sanction** means an order made by the Court pursuant to Section 539(3) of CAMA, approving and giving effect to the Scheme;

**CRe Investments** means CRe African Investments Ltd, a company incorporated in the Republic of Mauritius as a private company limited by shares with registration number 159396, and duly registered by the Financial Services Commission (Mauritius)

**CRe Nigeria or the Company** means Continental Reinsurance Plc, a company incorporated under the laws of Nigeria with company registration number RC 73956, and licensed by NAICOM to undertake the business of reinsurance;

**CSCS** means the Central Securities Clearing System, the electronic clearing and depository system for securities transactions in Nigeria (and operated by Central Securities Clearing System Limited) or any entity performing a similar function in Nigeria

**Effective Date** means the date on which a certified true copy of the order of the Court, sanctioning the Scheme is delivered to the CAC for registration;

**Election** means the decision of the Shareholders not later than the Final Election Date as to whether to receive the Cash Consideration or the Target Shares which shall be indicated in the form set out on page 50 of this Amended Scheme Document;

**Final Election Date** means 5pm on November 12, 2019 being fourteen (14) Business Days after the Court-Ordered Meeting;

**LFN** means the Laws of the Federation of Nigeria;

**NSE** means the Nigerian Stock Exchange;

**Nominee** means Pace Registrars Limited, the company that has been appointed by CRe Nigeria to act as nominee for purposes of the nominee arrangement

**Ordinary Shares or Shares** means the ordinary shares of 50 kobo each in the share capital of CRe Nigeria;

**Qualification Date** means the close of business on September 30, 2019; being the next business day following the receipt of the Federal High Court Order to convene the Court Ordered Meeting.

**Scheme or Scheme of Arrangement** means the amended scheme of arrangement in respect of the restructuring of the Company to be entered into by the Company and its Shareholders pursuant to Section 539 of CAMA as set out on pages 21 to 26 of this Amended Scheme Document;

**Scheme Consideration** means the total consideration payable by CRe Investments to the Shareholders for the Scheme Shares, either in the form of the Cash Consideration or the Target Shares.

**Scheme Consideration Account** means the bank account to be opened by the Registrar into which the Total Cash Consideration will be paid;

**Scheme Document** means this amended scheme document, including the explanatory statement, the notice of the Court-Ordered Meeting and the various appendices herein, all in relation to the Scheme;

**Scheme Shares** means the 10,372,744,314 (*Ten Billion, Three Hundred and Seventy-Two Million, Seven Hundred and Forty-Four Thousand, Three Hundred and Fourteen*) fully paid up Ordinary Shares of 50 Kobo each in CRe Nigeria, being the total number of issued shares of CRe Nigeria held by the Holders

**SEC** means the Securities & Exchange Commission, Nigeria;

**SEC Approval** means the approval of the amended Scheme of Arrangement by the SEC, by way of the issuance of a letter of No Objection or clearance to the Scheme of Arrangement;

**SEC Rules and Regulations** means the Rules and Regulations of the Securities & Exchange Commission 2013 (as amended), made pursuant to the Investment and Securities Act No. 29 of 2017;

**Shareholders** means the registered holders of the Scheme Shares as at the Qualification Date, which includes any person(s) entitled to the Scheme Shares by way of transmission;

**Shareholders' Approval** means a resolution in favour of the amended Scheme passed at the Court-Ordered Meeting by the required three-fourth majority of Shareholders present and voting at the Court-Ordered Meeting pursuant to Section 539 of CAMA;

**Target Shares** means the shares in the capital of CRe Investments that are to be issued to the Holders - who elect to receive shares as consideration for the transfer of their shares under the Scheme - either directly or held on their behalf by the Nominee;

**Total Cash Consideration** means the sum of ₦25,931,860,785.00 payable to the Holders as the cash consideration for the Scheme Shares;

**Untraceable Holders** means Holders whose whereabouts cannot be ascertained after reasonable efforts have been made to find them including by contacting their last known and/or registered addresses and by publication in national daily newspapers

- B. The authorised share capital of the Company as of the date of this Document is ₦12,500,000,000, divided into 25,000,000,000 Ordinary Shares of fifty kobo each. The shareholding structure of the Company as at December 31, 2018 is as follows:

Shareholders	No. of Shares	% Holding
C-Re Holding Limited	6,763,953,589	65.20%
STANBIC Nominees Nigeria Limited	662,120,181	6.38%
Salag Limited	435,201,112	4.20%
Minorities	2,511,469,432	24.22%
<b>Total</b>	<b>10,372,744,314</b>	<b>100.00%</b>

## THE SCHEME

The Scheme shall be comprised of the following elements:

### 1. Exchange of the Scheme Shares

The issued share capital of the Company shall be reorganised by the transfer of the entire shareholding of the Holders to CRe Investments, either directly or through a nominee. The Shareholders will have the option to receive the Target Shares in exchange for the Scheme Shares (being the shares in the company) or to receive the Cash Consideration in exchange for the Scheme Shares.

2. In consequence of the reorganisation of the Scheme Shares by way of the transfers stated in Clause 1 above, the issued share capital of the Company shall remain ₦5,186,372,157 (*Five Billion, One Hundred and Eighty Six Million, Three Hundred and Seventy-Two Thousand, One Hundred and Fifty-Seven Naira*) comprising 10,372,744,314 (*Ten Billion, Three Hundred and Seventy-Two Million, Seven Hundred and Forty-Four Thousand, Three Hundred and Fourteen*) ordinary shares of 50 Kobo each and the entirety of the issued share capital shall be held by CRe Investments and a second shareholder, nominated by CRe Investments, to hold a single share in CRe Nigeria in order to comply with the Nigerian company law requirement that a company must have at least two shareholders.

### 3. The Proposal

Under the Scheme, CRe Investments will offer the Shareholders of CRe Nigeria the option to receive either of the following as consideration for the transfer of the Shareholders' shares in CRe Nigeria to CRe Investments:

- (a) 1 ordinary share of US\$1 each in the capital of CRe Investments for 144 ordinary share of 50 kobo each in the capital of CRe Nigeria as at the Effective Date and to be allotted either directly or through the nominee arrangement; or
- (b) ₦2.50 per ordinary share of 50 kobo each held by the Shareholders as at the Effective Date.

### 4. Consideration for the Scheme Shares

The consideration for the Scheme Shares shall be the Cash Consideration or Target Shares.

## 5. Settlement of the Scheme Consideration

- 5.1 Following the approval of the Scheme at the Court-Ordered Meeting, CRe Investments will ensure that Ocorian, its company secretary, will allot and issue the Target Shares to each Shareholder of CRe Nigeria that has elected to directly receive Target Shares and is able to satisfy and complete the CDD requirements of the FSCM within 6 months of the Effective Date; in accordance with the terms of the Scheme. Shareholders that opt to receive Target Shares directly but are unable to complete the CDD process within the specified period shall receive Target Shares through the nominee arrangement. The CDD process will only be acknowledged as having been completed where so advised by the FSCM.

The company secretary of CRe Investments shall - not later than two (2) Business Days after the CDD Completion Date - give notice to the Mauritius Registrar of Companies, of the allotments and will file the requisite statutory documents in that respect. Once the Mauritius Registrar of Companies approves the notification of the issue of shares, the Company Secretary will - within 20 days after the said approval - deliver share certificate(s) duly signed on behalf of CRe Investments to each shareholder of CRe Investments.

The Nominee will be required to maintain a sub-register reflecting the details of all Holders on whose behalf the Target Shares are held.

- 5.2 Following the Court-Ordered Meeting, and provided that shareholder approval has been obtained, the Registrar will open the Scheme Consideration Account no later than twenty-four (24) hours following the Court-Ordered Meeting. CRe Investments shall fund the **Scheme Consideration Account with the Total Cash Consideration immediately after the Scheme becomes effective** to enable the remittance of the Cash Consideration to the shareholders that have opted to receive such. .
- 5.3 The Cash Consideration to which any Holder is (or shall become entitled) shall be transferred to the Registrar, for onward settlement by way of e-payments/electronic remittances (to the respective bank accounts in respect of which the Registrars has e-dividend mandates). The Registrars shall remit the Cash Consideration to the relevant Holders; provided that such Holders have opted to receive cash. The Unpaid Total Cash Consideration of shareholders electing to receive Target Shares shall be returned to CRe Investments no later than five (5) days following the CDD Completion Date; as such Holders are not entitled to the Cash Consideration. Further to the remittance of the Unpaid Total Cash Consideration to CRe Investments, any Cash Consideration that is uncollected within 6 (six) months of the Effective Date will be deemed unclaimed.
- 5.4 Untraceable Shareholders will receive the Cash Consideration. The Registrars shall be responsible for warehousing the Cash Consideration on behalf of Untraceable Holders. At the expiration of the traceability period, the Registrar is expected to transfer the then outstanding cash consideration for any untraceable shareholders to the National Investors Protection Fund.
- 5.5 Payment of the Scheme Consideration to Holders whose shares have been charged as collateral or which are subject to a lien or other encumbrances may be withheld. In that regard, the amounts that represent the aggregate due on any encumbered shares will be held pending the satisfactory resolution of the underlying indebtedness.
- 5.6 Shareholders who vote against the Scheme are still entitled to make an election - using the Election Form - to receive either the Cash Consideration or the Target Shares. The provisions of Section 539 of CAMA are applicable and the Scheme will bind the Shareholders and the Company, where the statutory majority of shareholders vote in favour of the Scheme.
- 5.7 Payment of the Cash Consideration due in respect of the Scheme Shares shall be made in Nigerian Naira through e-payments/electronic remittances made to the Shareholders. Receipt of the credit into the account provided by a Holder shall be a complete discharge of CRe Investments' obligations in respect of the Cash



Consideration thereby represented. CRe Investments shall ensure that the Cash Consideration is duly credited, in accordance with the wire transfer payment arrangements in Nigeria. For avoidance of doubt, the initiation and completion of such wire transfer payment arrangements shall be a complete discharge of CRe Investments' obligations under this Scheme of Arrangement with reference to payments made via wire transfers.

- 5.8 As regards the Target Shares, the e-allotment of the relevant Target Shares due to such Holder and the Nominee shall be a complete discharge of CRe Investments' obligations under this Scheme.
- 5.9 To provide flexibility for the payment to the Holders who are entitled to receive the Cash Consideration pursuant to the Scheme becoming effective, the Scheme Consideration Account to be maintained by the Registrars shall remain operational for a period of 2 (two) years from the Effective Date, For the avoidance of doubt, each eligible Holder shall only be entitled to ₦2.50 for every Scheme Share held by the Holder as at the Effective Date. Following the 2nd (second) anniversary of the Scheme's Effective Date - that is, two (2) years from the Effective Date of th Scheme, the Scheme Consideration Account will cease to be operational and any amount then outstanding, and due to each Untraceable Shareholder in the Scheme Consideration Account shall revert to the National Investors Protection Fund ("NIPF").

## **ELECTION**

- 5.11 The Shareholders shall be entitled to make an Election and communicate such Election to the Registrar within the Election Period. Election Forms have been dispatched together with this Amended Scheme Document to all Shareholders and should be returned to the Registrar, duly completed either at the Court Ordered Meeting or by the Final Election Date.

In instances where the Election of a Shareholder has not been received by the Registrar by the Final Election Date or if the Registrar is unable to determine the Election made by a Shareholder, such shareholder shall be deemed to have elected to receive the Cash Consideration.

Shareholders who vote against the Scheme are still entitled to make an election- by way of the Election Form - to receive either the Cash Consideration or the Target Shares.

## **REGISTRATION OF THE COURT SANCTION**

6. Following the grant of the Court Sanction, a certified true copy of the Court Sanction shall be delivered to the CAC for registration pursuant to Section 539 (4) of CAMA.

## **CONDITIONS PRECEDENT**

- 7 As from the Effective Date, the Scheme shall become binding on all the shareholders of the Company irrespective of whether or not they attended or voted at the Court-Ordered Meeting (and if they attended and voted, irrespective of whether or not they voted in favour of the Scheme), if:
- 7.1 The Scheme is approved by a majority representing three-fourths in value of the Holders present and voting either in person or by proxy at the Scheme Meeting;
  - 7.2 SEC approves the terms and conditions of the Scheme as agreed by the majority of the Holders;
  - 7.3 The Court sanctions the Scheme on the terms and conditions set forth in the Scheme; and
  - 7.4 A certified true copy of the Court Sanction is delivered to the CAC for registration.

## POST-SCHEME STATUS OF CRE NIGERIA

- 8 CRe Nigeria will continue to operate as a going concern, sufficient to carry out its commitments, obligations, objectives and so on. Pursuant to the Scheme of Arrangement, CRe may be delisted from the Nigeria Stock Exchange.

## CONSEQUENCES OF THE SCHEME

### **Certificates and Dematerialised holdings**

- 9.1 As from and including the Effective Date, all certificates representing the interests of the Holders in the Scheme Shares shall cease to be valid or have effect.
- 9.2 CRe Nigeria will be wholly owned by CRe Investments.

### **Plans for employees and directors of CRe Nigeria after the Scheme**

- 9.3 The Scheme is not expected to affect existing employment rights, including pension rights, of any and all employees of CRe Nigeria;
- 9.4 It is expected that the Directors of CRe Nigeria will continue to hold office upon the completion of the Scheme.

### **Taxation**

- 9.5 Any Shareholder who is in any doubt as to his/her tax position should consult his/her/its own professional advisers without delay as to the consequences of the Scheme in view of his/her/its own circumstances.

## EFFECTIVENESS

- 10 This Scheme shall become effective on the day on which a certified true copy of the Court Sanction is delivered to the CAC for registration and shall become binding on all shareholders of the Company, including those who were absent at the Scheme Meeting, those who attended but did not vote, and those who voted against this Scheme at the Scheme Meeting.

## MODIFICATION

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

08 August 2019



Continental Reinsurance Plc  
8th Floor St. Nicholas House,  
6 Catholic Mission Street  
Lagos Island  
Lagos

Dear Shareholders,

**The Proposed Corporate Restructuring of Continental Reinsurance PLC (“CRe Nigeria” or the “Company”)**

***Introduction***

This Independent Expert’s Report is being sent to you as a result of the Board of Continental Reinsurance PLC’s (“CRe Nigeria” or “the Company”) proposition to reorganize the Company under a holding company structure (the “Proposed Transaction”). The proposal involves the creation of a new holding company that will be domiciled in Mauritius and which will be named CRe African Investments Limited (“CRe Investments”). Under the provisions of the Investments & Securities Act (No 29 of 2007), the Proposed Transaction is subject to shareholder approval.

The proposed restructuring of CRe Nigeria will involve the transfer of the shareholding of the existing Shareholders of the Company to CRe Investments, either directly or through a nominee that will be appointed by CRe Nigeria. In that respect, Shareholders of CRe Nigeria that opt to hold shares directly and satisfy and complete the Customer Due Diligence requirements within three (3) months of the Effective Date will be allotted shares. Shareholders can also opt to receive the Target Shares indirectly through a nominee which will hold the Target Shares on behalf of such Shareholders.

The Securities & Exchange Commission’s (“SEC”) Mergers & Acquisitions Regulatory Guide Series (issued in July 2017) (“the M&A Regulatory Guide Series”) also requires that in a Members’ Scheme of Arrangement, the Explanatory Statement should be accompanied by an Independent Expert Report.

Consistent with the requirement above, Coronation Merchant Bank (“Coronation MB”) has been engaged by the Board of Directors (“the Board”) to give an Independent Expert Report advising on whether the proposed scheme is in the best interests of the members of the scheme company.

Coronation MB confirms that we are independent from all participants in this transaction and have no legal or capital links with the parties concerned in the proposed transaction or with their advisors so as to affect our independence.

In our opinion, ***“the Proposed Transaction to acquire 100% of the shares in CRe Nigeria for a consideration of ₦2.50 per share or shares in CRe Investments for an equivalent value is fair and reasonable; and in the best interest of the shareholders.”*** because the proposed transaction:

a) is being contemplated to be undertaken based on a proposed Scheme Consideration of ₦2.50 per share of CRe Nigeria which represents a c. 5% premium to the resultant indicative value of CRe Nigeria shares based on the lower range of our independent valuation of the Company (The indicative valuation range, from the alternative valuation approaches adopted on this engagement, for the 100% interest of CRe Nigeria is between ₦24.6bn and ₦25.5bn; translating to a per share value range of ₦2.38 to ₦2.45). Also, the Scheme Price represents c.30.9% premium to CRe Nigeria’s last 6 months highest trading price of ₦1.91 on December 28, 2018; and

b) provides the Company and its shareholders with the following benefits:

- Improved credit rating and access to cheaper capital
- Repositioning for Business Growth and Sustainability
- Broader Clientele Base and Market Share

In providing this opinion, Coronation MB is not making any recommendations to any person as to how to vote or otherwise deal with his/her shares in connection with the Scheme of Arrangement in whole or in part. An individual shareholder’s decision may be influenced by such shareholder’s particular circumstances and such a shareholder should consult an independent expert if such a shareholder is in any doubt as to the merits or otherwise of the Scheme of Arrangement. Coronation MB’s opinion does not purport to cater for individual shareholders, but rather the Shareholders of the Company as a whole.

Our opinion is made as at the date of this letter and reflects the circumstances and conditions as at that date. This letter must be read in conjunction with the full Independent Expert’s Report as attached.

**Conclusion**

On the basis of the above matters, we are of the opinion that the Proposed Transaction is in the best interest of the shareholders of the Company and is fair and reasonable.

Yours faithfully,

**For Coronation Merchant Bank:**

A handwritten signature in black ink, appearing to be 'Abiodun Sanusi', with a stylized flourish at the end.

**Abiodun Sanusi**  
**Group Head, Investment Banking**

## 8 FURTHER INFORMATION REGARDING CONTINENTAL REINSURANCE PLC

### 8.1 BACKGROUND INFORMATION

#### i) Incorporation and Share Capital History

Continental Reinsurance Plc was incorporated in Nigeria in July 1985 as a private limited liability company. In 1987, it was registered by the National Insurance Commission (NAICOM) as a Reinsurer to write both Life and Non-Life business. It commenced business as a general reinsurer in January 1987 and became a composite reinsurer in January 1990, rendering Life and Non-Life reinsurance on both treaty and facultative basis and currently has a well-diversified business mix and customer base across Africa.

As part of its growth strategy, the Company was converted to a public limited liability company in 2000. It recapitalized from ₦2 billion to ₦10 billion in 2007 and was listed on the Nigerian Stock Exchange on May 30, 2007.

The issued and paid-up share capital of the Company as of the date of this Amended Scheme Document is ₦5,186,372,157 divided into 10,372,744,314 Ordinary Shares of 50k each.

The changes in the Company's authorised share capital since its incorporation are set forth in the table below:

Date	Authorized (NGN)		Issued & Fully Paid-Up (NGN)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1985	-	10,000,000	-	-	-
1986	-	10,000,000	-	5,070,000	Cash
1987	-	10,000,000	3,730,000	8,800,000	Cash
1988	5,000,000	15,000,000	1,200,000	10,000,000	Cash
1989	-	15,000,000	1,450,000	11,450,000	Cash
1990	-	15,000,000	1,490,000	12,940,000	Cash
1991	-	15,000,000	1,060,000	14,000,000	Cash
1992	85,000,000	100,000,000	4,918,000	18,918,000	Cash
1993	-	100,000,000	10,934,000	29,852,000	Cash and Bonus
1994	-	100,000,000	24,148,000	54,000,000	Cash and Bonus
1995	-	100,000,000	17,012,000	71,012,000	Cash and Bonus
1996	-	100,000,000	6,197,237	77,209,237	Cash, Stock Split
1997	100,000,000	200,000,000	36,317,763	113,527,000	Cash
1998	-	200,000,000	35,487,588	149,014,588	Cash and Bonus
1999	300,000,000	500,000,000	29,985,414	179,000,002	Cash and Bonus
2000	-	500,000,000	12,000,000	191,000,002	Cash
2001	-	500,000,000	63,598,223	254,598,225	Cash and Bonus
2002	-	500,000,000	44,503,325	299,101,550	Cash and Bonus
2003	500,000,000	1,000,000,000	103,565,104	402,666,654	Cash and Bonus
2004	-	1,000,000,000	254,674,470	657,341,124	Cash and Bonus
2005	1,000,000,000	2,000,000,000	198,566,308	855,907,432	Cash and Bonus
2006	5,500,000,000	7,500,000,000	383,683,372	1,239,590,804	Cash
2007	-	7,500,000,000	3,945,781,353	5,185,372,157	Cash, Stock Split
2008	-	7,500,000,000	-	5,185,372,157	-



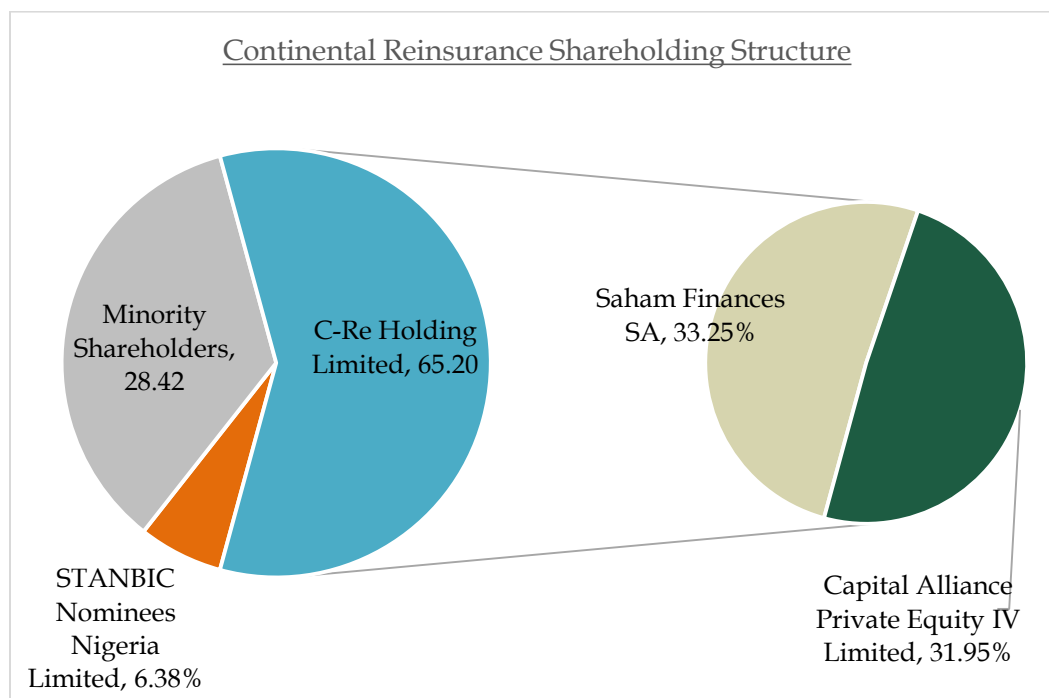
2009	-	7,500,000,000	-	5,185,372,157	-
2010	-	7,500,000,000	-	5,185,372,157	-
2011	-	7,500,000,000	-	5,185,372,157	-
2012	-	7,500,000,000	-	5,185,372,157	-
2013	5,000,000,000	12,500,000,000	-	5,185,372,157	-
2014	-	12,500,000,000	-	5,185,372,157	-
2015	-	12,500,000,000	-	5,185,372,157	-
2016	-	12,500,000,000	-	5,185,372,157	-
2017	-	12,500,000,000	-	5,185,372,157	-

ii) **Beneficial Ownership**

As at the date of the Scheme, the 10,372,744,314 ordinary shares of 50 Kobo each in the issued share capital of Continental Reinsurance Plc were beneficially held as follows:

Shareholders	No. of Shares	% Holding
C-Re Holding Limited	6,763,953,589	65.20%
STANBIC Nominees Nigeria Limited	662,120,181	6.38%
Salag Limited	435,201,112	4.20%
Minorities	2,511,469,432	24.22%
<b>Total</b>	<b>10,372,744,314</b>	<b>100.00%</b>

Pursuant to share transfers within C-Re Holding Limited, the ultimate shareholding structure of Continental Reinsurance Plc comprised of indirect stakes held by Capital Alliance Private Equity IV Limited, (a private equity fund managed by African Capital Alliance, a leading independent investment firm) and Saham Finances SA (the insurance arm of Saham Group). Capital Alliance Private Equity IV Limited holds a 49% stake in C-Re Holding Limited while Saham Finances SA held a 51% stake in C-Re Holding Limited.



iii) **Directors' Interests**

As at December 31, 2018, the interests of Directors in the Company were as follows:

SN	NAMES	HOLDINGS (DIRECT)	INDIRECT
1	Chief Ajibola Ogunshola	NIL	NIL
2	Dr. Olufemi Oyetunji	12,140,500	NIL
3	Mr. Lawrence Nazare	NIL	NIL
4	Mr. Foluso Laguda	200,000	435,201,112
5	Mr. Raymond Farhat ( Resigned w.e.f 24/10/17)	NIL	NIL
6	Mrs. Ahlam Bennani	NIL	NIL
7	Mr. Paul Oje Kokoricha	NIL	NIL
8	Mr. Steve Olisa Iwenjora	NIL	NIL
9	Mr. Emmanuel Brule	NIL	NIL
10	Mr. Ian Alvan Tofield	NIL	NIL
11	Mr. Stephen Murphy (Appointed w.e.f 24/10/17)	NIL	NIL

**Note:**

- a) *The indirect interests of Chief Ajibola O. Ogunshola, Mrs. Ahlam Bennani, Mr. Paul O. Kokoricha, Mr. Steve O. Iwenjora, Mr. Emmanuel Brule and Mr. Stephen Murphy - as representatives of C-Re Holding Limited, the majority shareholder, was 6,763,953,589 shares.*
- b) *Mr. Foluso Laguda represents Salag Ltd*

iv) **Subsidiaries**

The business of CRe Nigeria is serviced from four (4) regional offices and three (3) subsidiaries with Lagos, Nigeria as the Group's head office. The office of CRe Nigeria in Lagos also serves as the regional office for the Anglophone West Africa region. The Cameroon regional office covers business activities in Francophone Central Africa while the regional office in Cote d'Ivoire serves the Francophone West African Region. The regional office in Tunisia covers the Northern/Maghreb/Middle East territories and also provides Takaful reinsurance offering to its clients and partners. The Company's subsidiary in Kenya covers the Eastern Africa markets, the subsidiary in Botswana covers businesses in Southern Africa excluding South Africa.

v) **Premises**

The head office of Continental Reinsurance Plc is situated at St. Nicholas House (8<sup>th</sup> Floor), 6, Catholic Mission Street, Lagos.



## Balance Sheet of Continental Reinsurance Plc

Balance Sheet as at					
<i>N'mn</i>	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18
<b>Assets</b>					
Cash and cash equivalents	4,844	7,703	9,347	9,079	14,610
Financial asset held for trading	1,228	1,224	2,046	2,159	2,853
Loans and other receivables	235	364	392	492	642
Available-for-sale investments	2,406	2,195	2,544	2,121	2,229
Held to maturity investments	4,878	3,895	7,114	7,613	6,820
Reinsurance receivables	6,743	7,258	10,548	9,922	11,950
Retrocession assets	478	728	1,114	2,760	6,495
Deferred acquisition costs	1,760	1,458	1,533	2,291	4,035
Other assets	981	31	427	329	152
Investment properties	2,927	2,686	2,869	2,857	3,073
Intangible assets	1	-	7	20	382
Property, plant and equipment	727	1,127	1,312	2,489	3,395
Investments in subsidiary	-	-	-	-	-
<b>Statutory deposits</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Total Assets</b>	<b>28,208</b>	<b>29,669</b>	<b>40,252</b>	<b>43,134</b>	<b>57,637</b>
<b>Liabilities</b>					
Insurance contract liabilities	10,785	11,082	13,745	17,966	23,257
Reinsurance creditors	1,404	884	2,931	1,356	2,192
Other liabilities	535	1,092	1,977	860	863
Retirement benefit obligation	184	278	384	306	203
Current income tax payable	459	722	693	1,550	1,657
<b>Deferred tax liabilities</b>	<b>64</b>	<b>73</b>	<b>794</b>	<b>318</b>	<b>518</b>
<b>Total Liabilities</b>	<b>13,431</b>	<b>14,132</b>	<b>20,523</b>	<b>22,357</b>	<b>28,689</b>
<b>Equity</b>					
Share capital	5,186	5,186	5,186	5,186	5,186
Share premium	3,915	3,915	3,915	3,915	3,915
Retained earnings	1,714	1,821	2,874	3,775	5,094
Contingency reserve	2,785	3,415	4,003	4,462	5,266
Available-for-sale reserve	298	182	333	330	441
<b>Foreign currency translation reserve</b>	<b>(101,723)</b>	<b>(117)</b>	<b>2,089</b>	<b>1,764</b>	<b>4,292</b>
Equity attributable <b>equity holders of the parent</b>	<b>13,797</b>	<b>14,403</b>	<b>18,402</b>	<b>19,433</b>	<b>24,194</b>
<b>Non-controlling interest</b>	<b>979</b>	<b>1,135</b>	<b>1,327</b>	<b>1,344</b>	<b>4,754</b>
<b>Total Equity</b>	<b>14,776</b>	<b>15,537</b>	<b>19,728</b>	<b>20,777</b>	<b>28,948</b>
<b>Total Liabilities and Equity</b>	<b>28,207</b>	<b>29,669</b>	<b>40,252</b>	<b>43,134</b>	<b>57,637</b>

## Profit and Loss Account of Continental Reinsurance Plc

Profit and Loss					
<i>N'm</i>	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18
Gross Premium	16,437	19,738	22,406	29,673	34,186
Profit before income tax expense	1,588	2,916	4,652	3,570	4,359
Income tax expense	(732)	(773)	(1,533)	(1,100)	(1,037)
<b>Profit for the year</b>	<b>856</b>	<b>2,143</b>	<b>3,119</b>	<b>2,470</b>	<b>3,322</b>
<b>Appropriations:</b>					
Transfer to contingency reserve	365	629	589	459	804
Transfer to retained earnings	(805)	106	1,054	901	1,319
Earnings per share (kobo)	8	19	28	20	34
Net assets per share (kobo)	133	139	177	187	233

## Statement of Cash Flows of Continental Reinsurance Plc

Cash Flow Statement as at					
<i>N'm</i>	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18
<b>Cash flows from operating activities</b>					
Premium received from policy holders	16,838	20,825	23,964	29,438	30,874
Retrocession receipts in respect of claims	507	290	769	2,362	1,809
Acquisition costs paid	(4,879)	(5,188)	(6,103)	(7,349)	(7,697)
Retrocession premium paid	(1,988)	(2,484)	(3,469)	(3,325)	(7,301)
Cash paid to and behalf of employees	(1,231)	(1,063)	(1,668)	(2,031)	(2,252)
Other operating cash receipts/payments	(1,072)	(2,473)	(1,051)	194	489
Claims paid	(7,804)	(7,965)	(7,554)	(13,343)	(13,968)
Income taxes paid	624	(455)	(825)	(709)	(776)
<b>Net cash (used in)/provided</b>	<b>(253)</b>	<b>1,488</b>	<b>4,063</b>	<b>5,237</b>	<b>1,179</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(201)	(519)	301	(1,246)	(935)
Property, Plant and Equipment written off				501	-
Proceeds from disposal of investment property					375
Purchase of investment properties	(1,097)	445	450	-	-
Purchase of intangible assets	-	-	-	-	(406)
Proceeds from disposal of property, plant and equipment	4	7	8	3	13
Purchase of investment securities	(1,767)	(2,391)	(7,668)	(3,867)	(3,427)
Proceeds on redemption/sales of investments	2,718	2,295	1,384	1,580	6,379
Interest received	846	1,120	1,500	1,486	1,816
Dividend received	148	235	42	40	120
<b>Net cash from/(used in)</b>	<b>650</b>	<b>1,192</b>	<b>(4,584)</b>	<b>(2,004)</b>	<b>3,935</b>
<b>Cash flows from financing activities</b>					
Dividends paid	(1,141)	(589)	(592)	(2,670)	(2,670)
Capital Injection	-	-	-	-	2,744
<b>Net cash (used in)/provided</b>	<b>(1,141)</b>	<b>(589)</b>	<b>(592)</b>	<b>(2,670)</b>	<b>1,292</b>
Net increase/decrease in cash and cash equivalents	(744)	2,091	(1,114)	562	6,405
Cash and cash equivalents at beginning of year	6,631	5,878	7,962	6,822	7,363
Effect of exchange rate changes on cash and cash equivalents	(9)	(8)	(26)	(22)	207
Cash and cash equivalents at end of year	5,878	7,962	6,822	7,363	13,976

## 8.2 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Chapel Hill Denham Advisory Limited, 45 Saka Tinubu Street (1st Floor), Victoria Island, Lagos during normal business hours on any Business Day until the Effective Date:

1. Certificate of Incorporation of the Company
2. The Memorandum and Articles of Association of the Company
3. The audited financial statements for each of the five years ended December 31, from 2013 to 2017
4. The Statement of Claims and Litigation
5. The Material Contracts referred to on page 44
6. The Board Resolution approving the Scheme of Arrangement
7. Consent Letters from the Directors and Company Secretary of the Company as well as the Parties to the Scheme
8. The Nominee Agreement between the Company and the Nominee

## 9. FURTHER INFORMATION REGARDING CRE AFRICAN INVESTMENTS LTD

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### 9.1 Background Information

CRé African Investments Ltd was incorporated in the Republic of Mauritius on September 28, 2018 as a private company limited by shares and licenced by the Financial Services Commission on October 1, 2018 as a Category 1 Global Business Licence company registered in the Republic of Mauritius.

### 9.2 CRé African Investments Ltd Ownership Structure

As at the date of this Amended Scheme Document, the 8,500 shares of \$8,500 each in the issued share capital of the company were beneficially held as follows:

Name of Shareholder	Number of Shares held	% shareholding
Dr. Olufemi Oyetunji	8,500	100

### 9.3 CRé African Investments Ltd Share Capital History

As at October 1, 2018 CRé African Investments Ltd had an allotted share capital of \$8,500 comprising of 8,500 shares of \$1 each. There have been no changes in the share capital of the company since inception.

### 9.4 CRé African Investments Ltd Directors' Interest

As at October 1, 2018, Dr. Olufemi Oyetunji remains the sole shareholder of CRé African Investments Ltd. All other Directors of CRé African Investments Ltd had no direct interest in CRé African Investments Ltd.

### 9.5 Shareholding Structure of CRé African Investments Ltd

As at the date of this Amended Scheme Document, Dr. Olufemi Oyetunji remains the sole shareholder of CRé African Investments Ltd. In the event that all the 10,372,744,314 ordinary shares of 50 kobo each of CRé Nigeria held by the Qualifying Shareholders are validly exchanged for the shares of CRé Investments pursuant to this Scheme, CRé Investments will hold 100% of the issued share capital of CRé Nigeria. CRé Nigeria will continue to operate as a separate legal entity within the confines of the law and will continue to fulfil its corporate social responsibility to its host community. The shareholding structure of CRé Investments will be determined only following the allotment of the Target Shares, and will reflect the shares allotted to C-Re Holding Limited, Salag Limited, the shareholders that are able to satisfy and complete the CDD requirements, and Pace Registrars Limited (as Nominee under the nominee arrangement).

## **10. STATUTORY AND GENERAL INFORMATION**

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### **10.1 RESPONSIBILITY STATEMENT**

The information contained in this document in relation to Continental Reinsurance Plc has been supplied by the Company. The directors of Continental Reinsurance Plc have taken all reasonable care to ensure that the facts stated and opinions expressed in this document with regard to their Company, are all fair and accurate and confirm having made all reasonable enquiries that to the best of their knowledge and belief, no material facts concerning the Company have been omitted. The directors hereby accept responsibility for the information provided.

### **10.2 EXTRACTS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

#### **TRANSFER OF SHARES**

The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of members in respect thereof.

Any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the Directors may approve.

The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

The company shall be entitled to charge a fee not exceeding 25 kobo on the registration of every probate, letters of Administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instruments.

#### **TRANSMISSION OF SHARES**

In the case of the death of a member, the survivor or survivors, where the deceased was a joint holder and the legal representatives of the deceased where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time be properly required by the Directors and subject as hereinafter provided elect either to be registered himself as holder of the share or to have some person nominated by him registered as a transferee thereof.

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share.

A person becoming entitled to a share by the reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and the Directors may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the share until the requirements of the notices have been complied with.

### FORFEITURE OF SHARES

If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such times as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at such time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

A person whose shares have been forfeited shall cease to be member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the share, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

A duly verified declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer for the share in favour of the person to whom the share is sold or disposed of, and he shall thereupon be registered as the holder of the share, and shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### CONVERSION OF SHARES INTO STOCK

The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

The holders of stock may transfer the same, or any part thereof in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege, or advantage.

Such of the regulations of the Company as are applicable to paid up shares shall apply to stock and the word "share" and "shareholder" therein shall include "stock" and "stockholder".

### ALTERATION OF CAPITAL

The company may from time to time, by ordinary resolution increase the share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe.

The Company may by ordinary resolution:

- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of Section 100(1) (a) of the Companies & Allied Matters Act, 1990;
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and subject to any incident authorized, and consent required by law.

### GENERAL MEETINGS

The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.

All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Any matter for which approval of the Shareholders is sought or required may be considered at a general meeting held no less than thirty (30) calendar days after written notice thereof (such notice to set forth in reasonable detail the agenda of specific issues to be discussed at such meeting and the matters to be submitted to a vote of the Shareholders) shall have been given by the Company to all Shareholders.

General meetings may be held upon shorter notice if all Shareholders so agree in writing. No action in respect of a matter that was not included in such notice may be taken at a general meeting

The Board of directors may, or the Chairman of the Board of Directors shall upon the request of any member of the Board, call an extraordinary general meeting. An extraordinary general meeting shall also be convened by such requisitionists, as provided by section 215(2) of the Act

Any action which the Shareholders are permitted to take at a general meeting may be taken without a general meeting and without prior notice if a written consent, setting forth the action to be taken, shall be signed by all the Shareholders. Such consent shall be delivered to the Company for inclusion in the minutes or filing with the corporate records.

The presence in person or by proxy of Shareholders representing at least sixty percent (60%) of all issued and outstanding share capital at a duly held general meeting shall be required to constitute a quorum for all general meetings and the transaction of business thereat.

### NOTICE OF GENERAL MEETINGS

The notice of any general meeting 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 and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are under the regulations of the company, entitled to receive such notices from the Company.



## **STATUTORY AND GENERAL INFORMATION**

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Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this regulation, be deemed to have been duly called if it is so agreed by all the member entitled to attend and vote thereat.

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.

### **COMPETENCY OF SHAREHOLDERS**

The Shareholders shall have competency over the determination of all matters relating to the Company for which Shareholders are authorised pursuant to Nigerian Law and these Articles

### **SHAREHOLDER VOTING**

Any action to be taken by the shareholders at a general meeting shall be effected by the affirmative vote of shareholders representing at least fifty-one percent (51%) of all issued and outstanding share capital represented by shareholders present in person or by proxy at a general meeting.

The Company shall not be authorised to, and the Company shall cause its Affiliates not to, undertake any decision or any action in respect of the following matters unless such decision or action has been approved by shareholders representing at least fifty-one percent (51%) of all issued and outstanding share capital represented by shareholders present in person or by proxy at a general meeting:

- engaging in any new line of business, or a material change in the nature of the Business;
- amendment, alteration, modification or repeal of any provisions of the Article of Association (including, without limitation, any alteration or change in the rights or privileges of any class or series of stock) or the creation by reclassification or otherwise of any new class or new series of shares);
- any liquidation, dissolution, recapitalisation or reorganisation of the Company or any Affiliate;
- any sale, lease, exchange, transfer or other disposition, directly or indirectly, in a single transaction or a series of related transactions of any assets of the Company or any Affiliate having a value in excess of the naira equivalent of two hundred and fifty thousand US Dollars (\$250,000);
- acquisitions of asset having a value in any year in excess of the naira equivalent of two hundred and fifty thousand US Dollars (\$250,000) in the aggregate on a consolidated basis;
- changes in equity capital structure including but not limited to, the issuance of preferred stock, redemption of shares, granting of options, or any listing;
- decisions related to a Listing, any steps toward or the appointment or advisors in connection with a potential flotation, capital increase or rights issue for the Company or any Affiliate;
- the declaration or payment of any dividend or any other distribution, or the redemption, repurchase or acquisition (or payment into or the setting aside of a sinking fund for such purposes) with respect to any shares of the Company's Capital Stock;
- increase or decrease of the size of the Board of Directors; and
- any amendment or modification of the Organisation Documents of any Material Affiliate

### **PROCEEDINGS AT GENERAL MEETINGS**

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon 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 to such other day and at such other time and place as the Director may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members formed shall be a quorum.

The Chairman, 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 neither shall be present within fifteen minutes after the time appointed for

## STATUTORY AND GENERAL INFORMATION

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the holding of the meeting or is unwilling to act the Directors present shall elect one of their members 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 members to be Chairman of the meeting.

The Chairman 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 thirty days or more, notice of the adjourned 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.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the results of the show of hands) demanded:

- by the chairman; or
- by at least three members present in person or by proxy; or
- by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- by a member or members holding shares in the company conferring a right to vote at the meeting, being shares on 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 the right.

Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hand been carried or carried unanimously, or by a particular majority, or lost, 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.

The demand for a poll may be withdrawn.

Except as provided in regulation 65 if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

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 be a second or casting vote.

A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than upon which a poll had been demanded may be proceeded with pending the taking of the poll.

Subject to any right or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person or by proxy shall have one vote of each share of which he is the holder.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of members.

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, appointed by the court, and any such committee, receiver, curator bonis or other person may on a poll, vote by proxy.

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No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company has been paid.

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

On a poll votes may be given either personally or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company, 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 of the poll, and in default the instrument of proxy shall not be treated as valid.

An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

CONTINENTAL REINSURANCE Plc

I/We

Of

Being a member/members of the above-named Company, hereby appoint

Of

Or failing him,

Of

As my/our proxy to vote for me/us on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit;

CONTINENTAL REINSURANCE PLC

I/We

Of

Being a member/members of the above-named Company, hereby appoint

Of

Or failing him,

Of

As my/our proxy to vote for me/us on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

This form is to be used in favour/against of the resolution.

Unless otherwise instructed, the proxy will vote as he thinks fit or abstain from voting.

## STATUTORY AND GENERAL INFORMATION

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+ Strike out whichever is not desired.

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

A vote given in accordance with term of an instrument of proxy shall be 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, or the transfer of the share in respect of which the proxy is given, provided no intimation in writing or such death, insanity, revocation or transfer as aforesaid shall have received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### 10.3 CLAIMS AND LITIGATION

As of the Effective Date, the Company, in its ordinary course of business, is presently involved in two cases. The aggregate amount claimed against the Company is approximately ~~₦~~230,000,000.00 (*two hundred and thirty million Naira*) while the aggregate amount claimed by the Company is approximately ~~₦~~10,000,000.00 (*ten million Naira*).

The Directors of the Company are of the opinion that none of the pending claims by or against the Company is likely to have a material adverse effect on the Company or the Scheme of Arrangement and are not aware of any other threatened or pending claims or litigation which could have a material effect on the Scheme of Arrangement.

The Solicitors to the Company are of the opinion that the aforementioned cases will not adversely affect the Company or the proposed Scheme of Arrangement.

### 10.4 MATERIAL CONTRACTS

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

1. A Mandate Letter from CRe Nigeria appointing Chapel Hill Denham Advisory Limited as Financial Advisers; and
2. A Financial Advisory Services Agreement between CRe Nigeria and Chapel Hill Denham Advisory Limited which sets out the terms and conditions under which Chapel Hill Denham Advisory Limited has agreed to act as Financial Adviser to Continental Reinsurance Plc in respect of the Scheme
3. A Nominee Agreement between CRe Nigeria and Pace Registrars Limited which sets out the terms and conditions under which Pace Registrars Limited has agreed to act as the Nominee in respect of (and on behalf of) the Shareholders that will be allotted shares of CRe African Investments Ltd pursuant to the Scheme

Other than as stated above, CRe Nigeria has not entered into any material contract except in the ordinary course of business.

### 10.5 MATERIAL ADVERSE STATEMENT

Except as disclosed in this Scheme of Arrangement, there has been no material adverse change in the financial position or prospects of CRe Nigeria and no significant change in the financial or trading position of CRe Nigeria.

CRe Nigeria accepts responsibility for the information contained in this Scheme of Arrangement which, contains all information that is material in the context of the Scheme of Arrangement.

### 10.6 CONSENTS

The following have given and have not withdrawn their written consents to the issue of this Amended 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 of Continental Reinsurance Plc**

Chief Ajibola Ogunshola  
Dr. Olufemi Oyetunji  
Mr. Lawrence Nazare

*Chairman*  
*Managing Director*  
*Director*

## STATUTORY AND GENERAL INFORMATION

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Mr. Foluso Laguda	<i>Director</i>
Mr. Stephen Murphy	<i>Director</i>
Mrs. Ahlam Bennani	<i>Director</i>
Mr. Paul Oje Kokoricha	<i>Director</i>
Mr. Steve Olisa Iwenjora	<i>Director</i>
Mr. Ian Alvan Tofield	<i>Director</i>
Mr. Emmanuel Brule	<i>Director</i>

### **Company Secretary of Continental Reinsurance Plc**

Ms. Patricia N. Ifewulu	<i>Company Secretary</i>
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### **Parties**

Chapel Hill Denham Advisory Limited	<i>Financial Advisers</i>
Udo Udoma & Belo-Osagie	<i>Solicitors to the Company</i>
PricewaterhouseCoopers	<i>Auditors</i>
Coronation Merchant Bank Limited	<i>Independent Fairness Opinion Adviser</i>
Chapel Hill Denham Securities Limited	<i>Stockbrokers</i>
Pace Registrars Limited	<i>Registrars</i>

## **10.7 GENERAL INFORMATION**

1. There is no agreement, arrangement, or understanding whereby the beneficial ownership of any assets, liabilities and undertakings of CRe Nigeria to be issued pursuant to the Scheme will be transferred to any other person.
2. Except as otherwise disclosed in this document, no share or loan of CRe Nigeria is under option nor agreed conditionally or unconditionally to be put under option.
3. Except as disclosed herein, the Directors of CRe Nigeria have not been informed of any holding representing 5% of the issued share capital of CRe Nigeria.
4. Except as otherwise disclosed in this document, there are no founders, management of deferred shares or any outstanding in CRe Nigeria.
5. Except as otherwise disclosed in this document, there are no material services agreements between CRe Nigeria and any of their directors and employees other than in the course of business.
6. Except as otherwise disclosed in this document, there are no contracts which are or may be material, entered into by CRe Nigeria with other parties other than in the course of ordinary business.
7. The costs, charges and expenses of and incidental to the Scheme will be payable by CRe Nigeria.

## 11. NOTICE OF COURT ORDERED MEETING

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IN THE FEDERAL HIGH COURT OF NIGERIA  
IN THE LAGOS JUDICIAL DIVISION  
HOLDEN AT LAGOS

SUIT No. FHC/L/CS/1930/2018

IN THE MATTER OF  
THE COMPANIES & ALLIED MATTERS ACT  
(CHAPTER C20) LAWS OF THE FEDERATION OF NIGERIA 2004  
AND  
IN THE MATTER OF AN APPLICATION UNDER SECTION 539 THEREOF  
AND

### IN RE:

1. CONTINENTAL REINSURANCE PLC (RC. NO. 73956); AND
  2. THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES  
MEETING OF THE REGISTERED HOLDERS OF THE ISSUED AND FULLY PAID ORDINARY SHARES  
OF  
CONTINENTAL REINSURANCE PLC
- 

NOTICE IS HEREBY GIVEN that by an order of the Federal High Court, sitting at Lagos (hereinafter called "the Court") dated the 26th day of September, 2019 made in the above matter, the Court has directed that a meeting ("the Meeting") of the holders of the fully paid up ordinary shares of Continental Reinsurance Plc. (hereinafter called "CRe Nigeria" or "the Company") be convened for the purpose of considering and if thought fit, approving (with or without modification) an amended scheme of arrangement between the Company and the holders of its fully paid ordinary shares ("the Amended Scheme"). The Amended Scheme is explained in detail in the Explanatory Statement on Pages 15 to 20 of the Amended Scheme Document.

The Meeting will be held on the 29th day of October, 2019 at the Victoria Crown Plaza Hotel, 292B Ajose Adeogun Street, Victoria Island, Lagos at 10:00am, at which place and time all the aforesaid shareholders are requested to attend.

Copies of the Amended Scheme and the Explanatory Statement required to be furnished pursuant to Section 539 & 540 of CAMA are enclosed herewith.

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 Amended Scheme of Arrangement dated September 26, 2019 which revises the terms of the Scheme of Arrangement dated the 23rd day of November 2018 be and is hereby approved (as amended) and that the Directors be and are hereby authorized to consent to any modification of the Amended Scheme of Arrangement that the Federal High Court shall deem fit to impose or approve.*
2. *For the purpose of giving effect to the Amended Scheme subject to such modification, additions and conditions agreed between the Company and Holders of its Ordinary Shares and/or approved or imposed by the Court:*
  - (i) The Scheme Shares (as defined in the Amended Scheme Document) be exchanged for CRe African Investments Ltd shares as indicated in the Amended Scheme Document.*
  - (ii) Holders of the Scheme Shares who do not wish to exchange their shares be paid the cash consideration (as defined in the Amended Scheme Document) by CRe African Investments Ltd.*

(iii) Forthwith and contingent upon the action referred to in clause 2 (i) above taking effect, the Directors of CRe Nigeria be authorised to appoint Pace Registrars Limited as the Nominee.

(iv) Pace Registrars Limited shall aggregate and represent the beneficial interest in CRe African Investments Ltd of the Holders of Scheme Shares who opt for the Share Consideration through the nominee arrangement or who are unable to satisfy and complete the Customer/Client Due Diligence requirements of the Mauritius Financial Services Commission within three (3) months of the Effective Date.

(v) Pace Registrars Limited shall be the shareholder of record in CRe African Investments Ltd in relation to the Holders of Scheme Shares who are unable to satisfy the KYC requirements of the jurisdiction of CRe Investment, the Republic of Mauritius, within 3 months of the Effective Date and opt to receive the Share Consideration.

3. That as consideration for the exchange of the Scheme Shares, each Holder of the Scheme Shares shall receive either:
- 1 CRe African Investments Ltd shares for every 144 CRe Nigeria shares held as at the Effective Date and allotted directly or indirectly, through the nominee arrangement; or
  - ₦2.50 for each CRe Nigeria share held.
4. That the Board of Directors of CRe Nigeria be and is hereby authorized to take all necessary steps as the Board deems fit and to consent to any modification of the Amended Scheme of Arrangement that the Court shall deem fit to impose or approve.

Shareholders may vote in person or they may appoint another person, whether a shareholder or not to attend and vote in their stead.

In addition to the questions that Shareholders can ask at the Meeting, the Shareholders may submit questions on the Amended Scheme of Arrangement to the Company prior to the date of the Meeting. All such questions must be submitted to the Company Secretary on or before 5pm on Friday October 25, 2019.

A form of proxy applicable for the meeting is enclosed herewith. 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 the names stand on the register of members of Continental Reinsurance Plc.

It is requested that the executed Proxy Form be lodged at the office of the Registrar, as shown on the Proxy Form, not less than 24 (twenty-four) hours before the time appointed for the Court-Ordered Meeting.

Please note that the lodging of a Proxy Form does not prevent you from attending the meeting and voting in person should you so wish. However, in such instances, your proxy will not be entitled to attend or vote.

The Amended Scheme of Arrangement will be subject to the subsequent sanction of the Court.

#### **Closure of Register of Members**

**The register of members will be closed from October 3, 2019 to October 7, 2019 (both dates inclusive) for the purpose of determining the distribution of the Amended Scheme Document.**

**Please refer, in particular, to pages 27 to 29 of the Amended Scheme Document which include the basis on which the revised Cash Consideration has been determined as well as the Explanatory Statement outlining the effects of the Amended Scheme.**

**Dated this 30th day of September, 2019**

**Udo Udoma & Belo-Osagie**  
St. Nicholas House (12th Floor)  
Catholic Mission Street, Lagos

*(Solicitors to Continental Reinsurance Plc)*

The Amended Scheme Document may be downloaded from [www.paceregistrars.com](http://www.paceregistrars.com)

## **12. APPENDIX I: PACE REGISTRARS LIMITED**

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This section of the Scheme of Arrangement provides a brief summary of the key provisions of the Nominee Agreement included as Annexure I to this Scheme of Arrangement. This summary is not intended to replace the Nominee Agreement. Subscribers to the Scheme are advised to carefully review and, to the extent required, obtain independent advice regarding the Nominee Agreement.

### **12.1 NOMINEE STRUCTURE**

The shares of CRe African Investments Ltd allocated pursuant to the Scheme will be held by the Nominee on behalf of the Beneficial Shareholders on a nominee basis, in order to facilitate effective management of the wider base of shareholders. Pace Registrars Limited, duly incorporated under the laws of the Federal Republic of Nigeria, has, by operation of the terms of the Scheme been elected as the Nominee who will be the registered shareholder of CRe African Investments Ltd, on behalf of shareholders and shall therefore hold the shares of CRe African Investments Ltd on behalf of the Beneficial Shareholders. As holders of the beneficial interests in the shares of CRe African Investments Ltd, the Beneficial Shareholders will be entitled to receive dividends, and are entitled to other rights and obligations linked to the CRe African Investments Ltd shares. The Nominee will receive dividends from CRe African Investments Ltd for onward payment to the Beneficial Shareholders.

The Nominee Agreement governs the nominee relationship between the Beneficial Shareholders and the Nominee including the rights and obligations of the Nominee in terms of its appointment as nominee for the Beneficial Shareholders.

The relationship between the Nominee and CRe African Investments Ltd is governed by the Nominee Arrangement dated on or about the date of this Amended Scheme Document. The Nominee Agreement contains the provisions which enable the Nominee to perform its duties for and on behalf of the Beneficial Shareholders and to exercise the rights and obligations of the Beneficial Shareholders in connection with CRe African Investments Ltd.

### **12.2 ROLE OF THE NOMINEE**

By opting to continue to hold shares, having not opted to accept the Cash Consideration, a shareholder of Continental Reinsurance Plc who opts for the Target Shares agrees to be bound by the Nominee Agreement and also the appointment of the Nominee to act as its nominee to hold the shares of CRe African Investments Ltd - beneficially owned by it - on behalf of the Beneficial Shareholder; to perform and render all activities relating to this nominee arrangement and to sign all documents required as detailed in the Nominee Agreement on its behalf.

### **12.3 SUB-REGISTER**

Pace Registrars Limited will furnish each Beneficial Shareholder with a written statement confirming the number of shares of CRe African Investments Ltd which that Beneficial Shareholder has been allocated pursuant to the Scheme and which are beneficially owned by it. The Nominee will thereafter provide a half-yearly statement of beneficial interest to the Beneficial Shareholders setting out the number of shares of CRe African Investments Ltd held by each Beneficial Shareholder and a dividend account summary.

### **12.4 DIVIDENDS**

The Nominee will be required to notify the Beneficial Shareholders of the details of any dividends declared by CRe African Investments Ltd which will be received by the Nominee from CRe African Investments Ltd on behalf of the Beneficial Shareholders. On receipt of such dividends, the Nominee will immediately pay the Beneficial Shareholders according to their individual entitlements as recorded in the sub-register, subject to any deductions that they may be required to make, under Nigerian law.

### **12.5 VOTING RIGHTS**

Subject to the provisions of the Companies Act 2001 of Mauritius, each Beneficial Shareholder will be entitled to 1 vote for each CRe African Investments Ltd share beneficially owned by it and such votes will be exercised on its behalf by the Nominee. As the Beneficial Shareholders will be represented by the Nominee at meetings of CRe African Investments Ltd, the Nominee will vote at CRe African Investments Ltd shareholder's meetings on behalf of the Beneficial Shareholders in accordance with the provisions of the Nominee Agreement.



The Notices and Agenda of CRe African Investments Ltd shareholder's meetings will be given to Beneficial Shareholders and the Beneficial Shareholder shall accordingly instruct the Nominee to (i) vote in the manner directed by the Beneficial Shareholder; or (ii) vote at the Nominee's discretion. In the event that a Beneficial Shareholder does not provide such direction to the Nominee in respect of any matter proposed to be decided at a meeting of the shareholders of CRe African Investments Ltd, that Beneficial Shareholder shall be deemed to have directed the Nominee not to cast a vote on the matter. After the shareholders' meetings, details of resolutions passed will be given to all Beneficial Shareholders.

Where CRe African Investments Ltd intends to undertake a corporate action such as a rights offer, which will create material or financial obligations on the part of the Beneficial Shareholders or materially vary the rights of the Beneficial Shareholders, each Beneficial Shareholder, irrespective of its previous direction for the exercise of the voting rights attaching to the ordinary shares beneficially owned by it, following due notification, will be required to notify the Nominee in writing of how such Beneficial Shareholder wishes the Nominee to participate in such corporate action on its behalf (i.e. participate or do not participate).. If a Beneficial Shareholder fails to instruct the Nominee within a prescribed period as to whether or not it wishes to participate in the relevant corporate action, the Nominee will refrain from participating in that corporate action on behalf of that Beneficial Shareholder.

## CLIENT/ CUSTOMER DUE DILIGENCE REQUIREMENTS

Customer Due Diligence ('CDD') documents in English or French or translation certified by a qualified translator shall be provided in original or as certified true copies (by lawyer, notary, actuary, banker, accountant and police indicating the name, position and contact details) on the shareholder(s) of the Company as follows\*\*:

### 1. For Individual

- a) Curriculum Vitae;
- b) Valid passport (showing the name, date/place of birth, nationality, date of issue/expiry and signature of the holder);
- c) Bank Reference from a recognised bank (listed in Bank Almanac) which has known the person for at least the last two years and confirming the residential address; and
- b) Recent Utility Bill.

### 2. For Corporate Entities

- a) Certificate of incorporation;
- b) Certificate of Current Standing;
- c) List of directors and list of shareholders with percentage holding certified by the Company Secretary/Director;
- d) CDD documents on the controlling shareholder(s) [up to the ultimate beneficial owner(s)] holding not less than 20% of the Applicant;
- e) CDD documents on any 2 Directors;
- f) Latest audited accounts or profile of the Corporate Body (including Name of Corporate Body, date/ country of incorporation/formation, registered address, business address, issued capital, controlling shareholders, directors, business activities, financial highlights - total assets and total liabilities);
- g) Authorisation of any person who purports to act on behalf of the Corporate Body; and
- h) Bank Reference from a recognised bank (if the Applicant requires a bank account in Mauritius).

### 3. For Trust

- a) Certificate of registration, if applicable;
- b) Trustee - registered office, place of business, license held and the authority by which the Trustees are regulated, if applicable;
- c) Extracts of Trust Deed signed by the Trustees (including name of the Trust, date of establishment, type of Trust, an indication of assets value held by the Trust, names of settlor, contributor, beneficiaries and protector of the Trust);
- d) CDD documents on the trustees, settlor, contributor, beneficiaries and protector of the Trust; and
- e) For discretionary trust, an undertaking from the Trustees that CDD documents on beneficiaries at the time of distribution will be made available to TRI-PRO.

### 4. For Partnership

- a) Partnership deed;
- b) Certificate of Registration/Establishment;
- c) Certificate of Good Standing of the Partnership and the General Partner;
- d) Name of General Partners and list of Limited Partners with percentage interest certified by a General Partner;
- e) CDD documents on the General Partner(s);
- f) CDD documents on the controlling Limited Partners(s) up to the ultimate beneficial owner(s) owning not less than 20% of the Partnership);

- g) Latest audited accounts of the Partnership and its General Partner or Partnership profile (including Name of Partnership, Date/country of formation, registered address, business address, committed capital, General Partner, Significant Limited Partners, business activities, financial highlights - total assets and total liabilities); and
- h) Authorisation of any person who purports to act on behalf of the Partnership

**5. For Listed Entity or regulated financial service business**

- a) Licence - listing/regulated status; and
- b) Audited account or annual report

**\*\*any other information as may be requested by the FSCM as part of the CDD process.**

### 13. PROXY FORM

#### SCHEME OF ARRANGEMENT FOR THE PROPOSED RESTRUCTURING OF CONTINENTAL REINSURANCE PLC

COURT-ORDERED MEETING of Continental Reinsurance Plc to be held on October 29, 2019 at the Victoria Crown Plaza Hotel, 292B Ajose Adeogun Street, Victoria Island, Lagos at 10:00am.

I/We ..... of .....being a member/members of Continental Reinsurance Plc hereby appoint ..... or failing him/her, ..... as my/our proxy to act and vote for me/us and on my/our behalf at the Court-Ordered Meeting of the Company to be held on October 29, 2019 or at any adjournment thereof.


Dated this..... day of ..... 2019

Shareholder's Signature.....  
(A Corporation must execute and affix a Common Seal)

- a. A member (shareholder) entitled to attend and vote at the general meeting is entitled to appoint a proxy in his stead
- b. In the case of joint shareholders, any of such may complete the form, but the names of all joint shareholders must be stated.
- c. If the shareholder is a corporation, this form must be under the common seal or under the hand of some office or attorney duly authorized on their behalf.
- d. Provisions have been made on this form for the chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank spaces on the form (marked\*) the name of any person whether a member of the Company or not who will attend the meeting and vote on your behalf instead of the chairman of the meeting.
- e. All instruments of proxy must be duly stamped by the Commissioner for Stamp Duties and deposited at the office of the Registrar not later than 24 (twenty-four) hours before the date of the meeting.
- f. The proxy must produce the Admission Form sent with the notice of the meeting to obtain entrance to the meeting

SPECIAL RESOLUTIONS
<p>1. That the Scheme of Arrangement dated the 27th of September, 2019 which revises the Scheme of Arrangement dated the 23rd day of November 2018 be and is hereby approved as amended and that the Directors be and are hereby authorized to consent to any modification of the Scheme of Arrangement that the Federal High Court shall deem fit to impose or approve.</p> <p>2. For the purpose of giving effect to the Scheme with or subject to such modification, addition and condition agreed between the Company and Holders of its Ordinary Shares and/or approved or imposed by the Court:</p> <p>(i) The Scheme Shares (as defined in the Amended Scheme Document) be exchanged for CRe African Investments Ltd shares in the manner stipulated in the Amended Scheme Document.</p> <p>(ii) Holders of the Scheme Shares who do not wish to exchange their shares be paid a cash consideration (as defined in the Amended Scheme Document) by CRe African Investments Ltd shares.</p> <p>(iii) Forthwith and contingent upon the action referred to in clause 2 (i) above taking effect, the Directors of CRe Nigeria be authorised to appoint Pace Registrars Limited as the Nominee.</p> <p>(iv) Pace Registrars Limited shall aggregate and represent the beneficial interest in CRe African Investments Ltd of the Holders of Scheme Shares who choose to hold their interest through the nominee arrangement or are unable to satisfy and complete the CDD requirements of the Financial Services Commission, Mauritius (FSCM) within 3 months of the Effective Date; and who opt to receive the Share Consideration.</p> <p>(v) Pace Registrars Limited shall be the shareholder of record in the Register of Members of CRe African Investments Ltd in relation to the Holders of Scheme Shares in the nominee arrangement or Holders who are unable to satisfy and complete the CDD requirements of FSCM within 3 months of the Effective Date.</p> <p>3. That as consideration for the exchange of the Scheme Shares, each Holder of the Scheme Shares shall receive either:</p> <ul style="list-style-type: none"> <li>• 1 CRe African Investments Ltd share for every 144 CRe Nigeria shares held as at the Effective Date directly or indirectly through the nominee arrangement; or</li> <li>• ₦2.50 for each CRe Nigeria share held</li> </ul> <p>4. That the Board of Directors of Continental Reinsurance Plc be and are hereby authorized to take all necessary steps as the Board deems fit and to consent to any modification of the Scheme of Arrangement that the Court shall deem fit to impose or approve.</p>

For	Against	Abstain
<p>Please indicate how you wish your votes to be cast on the resolution set out above by indicating "x" in the appropriate space. Unless, otherwise instructed the proxy will vote or abstain from voting on any matter at his discretion, including any matter not listed above.</p>		

 Please, before posting the above form, please tear off this part and retain it for admission to the meeting

#### ADMISSION FORM

Name and Address of Person Attending

Please admit his/her proxy to the Court-Ordered Meeting of Continental Reinsurance Plc which will be held on October 29, 2019. The admission form must be produced by the Shareholder or his duly authorized proxy in order to obtain entrance to the Court-Ordered Meeting.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_  
Address: \_\_\_\_\_ No. of Shares Held: \_\_\_\_\_

**THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRARS**

**ELECTION NOTICE  
IN RESPECT OF  
THE AMENDED SCHEME OF ARRANGEMENT DATED SEPTEMBER 26, 2019  
FOR THE PROPOSED RESTRUCTURING OF  
CONTINENTAL REINSURANCE PLC**

Further to the Amended Scheme of Arrangement dated September 26, 2019 in respect of the proposed restructuring of Continental Reinsurance Plc ("the Company"), which was considered by the shareholders at the Court-Ordered Meeting of the Company held on October 29, 2019, I/We ..... of ..... , being a shareholder of the Company, hereby indicate and confirm my election to receive the:

<b>Please Indicate your Preference by ticking ONE of the boxes below</b>	
<p><b>Cash Consideration</b> <input type="checkbox"/></p> <p>(₦2.50 per ordinary share of 50 kobo each)</p>	<p><b>Shares in CRe African Investments Ltd</b></p> <p>Directly <input type="checkbox"/> (subject to satisfying and completing the CDD requirements within three (3) months of the Effective Date)</p> <p>Through the Nominee Arrangement <input type="checkbox"/> (to be converted at a ratio of 1 ordinary share of \$1 each in the capital of CRe African Investments Ltd for 144 ordinary shares of 50 kobo each in the capital of CRe Nigeria)</p>

Executed by:

.....

**Name of Shareholder:**

**Address:**

**Date:**

*\*Kindly ensure that this document is detached, completed and returned to Pace Registrars Limited, 24 Campbell Street, Lagos no later than Tuesday November 12, 2019. This Election Notice may also be submitted electronically by email to [tokunbo.adeniji@sterlingregistrar.com](mailto:tokunbo.adeniji@sterlingregistrar.com) on or before Tuesday November 12, 2019.*