

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 as a capital market operator by the Securities and Exchange Commission immediately.

If you have sold or otherwise transferred all your shares in Law Union & Rock Insurance Plc, please hand over this document together with the accompanying Proxy Forms to the purchaser or transferee or to other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding in Law Union & Rock Insurance Plc, you should retain this document.

The receipt of this document or any information contained in it or supplied with it and subsequently communicated to any other person does not constitute investment advice to a shareholder from Law Union & Rock Insurance 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

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

between



Law Union & Rock Insurance Plc

RC: 6286

and

The Holders of its Fully Paid Ordinary Shares of 50 kobo each

For the Proposed Acquisition of the Entire Issued Share Capital of Law Union & Rock Insurance Plc by Kanuri LUR Limited

Incorporating an Explanatory Statement on the Proposed Scheme of Arrangement in compliance with Section 540 of the Companies and Allied Matters Act, Cap. C20, LFN 2004

CardinalStone Partners Limited (“CardinalStone”) is acting as Financial Adviser in respect of the Scheme of Arrangement for the proposed acquisition of Law Union & Rock Plc. (the “Scheme”). CardinalStone will not be responsible to any person, individual or corporate body other than Law Union & Rock Plc. in relation to the contents of this document or any transactions or arrangements referred to herein.

The notice convening the Court-Ordered Meeting of Law Union & Rock Insurance Plc. is set out on pages 51 to 52 of this document. A Proxy Form is also attached on page 53. To be valid, the attached Proxy Form must be completed, signed and duly stamped, together with the Powers of Attorney or other authority, if any, under which they are signed and in accordance with the instructions printed thereon and must be returned to the Registrar of Law Union & Rock Insurance Plc., CardinalStone Registrars Limited at 358 Herbert Macaulay Way, Yaba, Lagos State, together with the power of attorney or other authority, if any, under which the Proxy Form is issued and in accordance with the instructions provided there on, not later than 24 hours before the time scheduled for the Court-Ordered Meeting.

THE PROPOSAL, WHICH IS THE SUBJECT OF THE SCHEME OF ARRANGEMENT SET OUT IN THIS DOCUMENT HAS BEEN CLEARED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE ACTIONS THAT YOU ARE REQUIRED TO TAKE ARE SET OUT ON PAGE 18. NOTICES OF THE COURT ORDERED MEETINGS TO BE HELD ARE SET OUT ON PAGES 51 TO 52 OF THIS SCHEME DOCUMENT.

FINANCIAL ADVISER TO LAW UNION & ROCK INSURANCE PLC AND KANURI LUR LIMITED:



THIS SCHEME DOCUMENT IS DATED MONDAY, 27 JULY 2020

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1. DEFINITIONS

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

<u>Terms</u>	<u>Definitions</u>
“Account Bank”	- Means First City Monument Bank Plc, a company duly incorporated under the Laws of Federal Republic of Nigeria and licensed by the Central Bank of Nigeria to carry on banking business in Nigeria or such other replacement bank as may be appointed by the Registrars
“Accounts Date”	- Means December 31, 2019
“Board of Directors” or the “Board”	- Means the Board of Directors of Law Union & Rock Insurance Plc whose names appear on page 9 of the Scheme Document
“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 Nigeria
“CAC”	- Means the Corporate Affairs Commission
“CAMA”	- Means the Companies and Allied Matters Act, Cap C20, LFN 2004
“Company”	- Means Law Union & Rock Insurance Plc
“Court” or “FHC”	- Means the Federal High Court of Nigeria
“Court-Ordered Meeting” or “CoM”	- Means the meeting of the shareholders of Law Union & Rock Plc convened by order of the Court and held pursuant to Section 539 of the CAMA notice of which is set out on pages 51 to 52 of the Scheme Document
“Court Sanction”	- Means the order of the Court sanctioning the Scheme
“CSCS”	- Means the Central Securities Clearing System Plc, the electronic clearing and depository system for securities transactions in Nigeria
“CTC”	- Means Certified True Copy
“Escrow Account”	- Means the bank account opened in the name of the Registrar with Rand Merchant Bank Nigeria Limited into which ten percent (10%) of the Scheme Consideration was deposited by Kanuri LUR within fifteen (15) Business Days of the execution of the Transaction Implementation Agreement and the balance (less any adjustments to be made in the event of a Substantial Outflow as delineated in the TIA) be deposited within five (5) Business Days of receiving the Certified True Copy (CTC) of the Court Sanction
“Deposit Notice”	- Means the notice together with SEC’s formal approval of the Scheme to be delivered by Law Union to Kanuri LUR and the Registrar specifying the SEC approval date, the Deposit Date and the Long Stop Date

1. DEFINITIONS (CONTD)

“Effective Date”	-	Means the date on which a certified true copy of the Court Sanction sanctioning the Scheme is delivered to the CAC for registration
“Escrow Bank”		Means Rand Merchant Bank, a private limited liability company duly incorporated under the Laws of Federal Republic of Nigeria and licensed by the Central Bank of Nigeria to carry on banking business in Nigeria or such other replacement bank as may be appointed by the Company
“Explanatory Statement”	-	Means the explanatory statement relating to the Scheme set out on pages 16 to 21 of this Scheme Document which explains the terms, conditions and effects of the Scheme as required by Section 540 of CAMA
“FCCPC”	-	Means Federal Competition and Consumer Protection Commission
“Final Payment Date”	-	Means two (2) years from the Effective Date of the Scheme, subject to applicable laws and regulations
“FGN”	-	Means Federal Government of Nigeria
“Financial Adviser”	-	Means CardinalStone Partners Limited
“FIRS”	-	Means the Federal Inland Revenue Service
“Form of Proxy” or “Proxy Form”	-	Means the attached form of proxy for use in connection with the Court-Ordered Meeting of the shareholders of the Company
“Kanuri LUR” or “Investor”	-	Means Kanuri LUR Limited
“LFN”	-	Means the Laws of the Federation of Nigeria
“Long Stop Date”	-	Means the date falling on a Business Day that is twelve (12) weeks after receipt of the SEC’s final approval of the Scheme
“Law Union”	-	Means Law Union & Rock Insurance Plc
“NAICOM”	-	Means National Insurance Commission
“Naira”	-	Means the lawful currency of Nigeria
“Nigeria”	-	Means the Federal Republic of Nigeria
“NIPF”	-	Means the National Investor Protection Fund established by the Securities & Exchange Commission pursuant to the powers conferred on it in the Investment & Securities Act, 2007
“NSE” or the “Exchange”	-	Means the Nigerian Stock Exchange
“Permitted Outflow”	-	Means payments made in the ordinary course of business, consistent with past practices or specifically pre-approved by the Investor

1. DEFINITIONS (CONTD)

“Qualification Date”	-	Means August 31, 2020 agreed by the Parties, on which the register of members of the Company shall be closed for the purposes of determining the Shareholders who will be eligible to attend and vote at the Court-Ordered Meeting
“Record Date”	-	Means the close of business on the Business Day immediately preceding the Effective Date; being the date on which the Company’s register of members will be updated for the purpose of determining the shareholders eligible to receive Scheme Consideration;
“Registrar(s)”	-	Means CardinalStone Registrars Limited
“Scheme” or “Scheme of Arrangement”	-	Means the Scheme of Arrangement to be entered into by Law Union and its shareholders in pursuant of section 539 of the CAMA with or subject to any modification, addition or condition approved or imposed by the Court;
“Scheme Consideration”	-	Means the total sum amounting to Five Billion, Two Hundred and Eighty-Four Million, Four Hundred and Eighty-Six Thousand, Five Hundred and Fifteen Naira (₦5,284,486,515) payable to the Scheme Shareholders as consideration for the transfer of the Scheme Shares pursuant to the Scheme being One Naira Twenty-Three Kobo (₦1.23) for every Scheme Share held by such Scheme Shareholder
“Scheme Consideration Account”	-	Means the bank account to be opened by the Registrar with the Account Bank with respect to the Scheme, into which the Consideration Shall be deposited and from which payments will be made to Scheme Shareholders
“Scheme Document”	-	Means this document dated July 27 2020 which contains the Scheme, the Explanatory Statement, the notice of the Court-Ordered Meeting and the appendices herein, all in relation to the Scheme
“Scheme Shareholders”	-	Registered holders of the Scheme Shares as at the Record Date, and includes persons entitled to the Scheme Shares by way of transmission
“Scheme Shares”	-	Means 4,296,330,500 issued and fully paid ordinary shares of 50 kobo each in Law Union representing 100% of the issued share capital of the Company, held by the Scheme Shareholders and which are to be transferred pursuant to the Scheme
“SEC” or the “Commission”	-	Means the Securities and Exchange Commission
“Shareholders”		Means the shareholders of Law Union as the context indicates
“Substantial Outflow”	-	Means any exceptional transaction or payment in excess of ₦20,000,000 (in aggregate) which occurs on or after the Accounts Date up to and including the Effective Date, which is not in the ordinary course of the business of the Company and/or is not a Permitted Outflow

1. DEFINITIONS (CONTD)

- “Total Consideration” - Means the total sum of Five Billion, Two Hundred and Eighty-Four Million, Four Hundred and Eighty-Six Thousand, Five Hundred and Fifteen Naira (₦5,284,486,515) payable to the Scheme Shareholders as cash consideration for the Scheme Shares
- “TIA” - Transaction Implementation Agreement
- “Transfer Date” - Means the date on which the notice of payment of the Total Consideration into the Scheme Consideration Account is received by Kanuri LUR, Law Union and the Registrar
- “Untraceable Holders” - Means Scheme Shareholders whose whereabouts cannot be ascertained after reasonable efforts have been made to find them including contacting their last known and/or registered addresses and publication in national daily newspapers

2. PROPOSED TIMETABLE

Event	Date
Obtain NAICOM approval for the Transaction	22 May 2020
Apply for FCCPC "No Objection" to the proposed acquisition	23 May 2020
Receive FCCPC No-Objection to the proposed acquisition	8 June 2020
Apply for SEC Clearance of the Scheme	8 June 2020
Receive SEC Clearance of the Scheme	27 July 2020
Obtain Court Order for the Company to convene the Court-Ordered Meeting	10 August 2020
Obtain the NSE's clearance of the Notice of the CoM	12 August 2020
Publish Notice of Court-Ordered Meeting in two national dailies	14 August 2020
Last date for lodgement of Proxy Forms for Court-Ordered Meeting	7 September 2020
Hold Court-Ordered Meeting of shareholders of Law Union	10 September 2020
Suspension in the trading of shares or other securities of the Company	11 September 2020
File resolutions passed at the CoM with CAC and obtain CTCs of resolutions	11 September 2020
File CTCs of the Court Ordered Meeting Resolutions and Scrutineers Report with the SEC and the NSE	15 September 2020
File and obtain SEC Formal Approval of the Scheme	21 September 2020
Notify the NSE of SEC's Formal Approval	22 September 2020
Obtain CTC of Court sanction of Scheme	22 September 2020
Register CTC of Court Sanction with CAC (Effective Date)	29 September 2020
File CTC of Court Sanction with the SEC and apply for the withdrawal of registration of Law Union's shares from SEC and delisting of Law Union's shares from The NSE's main board	5 October 2020
Publish copy of Court Sanction in at least two (2) national newspapers	6 October 2020
Deposit Consideration into the Scheme Consideration Account	7 October 2020
Remittance of Consideration to holders of Scheme Shares	8 October 2020
File Summary Report with SEC	8 December 2020

Important Notice:

The dates given above are indicative only and are subject to changes without prior notice. This timetable has been prepared on the assumption that the court dates for the Scheme will be available as and when applied for. If this is not the case, then the dates surrounding key events in the timetable may be subject to corresponding adjustment.

3. DIRECTORS AND PARTIES TO THE SCHEME

Directors	Mr Remi Babalola (Chairman) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Mr Ademayowa Adeduro (Managing Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Mr Olasupo Sogelola (Executive Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Ms. Toyin Olusanya (Non- Executive Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Mrs Funmi Ekundayo (Non- Executive Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Mr Ajibola Olayinka (Non- Executive Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Mr Folarin Familusi (Non- Executive Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Mr Obinna Onunkwo (Non- Executive Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Mrs Onome Adewuyi (Non- Executive Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
	Mr Kunle Aluko (Non- Executive Director) 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria
Company Secretary	Mr Stanley Chikwendu 14, Hughes Avenue, Alagomeji, Yaba Lagos, Nigeria

Financial Advisers	CardinalStone Partners Limited 5 Okotie Eboh Street Off Awolowo Road Ikoyi, Lagos, Nigeria
Legal Advisers to the Company	Tokunbo Orimobi LP 1963B Buraimoh Kenku Street, Off Oyin Jolayemi Street, Victoria Island, Lagos, Nigeria
Stockbroker	CardinalStone Securities Limited 5 Okotie Eboh Street Off Awolowo Road Ikoyi, Lagos, Nigeria
Registrars	CardinalStone Registrars Limited 358 Herbert Macaulay Way, Ikoyi, Lagos Nigeria
Auditor	Deloitte & Touche Civic Towers, Plot GA Ozumba Mbadiwe Avenue Victoria Island, Lagos, Nigeria
Legal Advisers to Kanuri LUR	Olaniwun Ajayi The Adunola, Plot L2, 401 Close Banana Island, Ikoyi, Lagos, Nigeria
Escrow Bank	Rand Merchant Bank Nigeria Limited 3rd Floor, The Wings, East Tower 17A Ozumba Mbadiwe Street Victoria Island Lagos State
Account Bank	First City Monument Bank Plc 17A Tinubu Street, Lagos Island Lagos State



RC: 6286

14, Hughes Avenue,
Alagomeji, Yaba
Lagos, Nigeria

27 July 2020

TO: ALL THE SHAREHOLDERS OF LAW UNION & ROCK INSURANCE PLC

Dear Sir/Madam,

SCHEME OF ARRANGEMENT FOR THE PROPOSED ACQUISITION OF LAW UNION & ROCK INSURANCE PLC

4.1 Introduction

As you may be aware, on May 20, 2019, NAICOM released a circular (**NAICOM Circular**) increasing the minimum paid up share capital of all insurance companies and requested all insurance companies to comply with the minimum paid up capital by June 30, 2020.¹ By the Circular, the minimum paid up capital for your Company has been increased from ₦3,000,000,000 (Three Billion Naira) to ₦10,000,000,000 (Ten Billion Naira).

Historically, the Company had performed excellently especially since its acquisition by the consortium of investors (Alternative Capital Partners and Swanlux Solutions and Services Limited in 2012), who embarked on a transformation and restructuring process that has enabled the Company align its offerings to the unique needs of the various sectors of the economy. This evidently has led to the turning around of the Company from a loss-making position of c.₦1.3 Billion (One Billion Three Hundred Million Naira) in FY 2012 to profitability of c.₦250 Million (Two Hundred and Fifty Million Naira) in the following year and this has unsurprisingly grown to c.₦860 Million (Eight Hundred and Sixty Million Naira) in FY 2019. The Shareholders' Fund has also significantly improved over the same period growing from c.₦3.5 Billion (Three Billion Five Hundred Million Naira) in FY 2012 to c.₦7.2 Billion (Seven Billion Two Hundred Million Naira) in FY 2019.

With respect to the Financial Performance for FY2019, Gross Premium Written rose by 6% from ₦4.54 Billion achieved in 2018 to ₦4.83 Billion. The Net benefit and Claims declined astronomically by 20%, to ₦1.28 Billion from ₦1.6 Billion posted in 2018. Underwriting Profit increased significantly by 54%, to ₦0.98 Billion from ₦0.64 Billion posted in the preceding year. Based on the decline in Net Benefits and Claims and significant increase in Underwriting Profit, the Company's Profit Before Tax increased significantly by 91%, to ₦0.94 Billion from ₦0.5 Billion recorded in 2018.

Due to the mandatory regulation by NAICOM to increase the minimum paid up capital requirement, your Company initially explored merger discussions with other insurance companies and communicated initial recapitalisation plan to NAICOM. However, it was noted that the Shareholders of Law Union would not maximise shareholder value if such merger discussions crystallised. It therefore sought more optimal avenues for Shareholders to get better value for their

¹NAICOM has extended the deadline for recapitalization to 31 December 2020.

4. LETTER FROM THE CHAIRMAN OF LAW UNION & ROCK INSURANCE PLC (CONT'D)

investments in Law Union. Consequently, the Company commenced searching for suitable strategic and or financial investors. The Company profiled and engaged with over a dozen potential investors before agreeing to a deal with Verod Capital Management (“Verod” or the “Sponsor”). No other binding competing offers were subsequently received. In the interest of time and given the regulatory process required for injection of new capital as a public company, it was important for a deal to be agreed in good time to ensure that - the Company maintains its operating license; remains an attractive investment opportunity; and for Shareholders to get full value for their investment in the Company.

In view of the above, the Board had a strategic meeting with Verod who has a strong interest in the insurance industry in Nigeria and after satisfactory due diligence on the Company, the Board received an offer from Verod Capital to purchase the entire issued share capital of the Company to which the Company signed a Transaction Implementation Agreement (“the TIA”) with Verod, through its Investment Vehicle, Kanuri LUR Limited (“Kanuri LUR” or the “Offeror”), which sets out the broad framework for the acquisition of the entire issued capital of the Company by Kanuri LUR. This letter is issued further to the execution of the TIA.

The proposed transaction as contained in the TIA is expected to involve the transfer of a total of 4,296,330,500 ordinary shares of 50 kobo each of Law Union held by the Scheme Shareholders to Kanuri LUR or any other nominee of Kanuri LUR in consideration for a cash payment of One Naira Twenty-Three Kobo (₦1.23) per share to the Scheme Shareholders, following which all the shares in the Company will become fully held by Kanuri LUR and its designated nominee (the ‘Proposal’). Subsequently and upon the Scheme becoming effective, Law Union will be delisted from the Main Board of the Nigerian Stock Exchange (the “NSE” or “Exchange”), the registration of the ordinary shares of the Company with the Securities and Exchange Commission (“SEC”) will be withdrawn and the Company will be re-registered as a private company limited by shares.

After due and careful consideration of the Company’s historical financial performance, position and prospects as well as the need to comply with the recent recapitalisation deadline by NAICOM, your Board of Directors (the “Board”) engaged the services of CardinalStone Partners Limited (“CardinalStone”) and Tokunbo Orimobi LP as Financial Adviser and Legal Adviser respectively to provide professional advice to the Company on the proposed structure and to facilitate all necessary regulatory engagements. Law Union and its independent advisers have also engaged with Kanuri LUR’s advisers – Olaniwun Ajayi LP to determine the optimal transaction structure that will minimize transaction and execution risks and to the extent feasible, eliminate prejudice to the Company’s Shareholders.

Following negotiations with Kanuri LUR and further to advice from its advisers, the Board has resolved to recommend the Proposal to the Shareholders for their kind consideration at a meeting to be convened by an order of the Federal High Court. The Board has further resolved to effect the Proposal by way of a Scheme of Arrangement under Section 539 of the Companies and Allied Matters Act Chapter C20, Laws of the federation of Nigeria 2004 (“Scheme of Arrangement”) as your Board believes that same will serve the best interests of both the Company and its Shareholders.

In the event the Company receives any competing offers between the approval of the Scheme document by the SEC and the Effective Date, the Board will duly notify the Shareholders of the Company.

The Proposal which is to be presented for your consideration and approval at the Court-Ordered Meeting has already received the clearance of the Securities and Exchange Commission and the “No Objection” of the Federal Competition and Consumer Protection Commission. The detailed terms of the Scheme are highlighted in an Explanatory Statement from CardinalStone, the Financial Advisers to Law Union’s Shareholders on Pages 16 to 21 of this document. The Transaction is being undertaken by way of a Scheme as it presents option for completing the process in a timely manner.

4. LETTER FROM THE CHAIRMAN OF LAW UNION & ROCK INSURANCE PLC (CONTD)

Background to and Reason for the Recommendation

Kanuri LUR's proposal formally states its intention to acquire Law Union resulting in the Company being re-registered as a private company. The Proposal will be implemented through Kanuri LUR and its designated nominee, who will receive all the shares under the Scheme upon the Scheme taking effect. The Board is also of the view that the Proposal represents an opportunity for shareholders to realise value at a considerable premium given the challenges that insurance stocks have had on the Nigerian Stock Exchange in the last few years.

The Board believes that the following benefits and opportunities would be derived from the Scheme by the stakeholders of the Company:

1. Enable shareholders of Law Union to unlock value from their investment in the Company and exit at an attractive pricing whilst alleviating any future erosion of value; and
2. Allow Kanuri LUR to shore up the Company's paid-up share capital to meet up with the new recapitalization policy

4.2 Recommendation

The Board, as advised by CardinalStone, considers the terms of the Scheme to be fair and are recommending the Scheme for the following reasons:

1. The proposed Scheme Consideration represents a total value of ₦1.23 per share, a One Hundred and Twenty- Nine percent (129%) of the last traded share price of the Company on 27 February 2020 at ₦0.95 per share, being the last business day prior to the date the execution of the Transaction Implementation Agreement and announcement on the Exchange, and a Two-Hundred and Eight percent (208%) of the Sixty (60) - Traded Day weighted average share price of ₦0.59 per share as at 27 February 2020;
2. Verod, with considerable experience in the Insurance industry and the Nigerian business environment, has the necessary expertise and technical know-how to drive the Company to a greater level of productivity and performance; and
3. The proposed Scheme will ensure the sustainability of Law Union as a going concern with its attendant multiplier effect and benefit to all stakeholders including clients, employees, agents, brokers, tax authorities, federal and state governments.

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 **10 September 2020**.

If you are unable to attend the Court-Ordered Meeting in person, please complete and return the attached Proxy Form in accordance with the instructions thereon. Please note that lodging of the Proxy Form does not prevent you from attending the Court-Ordered Meeting 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 Court-Ordered Meeting.

Yours faithfully,

Mr. REMI BABALOLA
Chairman
Law Union & Rock Insurance Plc

27 July 2020

To the Shareholders of Law Union & Rock Insurance Plc

Dear Sir/Madam,

Scheme of Arrangement for the Proposed Acquisition of Law Union & Rock Insurance Plc

Introduction

We issue this letter further to the execution of the Transaction Implementation Agreement (the “TIA”) between Kanuri LUR Limited (“Kanuri LUR” or the “Offeror”) and Law Union for the proposed acquisition of a total of 4,296,330,500 ordinary shares of 50 kobo each held by all shareholders of Law Union & Rock Insurance Plc (“Law Union” or the “Company”) for a Consideration of ₦5,284,486,515 (Five Billion, Two Hundred and Eighty-Four Million, Four Hundred and Eighty-Six Thousand, Five Hundred and Fifteen Naira only) (the “Total Consideration”).

Background on the Sponsor and Offeror

Kanuri LUR Limited is an investment vehicle of Verod Capital Management, which is an Anglophone West Africa Private Equity firm focusing on investing equity and equity-linked capital in growth companies across various consumer-driven sectors, with more than US\$300 million in assets under management and investments across financial services and other sectors in Nigeria.

Rationale and Benefits of the Offer

As you may be aware, the NAICOM issued a Circular dated 20 May 2019 increasing the paid up capital of your Company from ₦3,000,000,000 to ₦10,000,000,000. Your Company has made assiduous efforts to recapitalize so as to meet the new minimum paid up capital stipulated by NAICOM and the Board of your esteemed Company believes that the Company runs the risk of remaining undercapitalized and may lose its licence if a strategic investor is not sought.

Immediately on completion of the acquisition, Kanuri expects to inject more than N3,500,000,000 of additional capital into Law Union to ensure that the Company is able to meet the recapitalisation requirements well ahead of the NAICOM deadline and seeks to afford shareholders the opportunity to monetise your investment in the Company at an attractive price. The Consideration would represent:

- Total value of ₦1.23 (One Naira, Twenty-Three Kobo) per Law Union’s share
- 129% of the last traded share price of the Company as at 27 February 2020 at ₦0.95 per share
- 208% of the 60 - Traded Day weighted average price at ₦0.59 per share of the Company as at 27 February 2020

There is no certainty that a similar or a better offer would be on the table for shareholders after this offer has expired.

If our Offer is accepted, Kanuri LUR intends to expand Law Union’s business. The Sponsor is able to provide the strategic, financial and technical support that Law Union requires to grow and remain competitive. The Company will enjoy the recapitalization resulting from this proposed buy-out, leading to an improved capital base and revenue generation capacity.

Conclusion

The advantages to you as a Shareholder have been outlined above and represent an exceptional one-off chance to monetize your investment in cash and at an attractive premium. The Offeror is a wholly owned subsidiary of a US\$200

million Private Equity Fund and is in a position to finance the proposed Consideration of the Law Union Shares, being fully backed by an unequivocal and irrevocable statement of financial support from Verod Capital Growth Fund III LP and Verod Capital Growth III A LP.

You may wish to note that the Board of your company, in this letter dated **27 July 2020** has recommended that you accept this offer. We therefore urge you to vote in favour of the resolutions which will be proposed at the Court-Ordered Meeting in respect of the Scheme.

Yours faithfully,

For: Kanuri LUR Limited

Eric Idiahi
Director

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS

The following is the text of the letter from the Financial Advisers to the Shareholders of Law Union & Rock Insurance Plc incorporating the Explanatory Statement.



5 Okotie Eboh Street
Off Awolowo Road
Ikoyi, Lagos
Tel: +234-1- 710 0433

27 July 2020

TO: THE SHAREHOLDERS OF LAW UNION & ROCK INSURANCE PLC

Dear Sir/Madam,

PROPOSED SCHEME OF ARRANGEMENT FOR THE PROPOSED ACQUISITION OF LAW UNION & ROCK INSURANCE PLC

6.1 Introduction

You have been duly informed by the letter from the Chairman of the Board of Directors of Law Union and Rock of the Board of Directors of Law Union and Rock Insurance Plc. (“Law Union” or the “Company”), presented on pages 11 to 13, of this Scheme Document, of the proposed acquisition of the Company involving Verod Capital Management proposal through its investment vehicle Kanuri LUR Limited to acquire the entire issued and fully paid ordinary shares of 50 kobo each in Law Union held by the Scheme Shareholders (the “Proposal”). The acquisition will be effected by way of a Scheme of Arrangement under Section 539 of the CAMA, of which the terms and conditions will be considered by you at the Court-Ordered Meeting.

Your Directors have authorised us, as Financial Adviser 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:

6.2 The Transaction

The proposal is for Kanuri LUR to acquire the entire issued and fully paid ordinary shares of 50 kobo each in Law Union held by the Scheme Shareholders, subsequent to which the Company would be delisted from the Main Board of the Nigerian Stock Exchange, the ordinary shares of the Company will be deregistered from the Securities and Exchange Commission (“SEC”) and Law Union will be re-registered as private company limited by shares. Post-transaction, the Law Union Insurance business will continue to operate as a wholly owned portfolio company of Kanuri LUR.

Under the terms of the Scheme, it is proposed that:

- a) The entire 4,296,330,500 ordinary shares of 50 kobo each in Law Union held by the Scheme Shareholders of the Company will be transferred to Kanuri LUR;

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS (CONT'D)

- b) As consideration for the transfer of the Scheme Shares, the Scheme Shareholders will be entitled to receive a cash consideration of One Naira, Twenty-three Kobo (₦1.23) for each Scheme Share held. The proposed Scheme Consideration represents a 129% of Law Union Share Price of ₦0.95 per share as at the close of 27 February, 2020 being the last business day prior to the date the Proposal was received and announced on the floor of The Exchange; and a 208% of the 60 - Traded Day weighted average share price of ₦0.59 per share as at 27 February, 2020. CardinalStone and the Board of Law Union therefore consider this price fair and reasonable;
- c) Upon conclusion of the Scheme, the outstanding and issued shares of Law Union will be wholly held by Kanuri LUR, save for one (1) ordinary share which would be held by nominee of Kanuri LUR; and
- d) Law Union would be delisted from the Main Board of the Nigerian Stock Exchange, the ordinary shares of the Company will be de-registered from the SEC and the Company will be re-registered as a private company limited by shares

6.3 Advantages and Disadvantages of the Scheme

Upon the Scheme being effective, the Scheme Shareholders would no longer enjoy the benefits of being shareholders of the Company and will have no opportunity to reinvest into the Company as Law Union would be delisted from the NSE and thereafter re-registered into a private company limited by shares and solely owned by Kanuri LUR and its designated nominee. However, the Scheme Shareholders will receive immediate benefit from the Scheme through the opportunity given to recoup their investment at a premium to Law Union's market share price as of the previous day to the date of the Proposal and mitigate future erosion of their investment in the Company which cannot be guaranteed. Furthermore, should the shareholders not approve the Scheme, they will be at a disadvantage given the probability of a further erosion in the value of the Company's shares, which will negatively impact their investments in Law Union as well as the challenge of not meeting the NAICOM's Recapitalization deadline of 31 December 2020.

6.4 Conditions Precedent

The Scheme is subject to the fulfilment of the conditions precedent detailed below and will, upon the fulfilment of the conditions precedent, become effective and binding on the shareholders of Law Union:

- a. Approval of the Scheme of Arrangement by a majority, representing not less than 75 percent (3/4) of the ordinary shares held by shareholders' present and voting, either in person or by proxy, at the Court-Ordered Meeting of Law Union;
- b. Approval of the Scheme by the SEC and NAICOM with or without modification of the terms and conditions of the Scheme as agreed to by the shareholders of the Company;
- c. The Scheme is sanctioned by the Court with or without modification;
- d. The certified true copy of the Court sanction is registered at the CAC

The result of the resolution passed by the Scheme Shareholders in respect of the Scheme at the Court Ordered Meeting and the sanction of the Court is the transfer of the legal and beneficial ownership of 100% of the Scheme Shares to Kanuri LUR.

6.5 Effectiveness of the Scheme

Once the Scheme is sanctioned by the Court and registered at the CAC, the Scheme of Arrangement will be binding on all holders of shares of Law Union including those who did not attend the Court-Ordered Meeting, or those who attended the Court-Ordered Meeting but did not vote, or those who voted against the Scheme at the Court-Ordered Meeting, or those who could not be traced.

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS (CONT'D)

On the Effective Date, any share certificates representing the interests of the Scheme Shareholders shall cease to be valid. Furthermore, Scheme Shares previously held in dematerialized form shall also be removed from the record of Law Union shareholders maintained by the CSCS. In respect of the Scheme Shares, the information on the Register as at the Qualification Date (or as confirmed by any other information provided by the CSCS as at the Qualification Date) shall be the definitive proof of shareholding in Law Union.

6.6 Meeting to Approve the Scheme and Voting Rights

The Meeting of the shareholders of the Company will be convened by an Order of the Court for the purpose of considering and, if thought fit, approving the Scheme. The voting will be by poll (and not by show of hands) at the Court-Ordered Meeting, therefore, each shareholder present in person or by proxy will be entitled to one (1) vote for every share held. The statutory majority required to pass these resolutions at the Court-Ordered Meeting is a majority representing not less than three quarters (3/4) in value of the shares of members present and voting either in person or by proxy.

Actions to be taken

The Proxy Form for the Court-Ordered Meeting is enclosed herewith. If you are unable to attend the Court-Ordered Meeting in person, you are requested to kindly complete the Proxy Form in accordance with the instructions thereon and return same to CardinalStone Registrars Limited, 358, Herbert Macaulay Way, Yaba, Lagos State, no later than twenty-four (24) hours before the time appointed for the Court-Ordered Meeting.

The completion and return of a Proxy Form will not prevent you from attending in person and voting at the Court-Ordered Meeting or any adjournment thereof, should you so wish. However, in such instance, your proxy will not be entitled to attend or vote. It is important that as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of shareholders' opinion. You are therefore strongly urged to attend the Court-Ordered Meeting and vote accordingly.

Settlement

Settlement of the consideration to which each holder of Scheme Shares is entitled under the Scheme will be implemented in full in accordance with the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Law Union may otherwise be, or claim to be entitled, against such holder.

The Scheme Consideration will be paid in accordance with the settlement process stated in the "Scheme Consideration" paragraph below. 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.

The Directors of Law Union will take appropriate measures to ensure that the Scheme is executed on the basis of international best practice and the process is objectively perceived as transparent and fair. Accordingly, it is advisable for Shareholders to attend the Court-Ordered Meeting and exercise their voting rights.

The Notice of the Court-Ordered Meeting is on pages 51 to 52 of this Scheme Document.

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS (CONT'D)

6.7 Basis of Scheme Consideration

As consideration for the exchange of the Scheme Shares, each Scheme Shareholder shall receive the sum of ₦1.23 per share, for each Law Union share held. The proposed Scheme Consideration represents a total value of ₦1.23 per Law Union share, a 129% of the last traded share price of the Company on 27 February 2020 at ₦0.95 per Law Union share, being the last business day prior to the date of the execution of the Transaction Implementation Agreement signed by Kanuri LUR and announced on the floor of the NSE, and a 208% of the 60 - Traded Day weighted average share price of ₦0.59 as at 27 February 2020.

6.8 Settlement of the Scheme Consideration

— Scheme Consideration

Kanuri LUR has funded the Escrow Account with an amount equivalent to 10% of the Total Consideration which is currently held by the Registrar in their capacity as an escrow agent; the cost of this service is being borne by Kanuri LUR. Within five (5) Business Days the receipt of the Certified True Copy (CTC) of the Court Sanction, Kanuri LUR will fund the Escrow Account with the Total Consideration less the Deposit Amount.

Kanuri LUR, Law Union and the Registrar will enter into a Scheme Consideration Payment Agreement (the "Paying Agreement"). The Registrar will open an account to be designated as the "Scheme Consideration Account" into which the Total Consideration will be transferred by the Registrar from the Escrow Account after notifying Kanuri LUR and Law Union

Once the Court Sanction is obtained and same is registered with the CAC, Law Union shall provide Kanuri LUR and the Registrar with the Certified True Copies of the Court Sanction issued by the Court and evidence of registration of the Court Sanction with the CAC. Upon confirmation of receipt of the Total Consideration by the Escrow Bank, the Registrar shall within one (1) Business Day transfer the Total Consideration from the Escrow Account into the Scheme Consideration Account. The Scheme Consideration Account shall be maintained and operated in accordance with the terms of the Scheme Consideration Payment Agreement entered among Kanuri LUR, Law Union and the Registrar. Within five (5) Business Days from the Transfer Date, each Scheme Shareholder who has mandated their account shall be paid by the Account Bank, upon instruction from the Registrar, and shall be remitted by way of electronic transfer to each holder. Payment of the Scheme Consideration to Scheme Shareholders who are yet to mandate their account will be made through their bank accounts as they approach the Registrar, prior to the Final Payment Date, in accordance with all applicable laws for payment in Nigeria.

— Plans for Untraceable Holders

The Scheme Consideration to which each Scheme Shareholder shall become entitled pursuant to the Scheme becoming effective shall be a debt due and payable to each Scheme Shareholder and shall be retained with the Account Bank until the Final Payment Date in accordance with the terms of the Scheme Consideration Paying Agreement.

Where any Scheme Consideration is not claimed by a Scheme Shareholder within six (6) months after the Effective Date (the "Unclaimed Money Deadline"), such Scheme Consideration becomes unclaimed monies. A Scheme Shareholder shall be deemed untraceable if his/her/its whereabouts cannot be ascertained by the Registrar by the end of the eighteenth (18th) month after the Unclaimed Money Deadline. Subject to applicable laws and regulations or other directive of the SEC, where Scheme Shareholders entitled to unclaimed monies remain untraceable as at the Final Payment Date, the Registrar shall cause all such unclaimed monies to be transferred to the National Investors Protection Fund.²

² By a directive on 18 June 2020, based on the SEC's review of the Scheme Document, the SEC directed that any unclaimed monies due to Scheme Shareholders who remain untraceable as at the dated two year from the Effective Date (the Final Payment Date), should be transferred by the Registrar to the National Investors Protection Fund.

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS (CONT'D)

Following the expiration of the Final Payment Date, an untraceable Scheme Shareholder shall be entitled to claim payment of the Scheme Consideration due to him from the National Investors Protection Fund in respect of and against the portion of the Scheme Consideration transferred to the National Investors Protection Fund.

— Plans for Holders of Scheme Shares subject to Encumbrance

Settlement in respect of Scheme Shares held in the Company which have been pledged as collateral or are subject to a lien or other similar encumbrances, to the knowledge of and with notification to the Company and/or the Registrar, may be withheld by the Registrar, pending satisfactory discharge of the encumbrance.

6.9 Provision for Dissenting Shareholders

There are no specific arrangements for Shareholders who vote against the Scheme. Under the provisions of Section 539 of CAMA, the Scheme binds the Shareholders and the Company where the statutorily required majority of shareholders' votes in favour of the Scheme and same is sanctioned by the Court. All shareholders of the Company will be entitled to the Scheme Consideration, pro rata their respective shareholding in the Company.

6.10 Treatment of Competing Offers

Where an unsolicited written offer is made to the Board of Directors of Law Union by an existing shareholder of the Company, (not related to Kanuri or Verod), to acquire all of the shares of the Company not held by such offeror, the Board would take steps to evaluate whether such potential offer would become a competing offer to the offer made by Kanuri in relation to the Scheme.

In the event that such offer is deemed to be a competing offer, the Board would take the necessary steps to act in the best interest of the shareholders of the Company.

In considering whether such potential offer could become a competing offer, the Board shall consider amongst other things, the quantum of the consideration being offered, source of funds for the settlement of such consideration, proof of funds provided, evidence and confirmation that such funds will be in place and will be sufficient for the settlement of the consideration, conditionality of the offer, plans of the offeror for the business of the Company (including injecting capital required to meet minimum capital requirements) and timing of receipt of the offer relative to the court ordered meeting.

6.11 Related Party

As at the date of this Scheme, other than as stated in this Scheme Document, no related party to Verod or Kanuri LUR currently hold any shares in Law Union.

6.12 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 disadvantages to the Scheme Shareholders, either with respect to capital gains tax or stamp duty. The Capital Gains Tax Act Cap C1 Laws of the Federation of Nigeria 2004 exempts 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 (share transfer forms) 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 to any shareholder. 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.

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISERS (CONT'D)

6.13 Information on Verod Capital Management and Kanuri LUR Limited

Kanuri LUR was incorporated in December 2019 as a special purpose vehicle to hold Verod Capital's investments in the general insurance industry in Nigeria. Verod is a leading West African private equity firm implementing a differentiated strategy focused on mid-market growth capital and buyout investments in consumer demand driven sectors. Consumer demand driven sectors include consumer goods and services, agribusiness, financial services, education and light industrials. The firm's principals and key employees bring region specific private equity, investment banking, management consulting and corporate finance experience, as well as a wide network of relationships necessary to support portfolio companies with their growth objectives. Verod currently advises private equity funds with more than US\$300m in Assets Under Management. Verod has been in operations for over 10 years, and has demonstrable expertise in identifying, investing in and managing diverse assets across several industries. In December 2019, Verod closed the Verod Capital Growth Fund III LP (VCGF III), a US\$200M private equity fund backed by a range of international institutional investors including the International Finance Corporation, the African Development Bank, the European Investment Bank, and Financierings-Maatschappij voor Ontwikkelingslanden N.V. (the Dutch Developmental Finance Institution).

Through VCGF II, Verod makes direct equity investments into fast-growing companies across Anglophone West Africa (primarily in Nigeria and Ghana). Verod's current partner companies include Tangerine Life Insurance (Nigeria), Central Securities Clearing System Plc (Nigeria), Daystar Power Energy Solutions (Nigeria), DTRT Apparel (Ghana), Emzor Pharmaceutical Industries Limited (Nigeria), Niyya Food and Drinks (Nigeria), Oreon Education Limited (Nigeria), Shaldag Limited (Nigeria) etc.

In view of the above, Kanuri LUR is a wholly owned subsidiary of a US\$200 million Private Equity Fund and is in a position to sufficiently finance the proposed Consideration of the Law Union Shares.

6.14 Further Information

Your attention is drawn to the following information contained in the appendices to this Scheme Document. Shareholders should read the whole of this Scheme Document and are advised not to rely only on the summarised information included in this Explanatory Statement and in other parts of the Scheme Document

- Appendix 1 - Further information regarding Law Union on pages 29 to 44
- Appendix 2 - Further information on Verod Capital Management on page 45 to 48
- Appendix 3 - Statutory and General Information on pages 49 to 50
- Appendix 4 - Notice of Court-Ordered Meeting on pages 51 to 52

6.15 Conclusion and Recommendation

The Board of Directors of the Company and we, the Financial Advisers, having considered the terms and conditions of the Scheme, recommend that you vote in favour of the resolutions which will be proposed at the Court-Ordered Meeting.

Yours faithfully,

Michael Nzewi
Managing Director
CardinalStone Partners Limited

SCHEME OF ARRANGEMENT

PURSUANT TO SECTION 539 OF THE COMPANIES AND ALLIED MATTER ACT CAP C20 LFN 2004

BETWEEN



LAW UNION & ROCK INSURANCE PLC (RC NO. 6286)

AND

THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50KOBO EACH

PRELIMINARY

A. In this Scheme, the following expressions shall, unless the context otherwise requires, have the meanings set opposite the same respectively:

“Account Bank” means First City Monument Bank Plc , a company duly incorporated under the Laws of Federal Republic of Nigeria and licensed by the Central Bank of Nigeria to carry on banking business in Nigeria or such other replacement bank as may be appointed by the Registrars

“Accounts Date” means December 31, 2019

“Board of Directors” or the **“Board”** means the Board of Directors of Law Union whose names appear on page 9 of the Scheme Document

“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 Nigeria

“CAC” means the Corporate Affairs Commission

“CAMA” means the Companies and Allied Matters Act, Cap C20, LFN 2004

“Company” means Law Union & Rock Insurance Plc

“Court” or **“FHC”** means the Federal High Court of Nigeria

“Court-Ordered Meeting” means any of the meetings of the shareholders of Law Union & Rock Plc convened by the order of the Court and held pursuant to Section 539 of the CAMA, notice of which is set out on pages 51 to 52 of the Scheme Document

“Court Sanction” means the order of the Court sanctioning the Scheme

“CSCS” means the Central Securities Clearing System Limited, the electronic clearing and depository system for securities transactions in Nigeria

7. SCHEME OF ARRANGEMENT (CONT'D)

“**CTC**” means Certified True Copy

“**Escrow Account**” means the bank account opened in the name of the Registrar with Rand Merchant Bank Nigeria Limited into which ten percent (10%) of the Scheme Consideration was deposited by Kanuri LUR within fifteen (15) Business Days of the execution of the Transaction Implementation Agreement and the balance (less any adjustments to be made in the event of a Substantial Outflow as delineated in the TIA be deposited within five (5) Business Days of receiving the Certified True Copy (CTC) of the Court Sanction

“**Deposit Date**” means the date falling five (5) Business Days after the receipt by Kanuri LUR Limited and the Account Bank of the Deposit Notice

“**Deposit Notice**” means the notice together with SEC’s formal approval of the Scheme to be delivered by Law Union to Kanuri LUR Limited and the Account Bank specifying the SEC approval date, the Deposit Date and the Long Stop Date

“**Effective Date**” means the date on which the Court Sanction is delivered to the CAC for registration

“**Escrow Bank**” means Rand Merchant Bank Nigeria Limited a private limited liability company duly incorporated under the Laws of Federal Republic of Nigeria and licensed by the Central Bank of Nigeria to carry on banking business in Nigeria or such other replacement bank as may be appointed by the Company

“**Explanatory Statement**” The statement issued by the Financial Advisers for the purpose of explaining the terms, conditions and effects of the Schemes and set out on pages 16 to 21 of the Scheme Document

“**FCCPC**” means Federal Competition and Consumer Protection Commission

“**FGN**” means Federal Government of Nigeria

“**Financial Adviser**” means CardinalStone Partners Limited

“**Final Payment Date**” means two (2) years from the Effective Date of the Scheme, subject to applicable laws and regulations

“**FIRS**” means the Federal Inland Revenue Service

“**Form of Proxy**” or “**Proxy Form**” means the attached form of proxy for use in connection with the Court-Ordered Meeting of the shareholders of the Company

“**Kanuri LUR Limited**” or “**Kanuri LUR**” or “**the Investor**” means Kanuri LUR Limited

“**LFN**” means the Laws of the Federation of Nigeria

“**Long Stop Date**” means the date falling on a Business Day that is twelve (12) weeks after receipt of the SEC’s formal approval of the Scheme

“**Law Union**” means Law Union & Rock Insurance Plc

“**NAICOM**” means National Insurance Commission

“**Naira**” means the lawful currency of Nigeria

“**Naira Scheme Consideration Account**” or “**Scheme Consideration Account**” means the bank account to be opened by the Registrar with the Account Bank with respect to the Scheme, into which the Consideration Shall be deposited and from which payments will be made to Scheme Shareholders

7. SCHEME OF ARRANGEMENT (CONT'D)

“**Nigeria**” means the Federal Republic of Nigeria

“**NIPF**” means the National Investor Protection Fund

The “**NSE**” or the “**Exchange**” means the Nigerian Stock Exchange

“**Permitted Outflow**” means payments made in the ordinary course of business, consistent with past practices or specifically pre-approved by the Investor

“**Qualification Date**” Means August 31, 2020 agreed by the Parties, on which the register of members of the Company shall be closed for the purposes of determining the Shareholders who will be eligible to attend and vote at the Court-Ordered Meeting

“**Record Date**” Means the close of business on the Business Day immediately preceding the Effective Date; being the date on which the Company’s register of members will be updated for the purpose of determining the shareholders eligible to receive Scheme Consideration.

“**Registrar(s)**” means CardinalStone Registrars Limited

“**Scheme Consideration**” means One Naira Twenty-three Kobo (~~₦~~1.23) for every Scheme Share which will be paid to each Scheme Shareholder as consideration for the Scheme Shares to be transferred pursuant to the Scheme

“**Scheme Document**” means this document dated **July 27 2020** which contains the Scheme, the Explanatory Statement, the notice of the Court-Ordered Meeting and the appendices herein, all in relation to the Scheme

“**Scheme Shareholders**” means registered holders of the Scheme Shares as at the Record Date, and includes persons entitled to the Scheme Shares by way of transmission

“**Scheme Shares**” means 4,296,330,500 issued and fully paid ordinary shares of 50 kobo each in Law Union, representing 100% shareholding in the Company held by the Scheme Shareholders and which are to be transferred pursuant to the Scheme

“**SEC**” or the “**Commission**” means the Securities and Exchange Commission

“**Shareholders**” means the shareholders of Law Union as the context indicates

“**The Scheme**” or “**The Transaction**” means The Scheme of Arrangement for the proposed acquisition of Law Union and Rock Plc.

“**Total Consideration**” means the total sum of Five Billion, Two Hundred and Eighty-Four Million, Four Hundred and Eighty-Six Thousand, Five Hundred and Fifteen Naira (~~₦~~5,284,486,515) payable to the Scheme Shareholders as cash consideration for the Scheme Shares

“**TIA**” means Transaction Implementation Agreement

“**Transfer Date**” means the date on which the notice of payment of the Total Consideration into the Naira Scheme Consideration Account sent by the Account Bank is received by Kanuri LUR, Law Union and the Registrar

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

7. SCHEME OF ARRANGEMENT (CONT'D)

- B. The authorized share capital of the Company is ₦3,100,000,000.00 comprised of 6,200,000,000 ordinary shares of ₦0.50 each, out of which ₦2,148,165,250 comprising of 4,296,330,500 ordinary shares of ₦0.50 each are issued and fully paid. The current shareholding structure of the Company as at the date of the Scheme is as follows:

SHAREHOLDER	NO. OF ORDINARY SHARES HELD	%
Alternative Capital Partners (ACAP)	1,031,133,727	24.00%
Swanlux Solutions and Services Limited	1,031,133,728	24.00%
NI Holdings	859,000,240	19.99%
Enko Africa Private Equity Fund	405,598,600	9.44%
Others	969,464,206	22.56%
TOTAL	4,296,330,500	100.00%

THE SCHEME

The Scheme shall be composed of the following elements:

1. Transfer of the Scheme Shares

In pursuance of the Scheme and subject to the Scheme becoming effective, the Scheme shares shall be transferred to Kanuri LUR Limited.

2. Consideration for the Scheme Shares

The consideration for the transfer of the Scheme Shares shall be a cash consideration of One Naira Twenty-Three Kobo (₦1.23) per Scheme Share which amounts to a Total Consideration of Five Billion, Two Hundred and Eighty-Four Million, Four Hundred and Eighty-Six Thousand, Five Hundred and Fifteen Naira (₦5,284,486,515)

3. Settlement of the Scheme Consideration

- Kanuri LUR has funded the Escrow Account with an amount equivalent to 10% of the Total Consideration which is currently held by the Registrar in their capacity as an escrow agent; the cost of this service is being borne by Kanuri LUR. Within (5) five Business Days after the receipt of the Certified True Copy (CTC) of the Court Sanction, Kanuri LUR will fund the Escrow Account of the Total Consideration less the Deposit Amount
- Once the Court Sanction is obtained and same is registered with the CAC, Law Union shall provide Kanuri LUR and the Registrar with the Certified True Copies of the Court Sanction issued by the Court and evidence of registration of the Court Sanction with the CAC. Upon confirmation of receipt of the Total Consideration by the Escrow Bank, the Registrar shall within one (1) Business Day transfer the Total Consideration from the Escrow Account into Scheme Consideration Account. The Naira Scheme Consideration Account shall be maintained and operated in accordance with the terms of the Scheme Consideration Payment Agreement entered among Kanuri LUR, Law Union and the Registrar.
- The Scheme Consideration to which each Scheme Shareholder shall become entitled shall be payable by the Account Bank to the Holders, upon instruction from the Registrar, and shall be remitted by way of electronic transfer to each holder by the Registrar within five (5) Business Days from the Transfer Date.
- Scheme Shareholders who have registered for the electronic payment system (e-dividend) with the Registrar will receive a direct credit of the amounts due to them from the Scheme Consideration in their registered account with their respective nominated banks.
- Scheme Shareholders who are yet to register for the electronic payment system (e-dividend) with the Registrar are advised to contact the Registrar to initiate and conclude the e-dividend registration.

7. SCHEME OF ARRANGEMENT (CONT'D)

- f) Payment of the Scheme Consideration due in respect of the Scheme Shares shall be made in Nigerian Naira by way of e-remittance to bank accounts in respect of which the Registrar has e-dividend mandates. The Registrar shall ensure that all payments are fulfilled in accordance with [the Scheme Consideration Payment Agreement] and all applicable legal and regulatory framework for payment in Nigeria. Receipt of the Total Consideration into the Naira Scheme Consideration Account shall be a complete discharge of the Company and Kanuri LUR's obligations with respect to payment of the Total Consideration.
- g) Settlement of the consideration to which each holder is entitled under the Scheme will be implemented in full in accordance with the Scheme without regard to any lien, write off, set off, counterclaim or other analogous right to which Law Union may otherwise be, or claim to be entitled, against such holder. As directed by the SEC, where any Scheme Consideration is not claimed by a Scheme Shareholder within six (6) months after the Effective Date (the "Unclaimed Money Deadline"), such Scheme Consideration becomes unclaimed monies. A Scheme Shareholder shall be deemed untraceable if his/her/its whereabouts cannot be ascertained by the Registrar by the end of the eighteenth (18th) month after the Unclaimed Money Deadline. Subject to applicable laws and regulations or other directive of the SEC, where Scheme Shareholders entitled to unclaimed monies remain untraceable as at the Final Payment Date, the Registrar shall cause all such unclaimed monies to be transferred to the NIPF.
- h) These provisions on payment of Scheme Consideration by the Registrar to the Scheme Shareholders shall be in effect for a period of two (2) years from the Effective Date (the Final Payment Date). Subject to applicable laws and regulations, following the expiration of the Final Payment Date, an untraceable Scheme Shareholder shall be entitled to claim payment of the Scheme Consideration due to him from the NIPF within a period of twelve (12) years from the Effective Date.

4. Registration of the Court Sanction

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.

5. Conditions Precedent

The Scheme shall become binding on all the Shareholders as from the Effective Date, 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:

- a. the Scheme of Arrangement is approved by a majority, representing not less than 75 percent (3/4) of the value of the Company's ordinary shares held by shareholders' present and voting, either in person or by proxy, at the Court-Ordered Meeting of Law Union;
- b. the Scheme is approved by the SEC and NAICOM with or without modification of the terms and conditions of the Scheme as agreed to by the majority of the shareholders of the Company
- c. the Scheme is sanctioned by the Court with or without modification; and
- d. the certified true copy of the Court sanction is registered at the CAC

The result of the resolution passed by the Scheme Shareholders in respect of the Scheme at the Court Ordered Meeting and the sanction of the Court is the transfer of the legal and beneficial ownership of 100% of the Scheme Shares (that is all shares in the Company currently not held by Kanuri LUR) to Kanuri LUR

6. Consequences of the Scheme

a. *Certificates and Dematerialized holdings*

As from and including the Effective Date, all certificates representing the interests of Scheme Shareholders in the Scheme Shares shall cease to be valid or shall have no effect. Furthermore, Scheme Shares previously held

7. SCHEME OF ARRANGEMENT (CONT'D)

in dematerialized form shall also be expunged from the respective record of Law Union shareholders maintained by the CSCS. The Company's Register of Members will also be updated to exclude the names of all the Scheme Shareholders and the Company will become a wholly owned subsidiary of Kanuri LUR.

b. Delisting of the Shares of the Company

Conditional upon the Scheme becoming effective, and at any time after the Effective Date, the Company shall apply to the NSE to have the shares delisted from the daily official list of the NSE.

c. The Board of Law Union after the Scheme

At any time after the Effective Date, the Board of Law Union shall be reconstituted with persons of such skills, experience, qualifications and financial or other technical expertise as Kanuri LUR may deem fit.

d. Plans for employees and directors of Law Union after the Scheme

The Scheme is not intended nor expected to affect existing employment rights of any current employee of Law Union. Where the Company deems appropriate in accordance with business requirements, Law Union may assess and rationalize its need for manpower. Any addition or reduction of manpower shall be in accordance with the Company's existing policies, relevant employment terms and applicable laws.

e. 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 disadvantages to the Scheme Shareholders, either with respect to capital gains tax or stamp duty. The Capital Gains Tax Act Cap C1 Laws of the Federation of Nigeria 2004 exempts 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 of 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. Any Scheme Shareholder who is in any doubt as to his/her tax position should consult his/her own professional advisers without delay as to the consequences of the Scheme in view of his/her own circumstances.

7. Effectiveness

The Scheme shall become effective on the day on which a CTC 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 Court-Ordered Meeting, those who attended but did not vote, and those who voted against this Scheme at the Court-Ordered Meeting.

8. Modification

The Board of Directors of Law Union are authorized to consent, on behalf of all the Shareholders and parties concerned, to any modification(s) of or additions to the Scheme which the Court or the SEC, may deem fit to approve or to any condition which the Court may impose.

8. MARKET PRICE INFORMATION

The Company's shares are listed on the NSE. The annual high and low market prices of the Company's shares on the NSE for the five most recent financial years ending 31 December, and YTD 2020 are shown below:

Year	₹ High (date)	₹ Low (date)
2015	0.74 (17 Dec.)	0.50 (5 Jan.)
2016	0.80 (30 Dec.)	0.50 (22 Apr.)
2017	1.02 (13 Jun.)	0.59 (21 Nov.)
2018	1.00 (20 Jul.)	0.47 (17 Oct.)
2019	0.71 (2 Dec.)	0.33 (16 Aug.)
2020 (YTD)	1.22 (12 Feb.)	0.50 (2 Jan.)

The monthly high and low market prices of the Company's shares on the NSE for each of the last twelve months ending 28 February 2020 are presented in the table below:

Month	₹ High (date)	₹ Low (date)
March 2019	0.56 (12 Mar.)	0.51 (14 Mar.)
April 2019	0.54 (10 Apr.)	0.50 (26 Apr.)
May 2019	0.48 (30 May)	0.44 (10 May)
June 2019	0.52 (26 Jun.)	0.46 (3 Jun.)
July 2019	0.54 (1 Jul.)	0.47 (19 Jul.)
August 2019	0.47 (1 Aug.)	0.33 (16 Aug.)
September 2019	0.39 (2 Sep.)	0.37 (19 Sep.)
October 2019	0.51 (21 Oct.)	0.39 (2 Oct.)
November 2019	0.66 (25 Nov.)	0.42 (1 Nov.)
December 2019	0.71 (02 Dec.)	0.50 (24 Dec.)
January 2020	0.71 (30 Jan.)	0.50 (02 Jan.)
February 2020	1.22 (12 Feb.)	0.73 (21 Feb.)

A. Incorporation and Business Overview

Law Union and Rock Insurance Plc is one of Nigeria's first-generation Insurance Companies. The Company began its operations in 1951 as a Chief Agency for Royal International Insurance Holding, a leading United Kingdom (U.K.) Insurance Company. In 1957, the Company acquired branch status and continued to operate as a branch of Royal International Insurance Holding (a subsidiary of RSA Insurance Group Plc, United Kingdom), transacting all major classes of Insurance businesses until June 17, 1969 when it became incorporated locally in compliance with the Companies Act of 1968. Law Union & Rock is a fully indigenous, public quoted insurance company having been recertified by NAICOM to continue to operate as a General Insurance Business Underwriter after divesting its Life Insurance operations in 2007.

In line with CBN directives on banking regulations, Law Union and Rock Insurance Plc was acquired in 2012 from Skye Bank Plc by a consortium of investors comprising ACAP IClass LLP, an insurance dedicated private fund managed by Alternative Capital Partners (ACAP), and Swanlux Solutions and Services Limited which led to a positive transformation in the organization. As at December 2019, Law Union had over ₦12billion (Twelve Billion Naira) in Total Assets and Shareholders' Fund in excess of ₦7billion (Seven Billion Naira).

B. Profile of Board of Directors

The Board of Directors of the Company is made up of ten (10) members comprising, eight (8) Non-Executive Directors and two (2) Executive Directors.

Mr. Remi Babalola - *Chairman*

Mr. Remi Babalola served as Minister of State for Finance from July 2007 to August 2010; he simultaneously held the post of Supervising Federal Capital Territory Minister in late 2008. Before his appointment to the Federal Cabinet, he had extensive experience in the private sector at top management level, particularly in banking, auditing, consulting and strategy. He has both brain-on and hands-on experience in value creation, organizational renewal and leadership effectiveness. He started his career with Price Waterhouse, moved to Arthur Andersen before joining Zenith Bank Financial Controller and Chief Strategist. He rose to the position of a General Manager before being headhunted by First Bank of Nigeria Plc. Remi was an Executive Director of First Bank of Nigeria PLC from where he was appointed a Minister of the Federal Cabinet in 2007.

Until his appointment as a Federal Minister, he was on the Board of First Bank of Nigeria Plc and First Funds Limited. Currently, he is Chairman/ Chief Strategist of Alternative Capital Partners Limited, a SEC registered Advisory and Fund/ Portfolio Management firm. He is a Fellow of the West African Insurance Institute (WAI), Institute of Directors Nigeria (IoD), Chartered Institute of Bankers of Nigeria, Chartered Taxation Institute and Institute of Chartered Accountants of Nigeria.

Mr. Ademayowa Adeduro – *Managing Director/Chief Executive Officer*

Mr. Ademayowa Adeduro came on board as the head of Management Team of Law Union & Rock Insurance Plc with effect from November 2018. He is an astute manager of men and resources of over 25 years of experience. He holds a Bachelor of Science Degree in Insurance from the University of Lagos and Master of Business Administration from Obafemi Awolowo University, Ile Ife specializing in Marketing Management.

He started his insurance career at African General Insurance Brokers in 1993 during his National Youth Service Programme in Kaduna State. As a result of his loyalty and contributions to the development of the company, he was granted full employment upon completion of his National Service and transferred to its Lagos office. In 1996, he joined Continental Reinsurance Company Limited (Now Plc) as an Executive officer and gained significant experience in reinsurance operations at the Technical Division of the Company and rose to the position of Assistant Manager/Head of Facultative Reinsurance, handling different insurance portfolios within Africa and Asia

Mr. Olasupo Sogelola – Executive Director

Mr. Olasupo Sogelola is an accomplished executive who has over the years proven himself as a visionary leader and a business strategist. He graduated with a B.Sc. degree in Zoology from the University of Ibadan in 1988 and had an MBA (Marketing) degree from the Lagos State University in 2005. His experience in the insurance industry has spanned over two decades. Olasupo began his career in insurance in 1992 as a Reinsurance Underwriter with Guinea Insurance Plc., Lagos. In 2010, he joined FBN Insurance Limited (Subsidiary of First Bank & Sanlam of South Africa) as the Head, Corporate Division where he rose to the position of Head, Brokers & Public Sector. As a result of his extraordinary leadership skills, Olasupo acted as the Managing Director of FBN General Insurance Limited from December 2015 to April 2016. He joined Law Union & Rock Insurance in 2017. He is an Associate Member of the Chartered Insurance Institute of Nigeria. He has attended many high-profile conferences and trainings both locally and internationally.

Mrs. Onome Adewuyi – Non-Executive Director

Mrs. Onome Adewuyi is currently the Executive Director, Finance & Admin of Cynergy Platforms Limited. She graduated with a B.Sc degree in Accounting from the University of Benin in 1982 and an M.Sc degree in Banking & Finance from the University of Lagos in 1993. She is an alumna of the Harvard Business School Boston Massachusetts USA, the Wharton Business School of Pennsylvania USA and the Kellogg Business School, Chicago USA. She is also an alumna of the International Banking Summer School USA and the Lagos Business School. She began her career with Texaco Nigeria Plc. as the Treasury and Investment Accountant. She subsequently joined the Nigerian Intercontinental Merchant Bank Limited where she started her banking career. She worked in Fidelity Bank Plc. for about two (2) decades where she rose to the position of the Executive Director, Risk Management. She has a total of three (3) decades of experience in banking and financial management. She is a Fellow of the Institute of Chartered Accountants of Nigeria and a Fellow of the Chartered Institute of Bankers of Nigeria. She is also a member of the governing council of the Institute of Chartered Accountants of Nigeria. She is currently the President of the Institute of Chartered Accountants of Nigeria and the past Chairperson of the Society of Women Accountants of Nigeria. She serves on the Boards of Law Union & Rock Insurance Plc. and Dominion Trust Limited as Non-Executive Director. Mrs Adewuyi has passion for charity works and development of the indigent girl child. She runs a scholarship scheme for Anglican priests and indigent children attending Nigerian universities.

Ms. Toyin Olusanya – Non-Executive Director

Mrs. Oluwatoyin Olusanya-Onadele is a serial entrepreneur involved with several businesses. She is co-founder and Chief Executive Officer of Lusant Dell Limited a consulting and advisory firm and the Managing Director for Aeida Ventures Limited, an events and hall management company that has successfully provided its services across all sectors in the last 10 years. She is an economist, business development and financial market expert with over 25 years' experience in consultancy, financial services and treasury & investment management. Her core skills span people management, business development, business process reengineering, marketing strategy, sales/customer service re-engineering, and corporate treasury management. Her career spans several institutions including IMB, FSDH, National Bank, Broad Bank and Union Bank; where she at various times was responsible for Sales, Treasury & Investment Banking, Private Banking, Asset Management and Consumer and Commercial Banking.

An Associate Member of the Chartered Institute of Stockbrokers and the Chartered Institute of Arbitrators, she holds an MBA from Cardiff Business School, University of Wales UK. Mrs Olusanya – Onadele is also a graduate of Economics from the University of Lagos. She has attended several trainings including a Wharton University Competitive Marketing Strategy Course and a BlackRock Investment Banking Program which included a 2 -week attachment with BlackRock, London in March 2009. She serves on several boards as Non-Executive Director.

Mr. Ajibola Olayinka – Non-Executive Director

Mr. Ajibola Olayinka possesses extensive professional experience of 30 years spanning Auditing, Accounting and Business Advisory Consulting; Financial Reporting and Controls; Banking and Financial Services; Oil & Gas controllership; Real Estate & Construction; General and Executive Management; Change Management & Entrepreneurship. He is currently the Chairman, Emmarach Ltd, a boutique company focused on expertise and capacity building. He is also Chairman, Bestspring Foundation, an NGO managing an orphanage and catering for vulnerable children in Lagos and 2) currently run. He was the Commercial Director for Globacom operations in Nigeria, Benin and Ghana, major milestone of his tenure being amongst the team which commissioned Glo Ghana operations. He was previously the Managing Director/Chief Executive Officer of DN Meyer Plc. a position he held for over 6 years (March 2004 – May 2010).

He was an Executive Director at the Corporate Headquarters of the Honeywell Group. He later became the MD of Skyview Estates Limited, a member Company of the Group. He has also held operational and leadership positions in numerous reputable organizations such as Lagos State Ministry of Finance, Treasury Division; KPMG Peat Marwick Ani Ogunde & Co as Senior Auditor; Arthur Andersen as Senior Consultant; Ecobank Nigeria Plc. as Head of Control; Cash Link Finance and Investment Plc. as Senior Manager amongst others. He was the pioneer Company Accountant in Esso Exploration and Production Nigeria Limited Nigeria (now Exxon Mobil). He is currently an independent director on the Board of Alternative Capital Partners Limited. He has attended extensive trainings and development courses in Nigeria, United Kingdom, United States of America, Holland, Spain, South Africa to mention a few on skill enhancement and capacity building. He has numerous awards, honours and prizes in several areas of human endeavours. He is a Fellow of the Institute of Chartered Accountants of Nigeria, and also a member of Chartered Institute of Taxation of Nigeria, Member of the Nigeria Economic Summit Group (NESG), Institute of Directors, Business Club Ikeja (BCI), Lagos Country Club and Ikeja Lions Club amongst others.

Mr. Folarin Familusi – Non-Executive Director

Mr. Folarin Familusi is an Executive Director, Operations at Swede Control Intertek Limited, a Quality Assurance Company. He has over fifteen (15) Years' experience in Management and is also an expert in development consulting with experience in public sector management paradigms such as Design, Build, Operate and Transfer (DBOT). He has also worked with Global Institutions such as Intertek Group Plc, Caleb Brett, and ETL Semko, all in the United Kingdom. He also worked at Wise Health Services Limited (a Health Management Organization) as well as Digital Toll Company Limited (a joint venture company with the Federal Government of Nigeria on the 2nd River Benue Bridge).

Folarin Familusi obtained his B.Sc. in Computer Science from Richmond College (the American University in London) as well as a Bachelors' in Business Administration from the American Intercontinental University, also in the United Kingdom. He has a master's degree in Business Studies & Business Administration from the University of Kent at Canterbury. Folarin Familusi is a Member of the Chartered Institute of Management Accountants (CIMA).

Obinna Onunkwo – Non-Executive Director

Obinna Onunkwo is a seasoned securities specialist with over a decade experience in investment management. He has a rich background in investment banking, asset management, equities research and trading and has over the years played active roles as lead fund manager in corporate actions including mergers, acquisitions, private equity investments, equity raisings and valuations through the various capacities in which he has served.

He began his career with Guardian Express Bank Plc and was part of the pioneer team of Guardian Express Trust Limited. He thereafter proceeded to Spring Capital Markets Limited where he was the pioneer Head of the Asset Management

APPENDIX 1: FURTHER INFORMATION REGARDING LAW UNION & ROCK INSURANCE PLC (CONT'D)

Unit which oversaw the management of assets in excess of N18.5billion.

He also served as the Head of Asset Management Unit in Kedari Capital Limited in which capacity he also performed excellently. While in Spring Capital Markets Limited, he worked on several transactions part of which was the development and execution of the framework for the consummation of several transactions.

He also initiated and developed the initial framework for the execution of the reconstruction of 42.5bn units of Spring Bank Plc shares which was at that time the first share reconstruction of a quoted company in Nigeria.

Obinna was the pioneering Managing Director, Fund/Portfolio Management at Alternative Capital Partners Limited. As a pioneer director, he drove the operational success and positioning of the wealth management business, facilitating the first ever acquisition and merger of two mutual funds from a bank by a local fund manager as well as the achievement of N9bn in overall assets under management within 2 years of operations.

He was also an instrumental convener and member of the ACAP Canary Growth Fund Investment Committee from inception and at that time led the team that delivered above market returns in excess of 35%. Obinna seats on the Board of Law Union & Rock Insurance Plc and serves on various committees accordingly. He holds an MBA from Lagos Business School and a bachelor's degree in Economics from the University of Port Harcourt; where he also received several prizes as the Best Graduating Student of his set.

Currently, He serves as Founding Managing Partner and Director at Purple Capital Partners Limited. He has driven the company's growth in the private equity, financial services and real estate sectors, resulting in the initiation of "purplemoney", a CBN Licensed retail lending microfinance institution which he spearheads, as well as the development and finance of the Maryland Mall, a Commercial Retail Development and Redworth Terraces in Lekki, a Residential Development.

Mrs. Funmi Ekundayo – Non-Executive Director

Funmi Ekundayo is a Lawyer by profession and currently engages in the business of Corporate Trusteeship, Portfolio Management, Financial & Investment Advisory, Business Strategy and Corporate Governance. She is an Alumna of the Harvard Business School, Boston Massachusetts and member of the Institute of Chartered Secretaries & Administrators, United Kingdom and Nigeria. She holds a Bachelor of Law degree and Master of Laws degree from the University of Lagos. Funmi is a member of the Nigerian Bar Association and a Fellow of the Institute of Chartered Secretaries & Administrators of Nigeria where she serves as a member of the Governing Council and the current Chairman of the Law Reform Committee of the Institute. Funmi began her career with the Law Firm of Bentley, Edu & Co (in association with IRVING & BONNAR), where she spent close to a decade in law practice and gained robust experience in Corporate & Commercial Law, Intellectual Property Law as well as Law of Secured Credit transactions. She left core legal practice to join the non-banking financial sector when she took appointment with Sterling Asset Management & Trustees Limited (formerly NAL Asset Management & Trustees Limited) and thereafter, United Capital Trustees Limited (Formerly UBA Trustees) as Head, Business Development & Marketing. She subsequently joined STL Trustees (Formerly Skye Trustees Limited) as an Assistant General Manager, Business Development, from where she rose to become the Managing Director & CEO of the Company. Funmi has distinguished herself in her area of core competence as a seasoned Trust specialist engaging in the structuring of complex Legal, Financial and Trust instruments. Funmi is the Immediate Past President of the Association of Corporate Trustees of Nigeria; Fellow, Institute of Investment and Portfolio Managers and Fellow, Portfolio Management Institute (Chartered). She is an Alumna of the Lagos Business School (Chief Executive Programme), the IESE Business School, Barcelona, Spain and also a member of the Institute of Directors (Nigeria). Funmi is an Independent Non-Executive Director on the Board of Law Union & Rock Insurance Plc and she also served as a Non-Executive Board member of the National Investor Protection Fund.

APPENDIX 1: FURTHER INFORMATION REGARDING LAW UNION & ROCK INSURANCE PLC (CONT'D)
Mr. Kunle Aluko – Non-Executive Director

Mr. Kunle Aluko studied Banking with IFS University College now London Institute of Banking & Finance. He is also an alumnus of Manchester Business School (University of Manchester) where he completed the Commercial Banking Course. Mr Aluko is an accomplished banker with over twenty years of active banking career. His career with Barclays Bank, which later became Union Bank, progressed through the ranks till his retirement from the Union Bank Group as an Assistant General Manager, Corporate Banking in 1990. He served as the first Managing Director of Equitorial Trust Bank (subsequently acquired by Sterling Bank Plc.) and Executive Director of the defunct Metropolitan Merchant Bank Limited. He was a member of council of the University of Port-Harcourt from 1993 – 1995 and also served as a member of the Board of Skye Bank Plc (now Polaris Bank Nigeria) from 2011 to 2016. Mr. Aluko is presently serving on the boards of Ikeja Hotel Plc (Sheraton Hotels Nigeria) and Wise Health Services Limited, a National Health Management Organization.

C. Share Capital History

As at the date of this Scheme Document, Law Union had an authorised share capital is ₦3,100,000,000 divided into 6,200,000,000 ordinary shares of ₦0.50 each. The changes in the authorized share capital of Law Union since inception are summarized below:

Year	Authorized (₦)		Issued & Fully Paid (₦)		Consideration Cash/Bonus
	Increase	Cumulative	Increase	Cumulative	
1977	50,000	300,000	250,000	300,000	Bonus & Cash
1982	700,000	1,000,000	Nil	300,000	Nil
1983	-	1,000,000	300,000	600,000	Bonus Issue
1984	-	1,000,000	400,000	1,000,000	Bonus Issue
1987	4,000,000	5,000,000	2,000,000	3,000,000	Bonus
1989	-	5,000,000	2,000,000	5,000,000	Stock Split ₦2.00 to 50K
1993	5,000,000	10,000,000	2,500,000	7,500,000	Bonus
1995	-	10,000,000	2,500,000	10,000,000	Bonus
1996	10,000,000	20,000,000	10,000,000	20,000,000	Cash
1997	80,000,000	100,000,000	80,000,000	100,000,000	Bonus & Cash
2004	400,000,000	500,000,000	250,000,000	350,000,000	Cash
2006	1,300,000,000	1,800,000,000	150,000,000	500,000,000	Bonus
2007	-	1,800,000,000	1,218,665,000	1,718,665,000	Cash
2008	-	1,800,000,000	-	1,718,665,000	Nil
2009	-	1,800,000,000	-	1,718,665,000	Nil
2010	-	1,800,000,000	-	1,718,665,000	Nil
2011	-	1,800,000,000	-	1,718,665,000	Nil
2012	-	1,800,000,000	-	1,718,665,000	Nil
2013	-	1,800,000,000	-	1,718,665,000	Nil
2014	-	1,800,000,000	-	1,718,665,000	Nil
2015	-	1,800,000,000	-	1,718,665,000	Nil
2016	1,300,000,000	3,100,000,000	-	1,718,665,000	Nil
2017	-	3,100,000,000	-	1,718,665,000	Cash

Year	Authorized		Issued & Fully Paid		Consideration
	(₦)		(₦)		
2018	-	3,100,000,000	429,500,000	2,148,165,000	Nil
2019	-	3,100,000,000	-	2,148,165,000	Nil

D. Ownership Structure

As at the date of this Scheme document, there are 6,200,000,000 ordinary shares of ₦0.50 each issued and 4,296,330,500 ordinary shares of ₦0.50 paid up of Law Union and are beneficially held as follows:

Shareholders	No of Shares Held	% of Holding
Alternative Capital Partners (ACAP)	1,031,133,727	24.00%
Swanlux Solutions and Services Limited	1,031,133,728	24.00%
NI Holdings	859,000,240	19.99%
Enko Africa Private Equity Fund	405,598,600	9.44%
Others	969,464,206	22.56%
Total	4,296,330,500	100.00%

E. Directors Beneficial Interests

The interests of the Directors of Law Union in the issued share capital of the Company as recorded in the Register of Members and as notified by them for the purpose of Section 275 (1) of the CAMA, as at the date of this Scheme Document, are as follows:

Directors	No of shares held		
	Direct	Indirect	Total
Mr. Remi Babalola	-	1,031,133,727	1,031,133,727
Ms. Toyin Olusanya	-	1,031,133,727	1,031,133,727
Mr. Ajibola Olayinka	-	1,031,133,727	1,031,133,727
Mr. Folarin Familusi	1,000,000	1,031,133,728	1,131,133,728
Mr. Obinna Onunkwo	-	1,031,133,727	1,031,133,727
Mrs. Funmi Ekundayo	Nil	Nil	Nil
Mr. Kunle Aluko	-	1,031,133,728	1,031,133,728
Mr. Onome Adewuyi	-	1,031,133,728	1,031,133,728
Mr. Olasupo Sogelola	Nil	Nil	Nil
Mr. Ademayowa Adeduro	Nil	Nil	Nil

F. Subsidiaries

The Company has no subsidiaries.

G. Indebtedness

As at the date of this Scheme Document, the Company has no indebtedness other than in the ordinary course of business

H. Premises

The head office of Law Union is situated at Law Union House, 14 Hughes Avenue, Yaba, Lagos, Nigeria.

I. Extracts from Memorandum and Articles of Association

Below are relevant extracts from the Memorandum and Articles of Association of Law Union & Rock Insurance Plc:

Memorandum of Association

14. To purchase or otherwise acquire and undertake upon any terms that may be deemed expedient all or any of the business property and liabilities of any person or company carrying on any business which the Company is authorized to carry on or possessed of property suitable for the Company and to carry out such terms.
15. To enter into any arrangement for sharing profits union of interests joint adventure reciprocal concession or co-operation with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorized to carry on or engage in and to take or otherwise acquire and hold share or stock in or securities of and to subsidize or otherwise assist any such company.
17. To sell the undertaking of the Company or any part thereof for such consideration as the Company having objects altogether or in part similar to those of this company

Articles of Association

Transfer of Shares

23. The instrument of transfer of any share shall be executed by or on behalf of the transfer 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 except that where a person entitled to any share or debenture or any share or debenture is of unsound mind or otherwise under any disability, and by reason thereof the share debenture or interest is vested in an administrator, curator or other person on behalf of the person entitled thereto, then in relation to the share debenture or interest the person in whom it is so vested and the person entitled thereto shall be treated for the purpose of these Articles as if they were the same person.
24. Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any or common form or any other form which the directors may approve.
25. The directors may decline to register the transfer of shares (not being fully paid up shares) on which the company has a lien.
25. The directors may also decline to recognize any instrument of transfer unless:
 - a. the instrument is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transfer; and
 - b. the instrument of transfer is in respect of only one class of shares
26. The registration of transfers 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.
 - a. No fee shall be payable in respect of the registration of any transfer or other document relating to or affecting the title of any share.

TRANSMISSION OF SHARES

28. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest to 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.
29. 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 properly be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have the same right to decline or suspend registration as the would have had in the case of a transfer or share by that member before his death or bankruptcy, as the case may be.
30. If the person is becoming entitled shall be 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 signify his election by executing to that person a transfer of the share. All limitations, restrictions and provisions or these Articles relating to the right to transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and notice of transfer signed by that member.
31. A person becoming entitled to a share by 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 the meetings of the company.

General Meetings

45. (1) 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 that meeting as such in the notices calling it, and not more than fifteen (15) months shall elapse between the date of the one annual general meeting of the Company and that of the next.
- (2) The annual general meetings other than the annual general meeting shall be called extra-ordinary general meetings and shall be held in Nigeria.
46. All general meetings other than annual general meeting shall be called extra- ordinary general meetings and shall be held in Nigeria
47. (1) The directors may whenever they think fit, convene an extra-ordinary general meeting and they shall, in the requisition of members of the company holding at the date of the deposit of the requisition not less than one-tenth (1/10) of such of the paid-up capital of the company as at the date of the deposit carries the right of voting at the general meetings of the company, forthwith proceed to duly convene an extra-ordinary general meeting of the company.
- (2) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each assigned by one or more requisitionists.

APPENDIX 1: FURTHER INFORMATION REGARDING LAW UNION & ROCK INSURANCE PLC (CONT'D)

- (3) If the directors do not within twenty-one (21) days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists may themselves convey a meeting, but any meeting so convened shall not be held after the expiration of the months from the said dates.
- (4) A meeting convened under this article by the requisitions shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.
- (5) Reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company out of any sums due to become due from the company by any way of fees or other remuneration in respect of their services to such of the directors as were in default.
- (6) For the purposes of this section the directors shall, in the case of a meeting at which a resolution is to be proposed as special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as required by law.
- (7) If at any time there are not sufficient directors capable of acting to form a quorum any director or any two (2) members of the company may convene an extra-ordinary general meeting in the same manner as nearly possible as that in which meetings may be convened by the directors.

Notice of General Meeting

48. An annual general meeting and any meeting called for the passing or confirmation of a special resolution shall be called by twenty-one (21) days notice in writing at the least, and a meeting of the company other than an annual general meeting or a meeting for the passing or a special resolution shall be called by fourteen (14) day notice in writing at the least. The notice shall be exclusive of the days on which it is given, and shall specify the place, the hour of the meeting and, in case of special business, the general nature of that business, and shall be given in manner mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such person as are, under the Articles of the company, entitled to receive such notice from the company.

Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this Articles, be deemed to have been duly called if it is so agreed.

- (a) In the case of a meeting called as the annual general meeting by all members entitled to attend and vote thereat; and
- (b) In the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per centum in nominal value of the shares giving that right.

Where it is necessary for the purpose of paddling a special resolution that two (2) meetings be convened such two (2) meetings may be convened by one and the same notice, and it is to be no objection to such notice that it only convenes the second meeting contingently on the resolution being passed by the requisite majority at the first meeting.

49. The accidental omission to give notice of a meeting by any person entitled to receive notice shall not invalidate the proceeding at that meeting.

Proceedings at General Meetings

50. All business shall be deemed special that is transacted at an extra-ordinary general meeting and also that is transacted at an annual general meeting, with the exception of declaring dividends, the consideration of accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
51. No business shall be transacted at any general meeting unless a quorum of members if present at the time when the meeting proceeds to business, save as herein otherwise provided, twenty-five (25) members present in person or by proxy shall be a quorum.
52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned the same day in the next week, at the same time and place or to such other time and place as the directors 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 present shall form a quorum.
53. The Chairman, if any, 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 he shall not be present within fifteen (15) minutes after the time appointed for the meeting or is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting.
54. If at the meeting no director is willing to act as chairman and if no director is present within fifteen (15) minutes after the time appointed for the holding of the meeting, the members present shall choose one of their number to be chairman of the meeting.
55. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if 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 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 and adjourned meeting.
56. At any general meeting, a resolution put to 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:
- (a) By the chairman; or
 - (b) By at least three members present in person or by proxy: or
 - (c) By any member or members present in person or by proxy and representing not less than one-tenth at the total voting rights of all the members having the right to vote at the meeting; or
 - (d) By 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 that right.

APPENDIX 1: FURTHER INFORMATION REGARDING LAW UNION & ROCK INSURANCE PLC (CONT'D)

Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands 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.

57. Except as provided in Article 61, 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.
58. 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 a second or casting of vote.
59. A poll demanded on the election of a Chairman or on a question of an adjournment shall be taken forthwith. A poll demanded on any other question shall be taken as such time as the Chairman of the meeting of directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

Votes of Members

60. Subject to any rights 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, and on a poll every member shall have one vote for each share which he is the holder.
61. 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.
62. 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, or other person in the
63. 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 have been paid.
64. 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.
65. On a poll votes may be given either personally or proxy.
66. The instrument appointing a proxy shall be in writing or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the company.
67. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, a notary certified copy, of that power or authority shall be deposited at the registered office of the company or at such other place as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument

APPENDIX 1: FURTHER INFORMATION REGARDING LAW UNION & ROCK INSURANCE PLC (CONT'D)

proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument or proxy shall not be treated as valid as valid.

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

LAW UNION & ROCK INSURANCE PLC

I/We ofbeing member/s of the above named company, hereby appoint of or failing him, of as my/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 theday of 20..... and at any adjournment thereof.

Signed this day of 20.....

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

LAW UNION & ROCK INSURANCE PLC

I/We ofbeing member/s of the above named company, hereby appoint of or failing him, of as my/proxy to vote for me/us on my/our behalf at the (Annual or Extra-Ordinary, as the case may be) general meeting of the company to be held on theday of 20..... and at any adjournment thereof.

This form is to be used in favour of the resolution, Unless Against Otherwise instructed, the proxy will vote as he thinks fit. *Strike out whichever is not desired.

- 70. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 71. A vote given in accordance with the terms 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 that no intimidation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

APPENDIX 1: FURTHER INFORMATION REGARDING LAW UNION & ROCK INSURANCE PLC (CONT'D)
J. Five-Year Financial Summary
i. Statement of Financial Position

The following is a summary of the Company's audited Statement of Financial Position for the five-year period ended 31 December, 2019

LAW UNION & ROCK INSURANCE PLC					
Statement of Financial Position					
<i>Naira in Thousands</i>	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
Assets					
Cash and cash equivalents	4,031,619	2,884,730	3,019,528	2,187,828	3,084,513
Trade receivables	11,066	58,049	28,193	35,576	31,973
Reinsurance assets	1,390,599	1,507,539	1,077,005	1,035,537	1,490,165
Investment securities	3,441,436	3,890,876	3,121,498	2,546,560	942,387
Investment properties	1,823,733	1,409,458	1,402,396	1,385,192	1,450,645
Properties, plant and equipment	822,651	844,736	776,463	757,799	681,293
Other receivables and prepayments	45,645	35,759	40,072	111,998	42,929
Deferred acquisition costs	199,232	195,734	176,996	179,863	194,146
Statutory deposit	373,000	373,000	373,000	315,000	315,000
Intangible assets	10,474	13,399	16,623	25,523	40,369
Total Assets	12,149,455	11,213,280	10,031,774	8,580,876	8,273,420
Liabilities					
Trade Payables	502,670	532,287	222,959	110,199	115,090
Provision and other payables	315,288	350,933	384,676	472,098	239,082
Income tax payable	185,840	223,706	192,652	112,814	104,601
Deferred tax liability	365,872	376,054	83,827	83,827	83,827
Employee benefit obligations	-	-	-	-	1,003
Insurance contract liabilities	3,625,059	3,357,796	2,682,434	2,762,208	3,271,152
Total Liabilities	4,994,729	4,840,776	3,566,548	3,541,146	3,814,755
Equity					
Issued Share capital	2,148,165	2,148,165	2,148,165	1,718,665	1,718,665
Share premium	1,477,073	1,477,073	1,477,073	1,363,034	1,363,034
Revaluation reserve	523,932	515,567	685,833	645,351	645,351
Available for sale reserve	10,282	44,934	30,687	99,919	80,705
Contingency reserve	1,632,565	1,427,010	1,419,290	1,237,149	1,119,082
Retained earnings	1,296,519	714,755	704,178	(24,388)	(468,172)
Total Equity	7,154,726	6,372,504	6,465,226	5,039,730	4,458,665
Total Equity and Liabilities	12,149,455	11,213,280	10,031,774	8,580,876	8,273,420

APPENDIX 1: FURTHER INFORMATION REGARDING LAW UNION & ROCK INSURANCE PLC (CONT'D)
ii. Statement of Profit or Loss and Other Comprehensive Income

LAW UNION & ROCK INSURANCE PLC					
Income Statement					
<i>Naira in Thousands</i>	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
Gross written premium	4,829,483	4,541,481	4,252,373	3,935,578	3,858,097
Changes in unexpired premium	94,569	(32,850)	166,695	22,884	64,885
Premium Income	4,924,052	4,508,631	4,419,068	3,958,462	3,922,982
Reinsurance premium expense	(1,763,052)	(1,583,179)	(1,803,615)	(1,294,884)	(1,230,680)
Net insurance premium income	3,161,000	2,925,452	2,615,453	2,663,578	2,692,302
Fees and commission income	239,021	234,199	252,949	218,139	222,299
Net underwriting income	3,400,021	3,159,651	2,868,402	2,881,717	2,914,601
Insurance claims & expenses	2,167,199	2,636,952	1,437,865	967,831	2,624,440
Insurance claims recovered	(883,392)	(1,036,466)	(700,646)	(128,087)	(1,542,940)
Net insurance benefits	1,283,807	1,600,486	737,219	839,744	1,081,500
Underwriting expenses	1,133,361	921,009	948,307	787,551	688,715
Total underwriting expenses	2,417,168	2,521,495	1,685,526	1,627,295	1,770,215
Underwriting results	982,853	638,156	1,182,876	1,254,422	1,144,386
Investment and other income	896,110	1,122,461	912,504	687,297	558,365
Fair value changes on investment properties	413,886	4,135	9,245	11,870	(21,486)
Allowance for Impairment	-	(696)	(17,737)		
Net gain realised	-	-	276,013	(38,566)	(228,539)
Unrealised loss in capital market	-	-	(237)	(19,531)	(14,151)
Management expenses	(1,358,464)	(1,273,968)	(1,263,466)	(1,236,849)	(1,110,070)
Profit before tax	935,341	490,088	1,099,198	658,643	328,498
Income tax expense	(132,565)	(226,495)	(188,491)	(96,792)	(47,579)
Profit/ (loss) after tax	802,776	263,593	910,707	561,851	280,919

APPENDIX 1: FURTHER INFORMATION REGARDING LAW UNION & ROCK INSURANCE PLC (CONT'D)
iii. Statement of Cash Flows

LAW UNION & ROCK INSURANCE PLC					
Cash Flow Statement					
<i>Naira in Thousands</i>	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
Cash flows from operating activities					
Premiums received	4,876,466	4,511,625	4,259,600	3,932,879	3,953,819
Reinsurance payments	(1,715,022)	(1,315,793)	(1,628,674)	(1,378,479)	(1,236,270)
Claims paid/Net Claim	(1,805,367)	(1,994,440)	(1,350,945)	(1,453,882)	(772,303)
Reinsurance claim recoveries	753,973	839,698	619,317	696,840	-
Commission paid	(781,262)	(686,011)	(624,216)	(506,203)	(707,640)
Maintenance cost paid	(355,597)	(253,736)	(351,337)	(267,065)	-
Commission received	230,390	235,494	262,642	189,124	291,536
Cash payment for employees	(638,291)	(664,175)	(614,216)	(593,933)	(609,481)
Other operating cash	(456,740)	(765,027)	(426,603)	(428,101)	(568,914)
Cash generated from operations	57,174	(92,365)	145,097	191,180	350,747
Income taxes paid	(115,517)	(112,054)	(108,654)	(88,579)	(47,377)
Net underwriting income	(58,343)	(204,419)	36,443	102,601	303,370
Cash flows from investing activities					
Investment Income	631,942	767,704	686,468	340,156	486,517
Dividend received	23,236	33,715	46,613	69,296	-
Purchase of PPE	(41,917)	(77,724)	(45,869)	(81,627)	(49,301)
Purchase of investment	(475,922)	(1,783,355)	(2,308,744)	(1,591,869)	17,285
Disposal of investment	1,143,008	1,301,057	1,938,087	255,713	-
Purchase of intangible asset	(3,392)	(3,950)	(332)	(2,191)	(24,883)
Proceeds from disposal of PPE	14,593	6,953	1,454	274,601	64,122
Additional statutory deposit	-	-	(58,000)	-	-
Perfection/improvement cost	(389)	(2,927)	(7,959)	(8,753)	(300,800)
Net cash from investing activities	1,291,159	241,473	251,718	(999,287)	192,940
Cashflows from financing activities					
Dividend Paid	(85,927)	(171,852)			
Capital Injection (Net)	-	-	543,539	-	-
Net cash from financing activities	-	-	543,539	-	-
Net cash and cash equivalents	1,146,889	(134,798)	831,700	(896,686)	496,310
Cash and cash equivalent 1 Jan.	2,884,730	3,019,528	2,187,828	3,084,513	2,588,203
Cash and cash equivalents at 31 Dec	4,031,619	2,884,730	3,019,528	2,187,828	3,084,513

Documents Available for Inspection

Copies of the following documents may be inspected at the offices of CardinalStone Partners Limited, 5 Okotie Eboh Street, Ikoyi, Lagos during normal business hours on any weekday (except holidays) 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 of the Company for the years ended 2018 and 2019
4. The Material Contracts referred to on page 49
5. The Board Resolution approving the Scheme of Arrangement
6. Consent Letters from the Directors of the Company as well as the Parties to the Scheme
7. Valuation Report for the Shares of Law Union
8. An Irrevocable Guarantee and Undertaking form Verod Capital Growth Fund III LP and Verod Capital Growth III A LP in respect of the fulfilment of Kanuri LUR's obligations under the Transaction Implementation Agreement and the Scheme Document

APPENDIX 2: FURTHER INFORMATION ON KANURI LUR LIMITED AND VEROD CAPITAL MANAGEMENT

A. Further Information on Kanuri LUR Limited

I. Corporate Information on Kanuri LUR Limited

Kanuri LUR is a special purpose vehicle incorporated in December 2019 by Verod to serve as the investment vehicle for Verod's general insurance investments in Nigeria.

II. Interests in Law Union's shares

Kanuri LUR does not currently hold any equity interest in Law Union.

III. Sources of Fund for the proposed purchase of Law Union's shares

Kanuri LUR is 100% percent owned by private equity funds, which have more than US\$180M in undrawn capital commitments from international institutional investors including several developmental finance institutions. To fund the transactions, the shareholders of Kanuri LUR will inject up to US\$25M of equity capital into the Kanuri LUR.

IV. Intention for Law Union as a Wholly Owned Company

Kanuri LUR's intention for Law Union is to continue to operate the business as a stand-alone entity carrying on General Insurance Business for the foreseeable future.


B. Further Information on Verod Capital Management Limited

I. Corporate Information on Verod Capital Management

Verod is a leading West African private equity firm implementing a differentiated strategy focused on mid-market growth capital and buyout investments in consumer demand driven sectors. Consumer demand driven sectors include consumer goods and services, agribusiness, financial services, education and light industrials. The firm's principals and key employees bring region specific private equity, investment banking, management consulting and corporate finance experience, as well as, a wide network of relationships necessary to support portfolio companies with their growth objectives.



Verod currently advises private equity funds with more than US\$315m in Assets under Management and has been in operations for over ten (10) years, and has demonstrable expertise in identifying, investing in and managing diverse assets across several industries. In December 2019, Verod closed the Verod Capital Growth Fund III LP (VCGF III), a US\$200M private equity fund backed by a range of international institutional investors including the International Finance Corporation, the African Development Bank, the European Investment Bank, and Financierings-Maatschappij voor Ontwikkelingslanden N.V. (the Dutch Developmental Finance Institution). Through its private equity funds, Verod makes direct equity investments into fast-growing companies across Anglophone West Africa (primarily in Nigeria and Ghana).

II. Investment Track Record of Verod Capital Management

Company	Comments
	<ul style="list-style-type: none">▪ The first aluminium beverage can manufacturer in West Africa, Verod was involved with GZI right from establishment▪ Verod contributed heavily to strategy formulation, recruitment, financing negotiations and attracting new customers amongst others

Company	Comments
<p>GZ Industries Limited</p>	<ul style="list-style-type: none"> ▪ GZi currently controls over 60% of the Nigerian market across major product lines and is the leading can manufacturer in West-Africa and the second largest in Africa, producing over 1 billion cans yearly ▪ GZi's presence in the market has helped beverage manufacturers by reducing their twenty (20)-week supply lead times to seven (7) days ▪ GZi's cans are exported to Togo and Ghana, generating forex
 <p>UTL Trust Management Services Limited</p>	<ul style="list-style-type: none"> ▪ UTL (formerly Union Trustees Limited) is a leading provider of trusteeship services, fund management, and nominee services to clients, which include state governments, corporations and individuals ▪ Verod supported UTL with strategy, business development, IT upgrades, strengthening human resource policies and governance structures ▪ As a result, UTL has benefited via increased participation in bond offerings ▪ Increased PBT margins by 7% from 68% to 75% between 2014 and 2016 ▪ UTL has performed well, despite an unexpected tough economic backdrop, generating cash flows and enabling Verod to provide liquidity to its investors
 <p>Central Securities Clearing Systems</p>	<ul style="list-style-type: none"> ▪ CSCS is a licensee for the central depository, clearing and settlement of transactions on the Nigerian Stock Exchange (NSE) and OTC (NASD and FMDQ) platforms ▪ Verod contributed to the recruitment of a substantive MD and enhancing the Company's investment performance ▪ Resulting in strong financial performance and ratings upgrade
 <p>Niyya Farm Group</p>	<ul style="list-style-type: none"> ▪ Niyya Farm Group Limited is a beverage company that manufactures and distributes fresh fruit juice and yoghurt drinks ▪ Verod's investment in Niyya, which was family owned at the time, represented the first time that Niyya received institutional capital ▪ Accordingly, Verod has been instrumental in instituting structures, controls and governance, as well as improving standards across the Company ▪ Verod has led several initiatives at Niyya, including: obtaining favourable debt repayment terms from banks and suppliers; local sourcing of raw materials; assisting with rebranding, repackaging and marketing activation efforts; recruitment of key management and operational staff; expanding depots from one to seven across the country; and business development that resulted in entering the largest retailer arrangement in the country. This retailer relationship now represents c.20% of monthly sales ▪ Since Verod's involvement, Niyya has transformed from a negative EBITDA position to generating positive EBITDA
 <p>Shaldag Limited</p>	<ul style="list-style-type: none"> ▪ Shaldag Limited is a greenfield aquaculture company established by Verod and a few partners, to take advantage of the deficit in fish supply in West Africa, and specifically in Nigeria, where c. \$640M was spent on fish importation in 2016 ▪ Verod has been involved with strategy formulation, project management and negotiations with major vendors, suppliers and customers; establishment of financial controls, corporate governance policies, and development of SOPs for all processes in the company in conjunction with the management team; instituting several sustainability and ESG practices in the Company with impact for employees, environment and local community; and recruiting and financing discussions

APPENDIX 2: FURTHER INFORMATION ON KANURI LUR LIMITED AND VEROD CAPITAL MANAGEMENT (CONT'D)

	<ul style="list-style-type: none"> ▪ Shaldag currently has 2,500MT of capacity and in its first full year of sales, generated revenues in line with its business plans. After implementing a route-to-market strategy, the Company is now positioned to grow revenue aggressively in the short term, as well as, commencing plans to increase capacity by 3x, forward integrate into fish processing and begin exports to neighbouring countries
 <p>Emzor Pharmaceuticals Industries Limited</p>	<ul style="list-style-type: none"> ▪ Emzor is the leading manufacturer of branded generic pharmaceutical products in Nigeria, ranked as #1, #2 and #3 across the consumer health, OTC sales, and dietary supplements segments of the market respectively ▪ Emzor also has a growing portfolio of ethical products. The group is expanding its footprint across the ethical segments of the drug market and exports products to several West African countries
 <p>Metropolitan Life Insurance Nigeria Limited</p>	<ul style="list-style-type: none"> ▪ A leading life insurance business which has met capitalization requirements ▪ Metlife is undertaking a consolidation within the industry with the recently concluded acquisition of ARM Life Plc, and ongoing discussions to acquire other insurance companies ▪ Verod is working with Metlife to increase its penetration and expand distribution channels and partnerships.

III. Profile of Principals and Management of Verod Capital Management

Danladi Verheijen, Co-Founder and Managing Partner

Prior to founding Verod, Danladi held roles at Citibank Nigeria, Ocean and Oil Holdings and at McKinsey & Company. He holds an MBA from Harvard Business School, an M.Sc. in Engineering Economic Systems & Operations Research from Stanford University and a B.Sc. in Electrical Engineering from Calvin College. He is a director of Niyya Food and Drinks, Shaldag and Daystar Power Group. Danladi also sits on the board of the African Venture Capital Association and the Private Equity and Venture Capital Association of Nigeria. He was named a Young Global Leader by the World Economic Forum in 2014.

Eric Idiahi, Co-Founder and Partner

Prior to founding Verod, Eric was the co-founder and managing partner of Fountainhead Media Group, an investment and advisory firm focused on the Technology, Media and Telecoms sector in Nigeria. Eric previously worked at Financial Derivatives Company Limited. He is a director of Emzor Pharmaceuticals Industries Limited, Greensprings Educational Services Limited, and Central Securities Clearing Systems Plc. He is also on the Board of Regents of Harris Manchester College, Oxford University. He holds a B.Sc. in Economics from the University of Houston, Texas and an MBA from Saïd Business School, University of Oxford, England.

Chudi Amu, Vice President, Investments

Chudi is a Vice President and Head of the Investment Team. Prior to joining Verod, Chudi was a Consultant with Bain & Co (South Africa office) where he advised clients in the telecommunications, retail banking, and consumer packaged goods sectors. Prior to Bain, Chudi held various roles at Verod, and was an investment banking analyst with Deutsche Bank (New York). He holds a BA in Finance from Morehouse College, an MBA from Kellogg School of Management (Northwestern University), and an MEM from the Segal Design Institute (Northwestern University).

Olawunmi Abiodun, Company Secretary

Olawunmi is a Senior Manger within the Legal Department and is also the Company Secretary. Prior to joining Verod, she was an Associate Legal Officer with the UN International Criminal Tribunal for the Former Yugoslavia in The Hague where she advised on international law, diplomacy and policy matters. Prior to that, she worked as an Associate with Matrix-Solicitors, where she advised clients on a wide range of corporate and commercial transactions. She received an

LLB degree from Obafemi Awolowo University and an LLM in International and European Law, with specialization in International Trade & Investment Law from the University of Amsterdam. She was admitted to the Nigerian Bar as a Barrister and Solicitor of the Supreme Court of Nigeria in 2004 and is a member of the Chartered Institute for Securities and Investment (UK).”

Uzoma Okoronkwo, Vice President, Human Resources

Uzoma is a Vice President and Head of Human Resources Department. She Leads the Human Resources & Administration team within Verod and its portfolio companies. She started her career in the Training and Development department of FedEx (Red Star Express) before joining Nestle Nigeria, where she specifically focused on broader HR roles. Uzoma subsequently moved to Frigoglass Industries (Nigeria) as the Compensation & Benefits Manager before she joined Coca-Cola (Nigeria) as the HR/Total Rewards Manager and holding various Strategic HR Business Partner roles across their African operations. Prior to joining Verod, Uzoma was the HR Director of Mouka Limited. She holds a B.Sc. in Economics and Sociology from the University of Nigeria, Nsukka and an M.Sc. in Organizational Behaviour from the University.

P.P Pavithran, Head, Finance

Pavi is Head of the Finance team. Prior to joining Verod, he was a Senior Accountant at GMT Limited, where he was responsible for banking matters, treasury and reconciliation. Prior to that, he worked as a Senior Accountant/Commercial Manager at Multi-Trade Group, Lagos and as an Accounts Unit Head with Olam Exports. He holds a BA in Commerce from University of Calicut, India.

APPENDIX 3: STATUTORY AND GENERAL INFORMATION

A. Responsibility Statement

The information contained in this Scheme Document in relation to Law Union has been supplied by the Company. The Board of Directors of Law Union have taken all reasonable care to ensure that the facts stated and opinions expressed in this Scheme Document with regard to the Company are all fair and accurate and hereby confirm, having made all reasonable enquires, 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.

B. Related Party Information

As at date of this Scheme, other than as stated in this Scheme Document, no other associate or related party to Kanuri LUR currently holds any shares in Law Union

C. Summary of Litigation

Law Union & Rock Insurance Plc is involved in twenty (20) cases, fourteen (14) of which are suits against the Company, while the remaining 6 are cases in which it is the Claimant. The contingent liabilities regarding the cases in which the Company is a defendant is estimated at ₦844,782,114.40 (Eight Hundred and Forty-Four Million Seven Hundred and Eighty-Two Thousand One Hundred and Fourteen Naira Forty Kobo). Judgment has been delivered in one of the cases against the Company. Parties have however had discussions in a bid to reduce the judgment sum from the ₦272,746,500 (Two Hundred and Seventy-Two Million Seven Hundred and Forty-Six Thousand Five Hundred Naira) claimed to ₦100,000,000 (One Hundred Million Naira).

In two of the cases in which Law Union & Rock is a defendant, the claims are not monetary. In another case, although the Company is not listed as a defendant, one of the defendants is its insured with a Professional Indemnity cover in the sum of ₦10,000,000 (Ten Million Naira). Please note that the amounts referred to herein do not include interest, costs and other claims which can only be ascertained after final resolution of each matter.”

D. Material Contracts

The following agreements have been/will be entered into by the parties to the Scheme and are considered material to this Scheme:

1. The Transaction Implementation Agreement dated Thursday, 27 February 2020 between Kanuri LUR and Law Union in respect of the proposed acquisition of Law Union.
2. A Scheme Consideration Payment Agreement 26 June 2020, among CardinalStone Registrars Limited, Law Union and Kanuri LUR with respect to the funding and operation of the Scheme Consideration Account.
3. A Financial Services Agreement between Law Union and CardinalStone which sets out the terms and conditions under which CardinalStone has agreed to act as Financial Adviser to Law Union in respect of the Scheme.

Other than as stated above, the Company has not entered into and is not aware of any material contract except in the ordinary course of business.

APPENDIX 3: STATUTORY AND GENERAL INFORMATION (CONT'D)

E. Consents of Parties to the Scheme

The parties listed below have given and have not withdrawn their written consents to the issue of this Scheme Document in the form and context in which they appear herein:

Law Union & Rock

Directors	Company Secretary	Professional Parties
Mr. Remi Babalola Ms. Toyin Olusanya Mr. Ajibola Olayinka Mr. Folarin Familusi Mr. Obinna Onunkwo Mrs. Funmi Ekundayo Mr. Kunle Aluko Mr. Onome Adewuyi Mr. Olasupo Sogelola Mr. Ademayowa Adeduro	Mr. Stanley Chikwendu	CardinalStone Partners Limited (Financial Advisers) Tokunbo Orimobi LP (Legal Advisers to Law Union) Deloitte & Touche (Auditors) CardinalStone Registrars Limited (Registrar) Olaniwun Ajayi LP (Legal Advisers to Kanuri LUR)

F. General Information

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

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

SUIT NO. FHC/L/CS/ 993 /2020

**IN THE MATTER OF
AN APPLICATION UNDER SECTION 539 OF THE COMPANIES AND ALLIED MATTERS ACT, CHAPTER C20, LAWS OF
THE FEDERATION OF NIGERIA, 2004**

IN RE:

LAW UNION & ROCK INSURANCE PLC (RC NO. 6286)

APPLICANT

**COURT-ORDERED MEETING OF THE HOLDERS OF THE FULLY PAID ORDINARY SHARES OF LAW UNION & ROCK
INSURANCE PLC**

NOTICE IS HEREBY GIVEN that by an Order of the Federal High Court, sitting in Lagos (hereinafter called the “Court”) dated the 7th day of August 2020, made under the hand of the Honourable Justice R. M. Aikawa in the above matter, the Court has directed that a meeting of the holders of the fully paid ordinary shares of Law Union & Rock Insurance Plc (the “Company”) be convened and held for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement between Law Union & Rock Insurance Plc and the holders of its fully paid ordinary shares of 50 kobo each (the “Scheme”). The Scheme is explained in detail in the Explanatory Statement of the Scheme as well as a copy of the said Scheme, are incorporated on pages 16 to 21 of the Scheme Document.

The Meeting will be held at Shell Hall, Muson Centre, Onikan, Lagos on 10 September 2020 at 12 noon (or soon thereafter and at any such other venue as the Company’s directors may deem appropriate) at which place and time all the aforesaid shareholders are requested to attend. Registration of shareholders will commence two (2) hours before the scheduled time of the meeting. Copies of the Scheme Document and the Explanatory Statement pursuant to Sections 539 and 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:

That:

- a. The Scheme of Arrangement as contained in the Scheme Document dated 27 July 2020, with or subject to such modification, addition or condition agreed at the Meeting and/or approved or imposed by the Securities and Exchange Commission (“SEC”) and/or the Court, a print of which has been submitted at the Meeting and, for purposes of identification, endorsed by the Chairman, be and is hereby approved;
- b. Subject to the sanction of the Court that:
 - (i) as consideration for the transfer of the Scheme Shares, each holder of the Scheme Shares shall receive ₦1.23 per share (Scheme Consideration);
 - (ii) as a result of the Scheme, the legal and beneficial ownership of 100% of the shareholding of the Company be transferred to Kanuri LUR and any other nominee of Kanuri LUR;
 - (iii) the Company shall be re-registered as a private limited company;

APPENDIX 4: NOTICE OF COURT ORDERED MEETING OF LAW UNION AND ROCK INSURANCE PLC (CONT'D)

- (iv) Conditional upon the Scheme of Arrangement becoming effective, that the shares of the Company shall be delisted from the Nigerian Stock Exchange;
- c. the Board of Directors of the Company be and are hereby authorised to take all actions deemed necessary to give effect to the Scheme and to the aforementioned resolutions of the Company
- d. the Board of Directors of the Company are hereby authorised to give effect to and to consent to any modification of the Scheme that the Court or the relevant regulatory authorities shall deem fit to impose or approve.

Copies of the Scheme Document containing details of the transaction have been made available to shareholders of the Company

The Board of Directors unanimously appoint Mr. Remi Babalola (Chairman) or failing him, Mr. Ademayowa Adeduro (Managing Director/Chief Executive Officer), or failing them both, any other director so appointed in their stead, to act as Chairman of the said meeting and has directed the Chairman to report the results thereof to the Court. Voting at the Meeting will be by poll. The statutory majority required at the 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.

By the Court Order, in the interest of public safety and having due regard to the Nigerian Centre for Disease Control (NCDC) COVID-19 Guidelines for Safe Mass Gatherings in Nigeria, and the restrictions on public gatherings by the Lagos State Government, attendance at the meeting will be by proxy only. Shareholders may vote by appointing another person, whether a shareholder or not, to act as proxy and to attend and vote in their stead. A Proxy Form is being sent to each Shareholder. 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 appear in the Register of Members of Law Union.

In addition to the questions that Shareholders can ask at the Meeting, the Shareholders may submit questions on the Scheme to the Company prior to the date of the Meeting. All such questions must be submitted by email to the Company Secretary through: investor-relations@lawunioninsurance.com on or before 4pm on 2nd September 2020

It is requested that executed and stamped forms of proxy be lodged at the office of the Registrar as shown on the Proxy Form not later than 24 hours before the time appointed for the Court-Ordered Meeting. The Company has made arrangements for the stamping, at its cost, of the duly completed and signed Proxy Forms submitted to the Registrars within the stipulated time.

The meeting would be streamed live online to enable shareholders and other stakeholders who will not be attending physically to follow proceedings. The link for the live streaming would be made available on the Company's website at www.lawunioninsurance.com. The Scheme will be subject to the subsequent sanction of the Court.

Closure of Register of Members

The register of members will be closed from 17th August 2020 to 21st August 2020 (both dates inclusive) for the purpose of determining entitlement to attend and vote at the Court-Ordered meeting.

Stanley Chikwendu

Company Secretary

14, Hughes Avenue

Alagomeji, Yaba

Lagos

Dated this 7th Day of August 2020

APPENDIX 5: PROXY FORM (LAW UNION & ROCK INSURANCE PLC)

PROXY FORM FOR THE COURT-ORDERED MEETING TO BE HELD AT THE SHELL HALL, MUSON CENTRE, ONIKAN, LAGOS ON THE 10th day of September 2020 at 12 noon. IN RESPECT OF THE PROPOSED SCHEME OF ARRANGEMENT BETWEEN LAW UNION & ROCK INSURANCE PLC AND THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50KOBO EACH

I/We.....
 of..... being a member/
 members of Law Union & Rock Insurance Plc hereby appoint
ofor failing him, of
as my/our proxy to act and vote for me/us on my/our
 behalf at the Court-Ordered Meeting of the Company to be held on 10th
 day of September 2020 or at any adjournment thereof.

Dated this Day of..... 2020

Shareholder's Signature:

.....
 (A corporate seal must be affix by corporate entities)

Proxy Signature:

.....

NOTE:

- A member (shareholder) who is unable to attend the Court-Ordered Meeting is allowed by the law to vote by proxy. This Form of Proxy has been prepared to enable you to exercise your right to vote if you cannot personally attend.
- In line with the Order of Court, attendance shall be by proxy only. Shareholders are therefore required to appoint a proxy of their choice from the list of nominated proxies below:
 a. Mr Remi Babalola; b. Mrs Funmi Ekundayo; c. Sir Sunny Nwosu; d. Chief Timothy Adesiyani; e. Mr Boniface Okezie
- Provision has been made on this form for you to insert in the blank space on the form (marked*) the name of the person, whether a member of the Company or not, who will attend the meeting and vote on your behalf .
- Please sign this Form of Proxy and return it to reach the Registrar at 358 Herbert Macaulay Way, Yaba, Lagos, or send by email to: registrars@cardinalstone.com, not later than 5pm on 7 September 2020. If executed by a company, the proxy form should be sealed with its common seal.
- The Company has made arrangements for the stamping, at its cost, of the duly completed and signed Proxy Forms submitted to the Registrars within the stipulated time. A member (shareholder) or his Proxy must detach and produce the Admission Form below to obtain entrance to the Meeting.
- The meeting would be streamed live online to enable shareholders and other stakeholders who will not be attending physically to follow proceedings. The link for the live streaming would be made available on the Company's website at www.lawunioninsurance.com

Special Resolutions								
That:								
a.	The Scheme of Arrangement as contained in the Scheme Document dated 27 July 2020 with or subject to such modification, addition or condition agreed at the Meeting and/or approved or imposed by the Securities and Exchange Commission ("SEC") and/or the Court, a print of which has been submitted at the Meeting and, for purposes of identification, endorsed by the Chairman, be and is hereby approved;							
b.	Subject to the sanction of the Court:							
	i.	That as consideration for the transfer of the Scheme Shares, each holder of the Scheme Shares shall receive ₦1.23 per share;						
	ii.	That as a result of the Scheme, the legal and beneficial ownership of 100% of the shareholding of the Company be transferred to Kanuri LUR Limited and any other nominees of Kanuri LUR Limited;						
	iii.	That the Company shall be re-registered as a private limited Company;						
	iv.	Conditional upon the Scheme of Arrangement becoming effective, that the shares the Company shall be delisted from the Nigerian Stock Exchange;						
c.	the Board of Directors of the Company be and are hereby authorized to take all actions deemed necessary to give effect to the aforementioned resolutions of the Company or as may become necessary to put the Scheme of Arrangement into effect and to consent to any modification of the Scheme that the Court or the relevant regulatory authorities shall deem fit to impose or approve."							
<table border="1"> <thead> <tr> <th>For</th> <th>Against</th> <th>Abstain</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td style="height: 20px;"></td> <td style="height: 20px;"></td> </tr> </tbody> </table>			For	Against	Abstain			
For	Against	Abstain						
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 at his discretion								

Before posting the above form, please tear off this part and retain it for admission to the Meeting

LAW UNION & ROCK INSURANCE PLC

COURT-ORDERED MEETING ADMISSION CARD

Please admit the Shareholder named on this Card or duly appointed proxy to the adjourned Court-Ordered Meeting of the Company to be held at the Shell Hall, Muson Centre, Onikan, Lagos on 10th day of September 2020 at 12 noon.

Name of Shareholder.....

	Shareholder
--	-------------

Number of Shares Held.....

	Proxy
--	-------

Account Number.....

Please tick (✓) appropriate box before admission to the Meeting.

Signature.....

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