
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, please consult your Banker, Solicitor, Accountant or any other independent professional adviser duly registered under the Investments and Securities Act (No. 29 of 2007) immediately.

If you have sold or otherwise transferred all your shares in Consolidated Hallmark Insurance Plc ("**Consolidated Hallmark**" or "**the Company**"), please give this document and any accompanying documents to the purchaser or transferee or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. In the alternative, kindly return this document to the Registrar.

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

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in, or into, jurisdictions other than the Federal Republic of Nigeria may be restricted by laws of those jurisdictions and therefore this document and/or the accompanying documents may not be distributed or published in any jurisdiction except in compliance with any applicable laws and regulations. Persons into whose possession this document and/or any accompanying documents come should inform themselves about, and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

SCHEME OF ARRANGEMENT

(Under Section 715 of the Companies and Allied Matters Act 2020)

Between



and

THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50 KOBO EACH IN CONNECTION WITH THE PROPOSED RESTRUCTURING OF CONSOLIDATED HALLMARK INSURANCE PLC AND ITS RELATED GROUP ENTITIES WHICH WILL RESULT IN A NEW NON-OPERATING HOLDING COMPANY – CONSOLIDATED HALLMARK HOLDINGS PLC - BECOMING THE LISTED PARENT ENTITY OF THE COMPANY AND RELATED GROUP ENTITIES

**Incorporating an Explanatory Statement on the Proposed Scheme of Arrangement
(in compliance with Section 716 of the Companies & Allied Matters Act, 2020)**

Chapel Hill Denham Advisory Limited ("**Chapel Hill Denham**") is acting as the Financial Adviser in respect of the proposed Scheme of Arrangement ("the Scheme"). Chapel Hill Denham will not be responsible to any person, individual or corporate body other than Consolidated Hallmark Insurance Plc ("**Consolidated Hallmark**" or "**the Firm**") in relation to the contents of this document or any transactions or arrangements referred to herein.

The Notice convening the Court-Ordered Meeting of Consolidated Hallmark is set out on pages 48 to 50 of this document. A Proxy Form is also attached. To be valid, the attached Proxy Form must be completed, signed and duly stamped together with the Power of Attorney or other authority - if any – under which they are signed and in accordance with the instructions printed thereon) and must be returned to the Company's Registrars (Meristem Registrars and Probate Services Limited) at 213 Herbert Macaulay, Yaba, Lagos not later than 24 hours before the date of the scheduled Court-Ordered Meeting.

The proposals, which are the subject of the Scheme set out in this document, have been cleared with the Securities and Exchange Commission and issued pursuant to the Approval-in-principle granted by the Central Bank of Nigeria in relation to the proposed restructuring. The actions that you are required to take are set out in the proxy form on page 52 of this Scheme Document.

THIS DOCUMENT IS NOT A PROSPECTUS AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, SUBSCRIBED FOR, PURCHASED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

FINANCIAL ADVISER



RC 1381308

THIS SCHEME DOCUMENT IS DATED OCTOBER 13, 2022

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1. DEFINITIONS

“Act” or “ISA”	Investments and Securities Act (No. 29 of 2007)
“Board of Directors” or the “Board”	The Board of Directors of Consolidated Hallmark Holdings Plc or Holdco, as the context may require
“Business Day”	Any day other than a Saturday, Sunday or public holiday declared by the Federal Government of Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act (No 3 of 2020)
“CBN”	Central Bank of Nigeria
“CITA”	Companies Income Tax Act (as amended), Cap C21, LFN 2004
“Conditions”	The conditions of the Scheme as set out in page 23 of this Scheme Document
“Consolidated Hallmark” or “the Company”	Consolidated Hallmark Insurance Plc
“Court”	Federal High Court
“Court Ordered Meeting”, “Meeting” or “COM”	The meeting of the Shareholders of Consolidated Hallmark convened by Order of the Court, notice of which is set out on pages 47 to 49 of the Scheme Document, or any reconvened meeting following any adjournment thereof
“Court Sanction”	The Order of the Court pursuant to the provisions of Section 715(3) of the CAMA, sanctioning the Scheme
“CSCS”	The electronic clearing and depository system for securities transactions in Nigeria operated by Central Securities Clearing System Plc
“CTC”	Certified True Copy
“Directors”	The Directors of Consolidated Hallmark, who, as at the date of this Scheme Document, comprise of those persons whose names are set out on page 9 of this Scheme Document
“Effective”	The Scheme having become certified pursuant to its terms
“Effective Date”	The date on which the CTC of the Court Sanction is delivered to the CAC for registration
“Explanatory Statement”	The statement issued by the Financial Adviser to the shareholders of Consolidated Hallmark, for the purposes of explaining the terms, conditions

	and effects of the Scheme, which is set out on pages 13 - 19 of the Scheme Document
“Finance Company”	A Finance Company unless otherwise stated, means a company licensed to carry on Finance Company business by the CBN to carry on Finance Company business
“Finance Company business”	Finance Company business include consumer loans, funds management, asset finance, project finance, debt factoring, debt securitisation, debt administration, financial consultancy, loan syndication, warehouse receipt finance, covered bonds, issuing of vouchers, coupons, cards, token stamps, local and international trade finance
“Finance Guidelines”	The Revised Guidelines For Finance Companies In Nigeria 2014 issued by CBN as may be amended from time to time
“Financial Adviser”	Chapel Hill Denham Advisory Limited
“FGN”	Federal Government of Nigeria
“Form of Proxy” or “Proxy Form”	The form of proxy for use in connection with the Court-Ordered Meeting, attached hereto on page 52
“Group”	The existing Group comprising of Consolidated Hallmark Insurance Plc (“the Company”) and its subsidiaries, namely CHI Capital Limited, Hallmark Health Services Limited, CHI Microinsurance Limited and Grand Treasurers Limited as of the date of this Scheme Document
“Holdco” or “Consolidated Hallmark Holdings Plc”	Consolidated Hallmark Holdings Plc, a public limited liability company incorporated under the laws of the Federal Republic of Nigeria RC 1901273; which following the Scheme becoming Effective shall operate as the parent company (owner) of the Company and its subsidiaries
“Holdco Shares”	The 4,000,000 issued ordinary shares of 50 Kobo each and the 10,836,000,000 ordinary shares of 50 kobo each to be created by the increase of the share capital of the Holdco upon Approval of the Restructure by the SEC which are proposed to be issued to the Scheme Shareholders in exchange for the Scheme Shares pursuant to the Scheme
“LFN”	Laws of the Federation of Nigeria
“Listing Rules”	The regulations issued by NGX that are applicable to any Company listed on the Exchange as the context requires
“NAICOM”	National Insurance Commission
“N” or “Naira” or “NGN”	The Nigerian Naira, the currency of the Federal Republic of Nigeria
“NGX” or “the Exchange”	Nigerian Exchange Limited

“NHIA”	National Health Insurance Authority
“No-Objection”	The ‘No-Objection’ granted by SEC in respect of the Scheme
“Qualification Date”	October 21, 2022 being the date on which the Register of Members of Consolidated Hallmark shall be closed for purposes of determining the Shareholders who will be eligible to attend and vote at the Court-Ordered Meeting
“Register of Members”	The register of members of Consolidated Hallmark or the Holdco (as appropriate) that is required to be maintained by the Registrar pursuant to the provisions of CAMA
“Registrar”	Meristem Registrars and Probate Services Limited
“Restructure”	The proposed corporate reorganisation of Consolidated Hallmark Insurance Plc by way of the Scheme, whereby the Holdco will become the listed entity and the owner of Consolidated Hallmark Insurance Plc and the subsidiaries
“Scheme”	The Scheme of Arrangement between Consolidated Hallmark and its Shareholders that is proposed to be executed under Section 715 of CAMA, the terms of which are as set out on pages 20 to 23 of this document
“Scheme Document”	This document setting out the Scheme, the Explanatory Statement, the Chairman’s Statement, the Notice of the Court-Ordered Meeting and the various appendices contained therein in relation to the Scheme
“Scheme Shares” or “Shares”	The 10,840,000,000 ordinary shares of 50 Kobo each which constitute the entire issued share capital of Consolidated Hallmark as at the date of this Scheme and which are listed on the Main Board of the Exchange .
“Scheme Resolution” or “Resolution”	The sub-joined resolution to be proposed as a special resolution at the Meeting, and which will be voted on to approve and give effect to the Scheme
“Scheme Shareholders” or “Shareholders”	The holders of the fully paid-up ordinary shares of Consolidated Hallmark whose names appear in the Register of Members as at the Qualification Date and who are eligible to attend and vote at the Court-Ordered Meeting
“SEC” or “Commission”	Securities & Exchange Commission, established under the ISA
“SEC Rules and Regulations”	The rules and regulations issued from time to time by the SEC pursuant to the ISA
“Subsidiaries”	The subsidiaries of Consolidated Hallmark as of the date of this Scheme Document as listed below and all other subsidiaries as may be included at a future date: CHI Microinsurance Limited Grand Treasurers Limited CHI Capital Limited Hallmark Health Services Limited
“Terminal Date”	The Business Day immediately preceding the Effective Date

2. IMPORTANT NOTICES

The Scheme Document

This Scheme Document sets out details of the Restructure and incorporates an Explanatory Statement for the Scheme as required under CAMA and the SEC Rules and Regulations. The Scheme Document explains the effect of the Scheme to be considered at the Meeting.

The summary of the principal provisions of the Scheme contained in this document are qualified in their entirety by reference to the Scheme itself, the full text of which is set out on pages 20 to 23 of this Scheme Document. Each Shareholder is advised to read and carefully consider the text of the Scheme itself. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser registered under the ISA.

The statements contained herein are made as at the date of this Scheme Document, unless some other time is specified in relation to them, and service of the Scheme Document will not give rise to any implication that there has been no change in the facts set forth herein since such date.

CBN

The Group will notify the CBN of the Scheme. The CBN nor any of its officers takes any responsibility for the contents of this Scheme Document. Grand Treasures Limited will continue to be regulated by the CBN, irrespective of whether the Scheme is approved or not.

SEC

Consolidated Hallmark will seek to obtain an 'Approval-in-Principle' and subsequently, Formal Approval from the SEC in connection with the Scheme. Following SEC's Formal Approval, a petition will be filed with the Court for the sanction of the Scheme. Neither the SEC nor any of its officers takes any responsibility for the contents of this Scheme Document.

NAICOM

Consolidated Hallmark will seek to obtain an 'Approval-in-Principle' in connection with the Scheme. Consolidated Hallmark Insurance Plc will continue to be regulated by NAICOM. Neither NAICOM nor any of its officers takes any responsibility for the contents of this Scheme Document.

NGX

Consolidated Hallmark is listed on NGX. Post Sanction, Consolidated Hallmark Insurance Plc will be delisted from NGX and the shares of the Holdco will be listed on NGX following the approval of NGX Regulation Limited. Neither NGX nor any of its officers takes any responsibility for the contents of this Scheme Document.

NHIA

Consolidated Hallmark will submit a notification of the restructure to NHIA. Neither NHIA nor any of its officers takes any responsibility for the contents of this Scheme Document. Hallmark Health Services Limited will continue to be regulated by NHIA.

Investment Decisions

The information contained in this Scheme Document does not constitute financial advice. This Scheme Document does not consider the investment objectives, financial situation, risk appetite or needs of any individual Scheme Shareholder or any other person. Independent financial and taxation advice should be considered before making any decision in relation to the Scheme.

Forward looking Statements

Certain statements included herein may constitute forward-looking statements that involve several risks and uncertainties. Such forward looking statements can be identified using forward looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately” or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in several places throughout this document and include statements regarding intentions, beliefs or current expectations concerning, amongst other things, the Company, Holdco and their respective subsidiaries. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Notice to Overseas Shareholders

This Scheme Document and the accompanying documents have been prepared in connection with a proposal in relation to a Scheme of Arrangement pursuant to and for the purpose of complying with Nigerian law. The information disclosed may not be the same as that which would have been prepared in accordance with laws of jurisdictions outside the Federal Republic of Nigeria. Nothing in this document should be relied on for any other purpose.

References to time and currency

Unless otherwise stated, a reference to time in this Scheme Document is a reference to Nigerian time (GMT + 1). References to Naira or ₦ in this Scheme Document are to the currency of the Federal Republic of Nigeria. References to Dollars or US\$ in this Scheme Document are to United States Dollars, the currency of the United States of America, unless otherwise stated.

Rounding

Certain financial figures in this Scheme Document have been rounded as applicable, unless otherwise stated. Such figures should be considered as approximate figures. Any discrepancies in any table between totals and sums of amounts listed therein or to previously published financial figures are due to rounding.

Defined Terms and Interpretation

Capitalised terms are defined in the “Definitions” section starting from page 3 to 5 of this Scheme Document.

Taxation

The Scheme Shareholders should consult their own professional Tax advisers as to the tax consequences of the Scheme as may be relevant to their specific circumstances.

Court Process

The Court is not responsible for the contents of this Scheme Document and, in ordering that the Meeting be convened, the Court does not in any way indicate that Court has approved or will approve the terms of Scheme.

3. INDICATIVE TIMELINE

DATE	ACTIVITY
Aug 19, 2022	Obtain NAICOM Approval
Sep 13, 2022	Obtain SEC Approval-in-Principle
Oct 13, 2022	Obtain Court Sanction to convene Court-Ordered Meeting
Oct 31, 2022	Last date for lodging Proxy Forms for the Court-Ordered Meeting
Nov 1, 2022	Court-Ordered Meeting
Nov 2, 2022	File Scheme Resolutions and Scrutineers' Report with SEC, NAICOM and CBN
Nov 7, 2022	Obtain SEC Final Approval of the Scheme
Nov 10, 2022	File petition for Court Sanction of the Scheme
Nov 14, 2022	Obtain Court Sanction of the Scheme and CTC of Court Order
Nov 15, 2022	Register CTC of Court Sanction of the Scheme with CAC ("Effective Date")
Nov 16, 2022	File CTC of Court Sanction with NAICOM
Nov 16, 2022	File CTC of Court Sanction and register HoldCo Shares with SEC
Dec 7, 2022	Credit CSCS accounts of Scheme Shareholders with HoldCo Shares
Dec 8, 2022	List HoldCo and Holdco Shares on NGX

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

4. DIRECTORS AND PARTIES TO THE SCHEME

Consolidated Hallmark Insurance Plc

266 Ikorodu Road
Obanikoro
Lagos

DIRECTORS AND COMPANY SECRETARY

Mr Obinna Ekezie	Chairman
Mr Eddie Efekoha	Managing Director/CEO
Mr Babatunde Daramola	Executive Director, Finance, Systems and Investment
Mrs Mary Adeyanju	Executive Director, Operations
Prince Ben Onuora	Non-Executive Director
Mrs Adebola F. Odukale	Non-Executive Director
Mr Shuaibu Abubakar Idris	Independent Director
Dr Layi Fatona	Non-Executive Director
Mrs Rukevwe Falana	Company Secretary

DIRECTORS AND PARTIES TO THE SCHEME

PROFESSIONAL PARTIES

FINANCIAL ADVISER

Chapel Hill Denham Advisory Limited
10 Bankole Oki Street
Ikoyi
Lagos

SOLICITOR

Alliance Law Firm
71 Ademola Street
Off Awolowo Road
Ikoyi, Lagos

FAIRNESS OPINION ADVISER

BBC Professional Services
Charter House
7 McNeil Road
Lagos

TAX ADVISER

PKF Professional Services
PKF House, 205a Ikorodu Road
Obanikoro
Lagos

REGISTRAR

Meristem Registrars and Probate Services Limited
213 Herbert Macaulay Way
Yaba
Lagos

STOCKBROKER

Planet Capital Limited
St Peter's House
3 Ajele Street
Lagos

5. LETTER FROM THE CHAIRMAN OF CONSOLIDATED HALLMARK INSURANCE PLC



Tel: +234 1 291 2543; +234 1 291 2532

Email: www.chiplc.com

October 13, 2022

To all Shareholders of Consolidated Hallmark Insurance Plc

Dear Sir/Madam,

PROPOSED SCHEME OF ARRANGEMENT BETWEEN CONSOLIDATED HALLMARK INSURANCE PLC AND THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF 50 KOBO EACH

INTRODUCTION

I write to inform you of ongoing discussions by the Board of Directors in respect of the restructure of the business of Consolidated Hallmark Insurance Plc (“Consolidated Hallmark” or “the Company”) by the transfer of the shares of its Shareholders to a Holding Company (“HoldCo”) comprising the Company and its existing subsidiaries (“Restructure”).

The Restructure will culminate in the migration of the Company’s shareholders to the HoldCo via a Scheme of Arrangement pursuant to the provisions of Section 715 of CAMA and the SEC Rules and Regulations. The Scheme is subject to the approval of shareholders of Consolidated Hallmark and the sanction of the Federal High Court.

Should the Restructure be approved, the operations of the restructured Group will be similar to those of major global financial institutions, including businesses that Consolidated Hallmark consider to be its peers and competitors. The Board anticipates that the restructured group will benefit from greater flexibility to adapt to the rapidly evolving financial landscape, and take timely advantage of value accretive opportunities due to a simplified corporate structure. In addition, the Restructure will create potential economies of scale, as well as a more efficient and effective diversification of the Company’s revenue sources.

I can also confirm that the requisite Approval-In-Principle has been received from NAICOM and SEC in respect of the Scheme. The Court has consequently directed that a meeting of the Shareholders of the Company be convened. In that regard, the Scheme will be presented for your consideration and approval at the Court-Ordered Meeting to be held at Radisson Blu, 38/40 Isaac John Street, Ikeja, on November 1, 2022 the notice of which is set out on page 47 to 49 of this document. You will also find on pages 13 to 19 of this document, an Explanatory Statement by the Financial Adviser, containing the details of the terms, conditions and effects of the Scheme.

JUSTIFICATION FOR THE RESTRUCTURING

Consolidated Hallmark Insurance Plc intends to transition to a HoldCo in line with eight (8) main justifications:

1. **Value Maximisation:** The HoldCo structure will improve Consolidated Hallmark’s valuation by creating a structure where each subsidiary is able to operate a focused business.
2. **Simplified Corporate Structure:** The HoldCo structure will streamline the Group’s structure to deliver operational and cost synergies to the business. This will lead to improved financial performance and reduced risk exposure across all its businesses.

3. **Reduced Regulatory Exposure:** The HoldCo structure will ensure that the subsidiaries operate under their separate regulatory requirements. Therefore, the risk that may arise from any of the businesses is isolated and does not necessarily impact all other businesses. This structure also creates a liability tax shield by placing operating companies and their assets in separate entities.
4. **Stronger Credit Rating:** The effects of an improved valuation and a simplified corporate structure should improve the credit rating of the Group, and enable the Company obtain easier access to financing from the Capital Market.
5. **Tax Minimisation:** The HoldCo structure should create effective structures that could reduce tax liabilities to the entire business.
6. **Fund Raising:** The transition will lead to standalone entities that are able to raise capital from the market. In addition, the HoldCo structure will result in increased financial strength of the Group, which will improve access and ability to raise capital with benefits including lower costs of funding.
7. **Operational Efficiency:** Duplicated roles and functions could be streamlined leading to cost savings and increasing overall profitability. More so, the responsibility of managing the subsidiaries would be diminished, as Consolidated Hallmark would solely be focused on its core operations. This will foster faster decision-making and business growth.
8. **Strategic Positioning:** The HoldCo structure will enable Consolidated Hallmark pursue other value accretive opportunities that could arise in the near future.

Consolidated Hallmark intends to take the necessary steps to position the Company for future opportunities across the Insurance value chain. The Restructure is intended to mark a new chapter for the Company and the Group, and enables the entities become intentional about their next phase of growth and impact on the Nigerian Insurance industry.

EFFECT OF THE RESTRUCTURING

The Board considers the Restructure to be the most appropriate approach to create greater strategic flexibility and improve returns to shareholders. The Restructure will result in Shareholders holding shares in the Holdco in the same proportion as their current holdings in the Company and the Company's shares and those of each subsidiary being held wholly by the Holdco.

Consolidated Hallmark will continue to be subject to NAICOM regulations. The Subsidiaries of Consolidated Hallmark will continue to be subject to the oversight of the respective regulatory authorities that supervise their respective sectors. The Group's firm-wide risk management framework will continue to apply across the entire restructured group.

BOARD RECOMMENDATION

The Board considers the terms of the Scheme to be fair, reasonable and in the best interests of the Shareholders, and unanimously recommends that you vote in favor of the subjoined resolution that will be proposed at the Court-Ordered Meeting. It is particularly important that as many votes as possible are cast at the Court-Ordered Meeting to satisfy the Court that there was fair representation of Shareholders at the Meeting.

Please complete and return the enclosed Proxy Form in accordance with the instructions thereon. We look forward to welcoming you or your proxy to the meeting.

Yours faithfully,



Mr Obinna Ekezie
Chairman, Consolidated Hallmark Insurance Plc

6. EXPLANATORY STATEMENT FROM THE FINANCIAL ADVISER

Explanatory Statement from the Financial Adviser, to the Shareholders of Consolidated Hallmark Insurance Plc (in compliance with Section 716 of CAMA)

October 13, 2022

To The Shareholders of Consolidated Hallmark Insurance Plc

Dear Sir/Madam,



PROPOSED SCHEME OF ARRANGEMENT BETWEEN CONSOLIDATED HALLMARK INSURANCE PLC AND HOLDERS OF ITS FULLY PAID ORDINARY SHARES

1.1. Introduction

You will have been informed by the letter from the Chairman of Consolidated Hallmark on pages 12 to 13 of this Scheme Document, that the Board has recommended the restructure of the business of the Company by the transfer of the shares of its Shareholders to a Holding Company ("HoldCo") to create a group comprising the HoldCo, the Company and its existing subsidiaries. This will entail the creation of a new listed non-operating holding Company called **Consolidated Hallmark Holdings Plc**, which will become the ultimate parent of Consolidated Hallmark and its other subsidiaries. This restructuring is expected to optimise business operations, improve financial performance and enhance value for shareholders. The restructuring is proposed to be effected by a Scheme of Arrangement pursuant to Section 715 of the Companies and Allied Matters Act, 2020.

The resultant group structure will mirror a significant number of major global financial institutions, including those Consolidated Hallmark considers as peers and/or competitors.

The 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 presented hereunder.

ELEMENTS OF THE SCHEME RESTRUCTURING

1.2. Description of the Restructuring

The proposed restructuring will entail the following:

- a. Exchange of the Company's Shares for Holdco Shares:** On the Effective Date, each Shareholder will receive one (1) Holdco Share, which will be credited as fully paid, in exchange for every one (1) Scheme Share as at the Terminal Date. The Scheme Share will be transferred to the Holdco without any further act or deed by the shareholder.
- b. Delisting of Consolidated Hallmark and Listing of the Holdco on NGX:** The Company will apply to the NGX for a delisting from the Exchange. The Holdco will subsequently be listed on NGX.

The Conditions of the Scheme include the approval of the terms of the Scheme by the requisite majority of the Scheme Shareholders at the Meeting and the sanction by the Federal High Court. The full terms and details of the

Scheme are set out from page 20 to 23 of the Scheme Document.

Upon, the Scheme becoming Effective, the terms of the Scheme will be binding on all Scheme Shareholders whether or not they have voted in favour of the Scheme. From the Effective Date, all certificates (to the extent that such remain in existence) representing ownership of the Scheme Shares will cease to be valid.

Figure 1: Current Structure

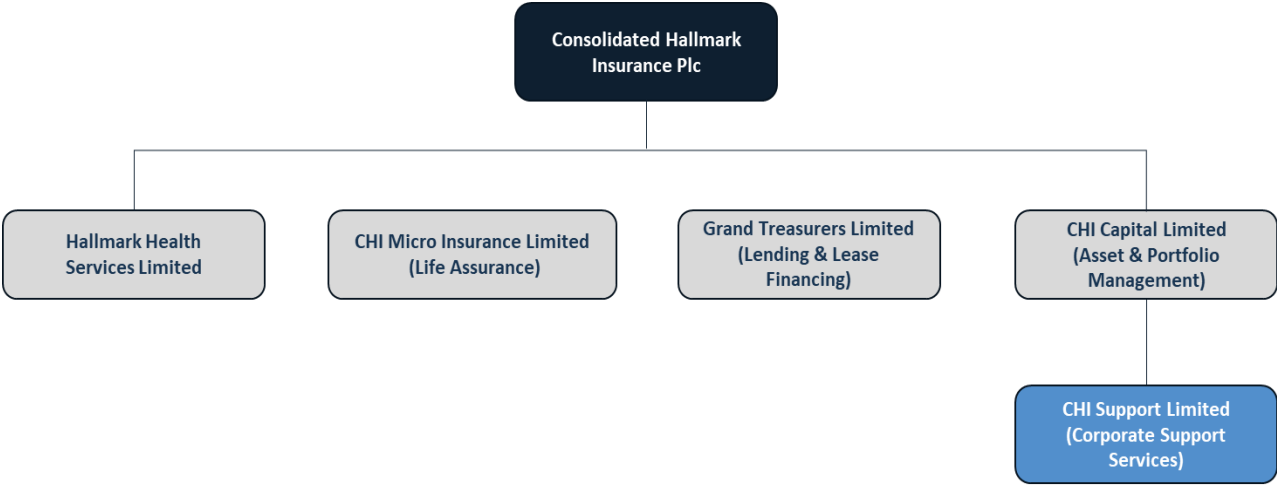
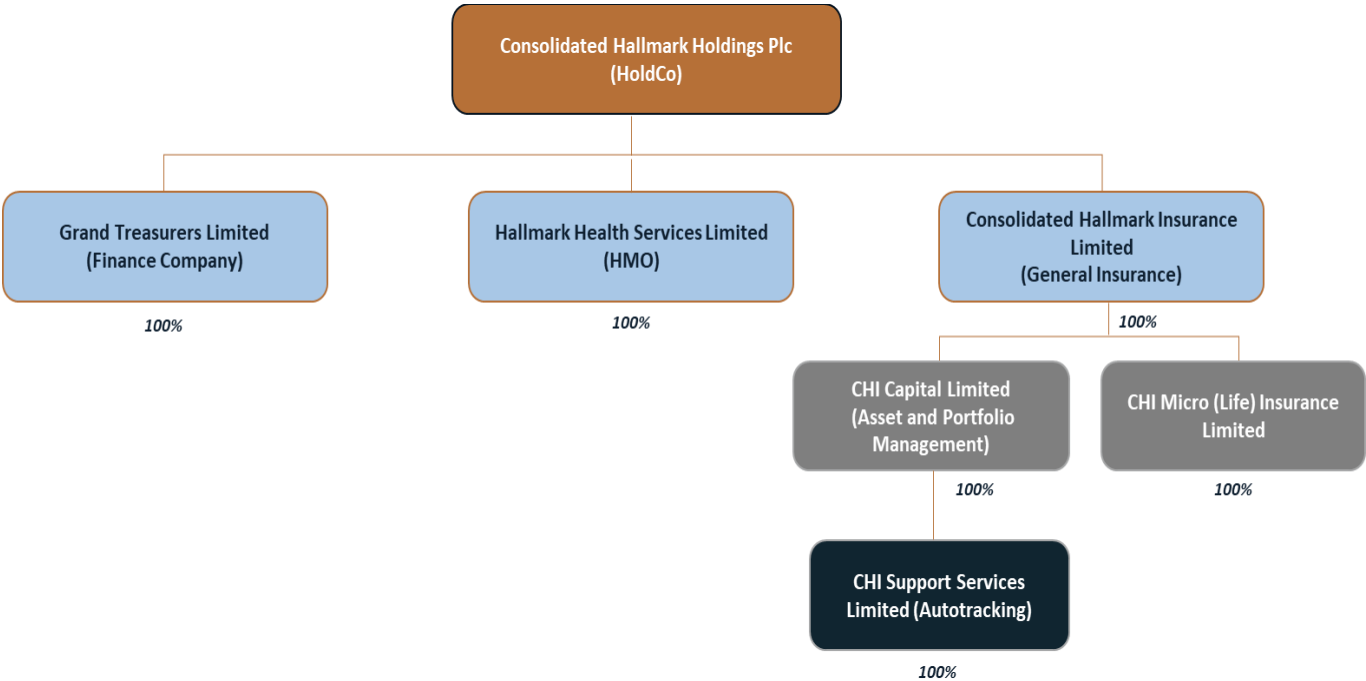


Figure 2: Proposed Structure



**CHI Capital is registered by the SEC but is yet to commence operations*

INFORMATION REGARDING CONSOLIDATED HALLMARK HOLDINGS PLC

Consolidated Hallmark Holdings Plc (“the Holdco”)

The Holdco will be a non-operating holding company, and the Holdco is registered under the Laws of the Federal Republic of Nigeria. The Holdco was incorporated on March 3, 2022 and will conduct its businesses from Offices in Lagos.

Upon the Scheme becoming effective, the Holdco will be the only beneficial shareholder in the Company. This Holdco structure will enable the Group to continue to provide the comprehensive range of products and services that it is renowned for, and concurrently allow the Holdco to enforce proper governance and risk management across the Group without having any direct operational involvement in the subsidiaries.

In addition, the Holdco will be a listed company on NGX, and Shareholders of the Company will, subject to the terms of this Scheme, receive one (1) Holdco Share for every share they hold in the Company as of the Terminal Date.

The HoldCo will control and own three (3) core subsidiaries. The ownership of the subsidiaries will be transferred from Consolidated Hallmark Insurance Plc to the new HoldCo. The shareholders of Consolidated Hallmark Insurance Plc will become shareholders of the HoldCo through a share for share exchange.

Consolidated Hallmark Insurance Plc (“the Company”)

The Company was incorporated on August 2, 1991 as Consolidated Risk Insurers Plc and commenced operations in 1992. Consolidated Hallmark Insurance Plc is headquartered in Lagos, Nigeria. The Company became a public limited liability company in July 2005 and was subsequently, listed on the Nigerian Stock Exchange (now Nigerian Exchange Limited) in February 2008.

Further to a merger in 2007 with Hallmark Assurance Plc and The Nigerian General Insurance Company Limited, as a result of the consolidation reforms initiated by NAICOM in 2006, the Company changed its name to Consolidated Hallmark Insurance Plc.

The Company has thirteen (13) offices across the country and four (4) subsidiaries namely CHI Capital Limited, CHI Microinsurance Limited, Hallmark Health Services Limited and Grand Treasurers Limited. CHI Capital Limited has one wholly owned subsidiary, CHI Support Services Limited. Consolidated Hallmark Insurance Plc has built a strong and dedicated team of experienced professionals providing robust training and retraining Programmes to enable the business keep abreast of global best practices. This has been facilitated by the use of technology to ensure prompt service delivery across locations in various geopolitical zones of Nigeria.

The Company has grown to become one of the leading General Business and Special Risk insurance underwriters in Nigeria. The Company has led the underwriting of several milestone transactions that have shaped the Aviation, Oil and Gas, Marine Cargo, Hull Business and Motor, Fire and Special Perils, Goods-in-transit, Engineering Insurance and General Accident insurance business. Consolidated Hallmark Insurance Plc is the second insurance company in the country to obtain the globally recognised ISO 9001:2015 (Quality Management Systems Certification). The Company continues to shape and drive growth in the general insurance sector and aims to be one of the most respected and valued insurance businesses in Nigeria and in the West African region.

1.3. Rationale for the Scheme

Given the Group’s strategic objective to continue to offer a broad range of financial services and products within the new regulatory environment for insurance providers in Nigeria, the reorganization of the Group into a Holdco structure was considered appropriate by the Board and the Financial Adviser because it will:

- Ensure the Company maintains its competitive advantage and financial viability; and
- Position the Company to take advantage of value accretive opportunities in line with its broader objectives

1.4. Rights attached to the Shares

The Holdco Shares to be issued pursuant to the Scheme, will rank *pari-passu* in all respects and shall form a single class with the issued ordinary shares of the Holdco. Upon the Scheme becoming Effective, the pre-Scheme shareholders of the Holdco will relinquish the shares held in Holdco to the Holdco before the Effective Date.

1.5. The Court Sanction

The Scheme will become Effective upon the delivery of a CTC of the Court Sanction to the CAC for registration.

1.6. Conditions Precedent

The Scheme shall become effective and binding on Shareholders subject to the following conditions:

- The regulators in each sector the Group conducts regulated services have been notified of the Restructure;
- The regulators include NAICOM which has issued a 'Provisional Approval'; NHIA which has issued a 'No Objection' and the CBN which has issued an 'Approval' to the Transaction;
- It is approved with or without modification(s), by a majority representing three-fourths ($\frac{3}{4}$) (75%) in value of the Shares held by the Scheme Shareholders present and voting, either in person or by proxy at the Court-Ordered Meeting;
- SEC grants 'Final Approval', with or without modification, of the terms and conditions of the Scheme as agreed by the 75% majority of the Shareholders;
- The Court sanctions the Scheme, with or without modification(s); and
- The CTC of the Court Sanction is delivered to the CAC for registration.

Once effective, the Scheme will be binding on all the Scheme Shareholders including those who did not attend the Meeting, or those who did not vote, or who voted against it, at the Meeting or who could not be traced.

1.7. Consequential Activities

- The pre-Scheme/existing shareholders of the Holdco will relinquish the shares they hold in the Holdco and all the issued shares of the Holdco will be transferred and allotted to the new shareholders of the Holdco (the former shareholders of the Company) without any further act or deed;
- The Holdco Shares shall be registered with the SEC;
- Each Scheme Shareholder as at the Terminal Date, will receive (one) 1 Holdco Share, in exchange for every (one) 1 Scheme Share as at the Terminal Date which will be credited as fully paid;
- The names of the Scheme Shareholders will be entered in the Holdco's Register of Members;
- The Holdco Shares will be listed on the NGX and the Shareholders will be credited with their equivalent shareholding in the CSCS; and
- The Scheme Shares will be delisted from the NGX and all share certificates representing the shareholding interests of the Shareholders in the Company (to the extent that such certificates remain in existence) shall cease to be valid or to have any value.
- The HoldCo will own all the Scheme Shares in Consolidated Hallmark

1.8. Exchange and Consideration

Under the terms of the Scheme, it is proposed that the Scheme Shareholders transfer the Scheme Shares to the Holdco. In consideration for the said transfer, the Scheme Shareholders shall receive one (1) HoldCo Share for every Scheme Share transferred. Thus, the Scheme Shareholders:

Receive: one (1) ordinary share each of 50 kobo, credited as fully paid

In Exchange for: every (one) 1 ordinary share in the Company held by the Scheme Shareholders as at the Terminal Date, which will be transferred to the Holdco on the Effective Date

As at the date of incorporation of the HoldCo - March 3, 2022 - the following were the only shareholders of the HoldCo: Eddie Agberia Efekoha, Sunny Chukwudi Obidegwu, Titilope Olayinka Aletor and Nouveau Technologies and Associates Limited. This has not changed. Thus, the 4,000,000 ordinary shares each of ₦0.50 of Consolidated Hallmark Holdings Plc are still held by Eddie Agberia Efekoha, Sunny Chukwudi Obidegwu, Titilope Olayinka Aletor and Nouveau Technologies and Associates Limited. No other Directors of Consolidated Hallmark Insurance Plc have any direct or indirect interest in Consolidated Hallmark Holdings Plc. The share capital of Consolidated Hallmark Holdings Plc will be increased to 10,840,000,000 ordinary shares for purposes of allotting the HoldCo Shares.

The shares held by Eddie Agberia Efekoha, Sunny Chukwudi Obidegwu, Titilope Olayinka Aletor and Nouveau Technologies and Associates Limited will be relinquished under the terms of the Scheme. Pursuant to the Scheme, the 10,840,000,000 ordinary shares of 50 Kobo each in Consolidated Hallmark Insurance Plc presently held by Qualifying Shareholders will be exchanged for the 10,840,000,000 ordinary shares of 50 Kobo each of Consolidated Hallmark Holdings Plc.

The pre and post Scheme shareholdings of the Holdco will be represented as follows:

	Pre-Scheme No. of Shares	Post-Scheme No. of Shares
Eddie Agberia Efekoha	1,000,000	-
Sunny Chukwudi Obidegwu	1,000,000	-
Titilope Olayinka Aletor	1,000,000	-
Nouveau Technologies and Associates Limited	1,000,000	-
Scheme Shareholders	-	10,840,000,000

Upon the Scheme becoming Effective, the pre-Scheme shareholders of the Holdco will relinquish the shares held in the Holdco.

1.9. Settlement of Scheme Consideration

Subject to the Scheme becoming Effective, settlement of the consideration to which each Scheme Shareholder is entitled will be effected as follows:

a. Settlement of Shares

Within five (5) Business Days from the Effective Date, the Registrar shall credit the CSCS accounts of the Shareholders as at the Terminal Date, with the Holdco Shares.

b. Plans for encumbered shares of the Company

Settlement of shares which have been pledged as collateral or are subject to a lien or other similar encumbrances, to the knowledge of (and with notification to) CSCS and or the Registrar, may be withheld by the Registrar, pending resolution of the underlying indebtedness.

1.10. Meeting to Approve the Scheme and Voting Rights

Before the Court Sanction of the Scheme can be sought, the Scheme will require approval by the Shareholders at the Court-Ordered Meeting and the passing of the Scheme Resolution to implement the Scheme. Your entitlement to vote at the Meeting and the number of votes which may be cast at the Meeting will be determined by reference to your holding of the Shares as shown in the Company's Register of Members at the Qualification Date. Please note that only Shareholders registered on the Register of Members of the Company as at the Qualification Date shall be entitled to vote at the Meeting.

At the Court-Ordered Meeting, voting on the Scheme Resolution will be by poll (and not by show of hands). In the interest of public safety and having due regard to the Nigeria Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Lagos State, only persons indicated to have been selected as proxies on the Proxy Form will be allowed to attend the Meeting in-person (physically). Shareholders' votes will be cast through any of the selected proxies indicated on the Proxy Form. All other Shareholders will be required to attend the Meeting online via the real-time streaming options which have been provided as stated in the Notice of the Court-Ordered Meeting. Shareholders attending the Court-Ordered Meeting online - who have any questions in respect of the Scheme - will be able to ask such questions during the Court-Ordered Meeting via the real-time streaming options.

The statutory requirement to pass the Scheme Resolution at the Court-Ordered Meeting is a majority representing not less than three-quarters (3/4) (75%) in value of the Shares of the Shareholders present and voting either in person or by proxy at the Meeting.

The Notice of the Court-Ordered Meeting is set out on pages 48 to 50 of this Document.

1.11. Instruction to Proxy

The proxy form for the Court-Ordered Meeting is in this Scheme Document. Each Shareholder is required to complete the Proxy Form in accordance with the instructions thereon and return same as soon as possible to the Registrar and, not later than twenty-four (24) hours before the time appointed for the Meeting.

1.12. Provision for Dissenting Shareholders

Under the provisions of Section 715 of CAMA, the Scheme is binding on the Shareholders and the Company where the statutorily required majority of shareholders votes in favour of the Scheme and the Scheme is sanctioned by the Court.

All Shareholders of the Company will be entitled to the Holdco Shares in the same proportion as their respective shareholdings in the Company once the Scheme becomes Effective.

1.13. Further Information

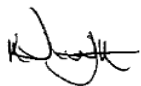
Your attention is required with regards to the following information contained in the appendices to this Scheme Document. Shareholders are encouraged to read the whole of this Scheme Document and not only rely on the summarised information included in this Explanatory Statement and in other parts of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

Appendix A	-	Further information regarding the Consolidated Hallmark Insurance Plc on pages 24 to 34
Appendix B	-	Further information regarding Consolidated Hallmark Holdings Plc on pages 35 to 39
Appendix C	-	Fairness Opinion Report pages 40 to 42
Appendix D	-	Tax Opinion on pages 43 to 44
Appendix E	-	Statutory and Other Information on pages 45 to 46
Appendix F	-	Documents available for inspection on page 47

1.14. Conclusion and Recommendation

Your Board, and we, the Financial Adviser to Consolidated Hallmark Insurance Plc, having considered the terms and conditions of the Scheme as well as the benefits thereof, recommend that you vote in favour of the subjoined Scheme Resolution which will be proposed at the Court-Ordered Meeting.

Yours faithfully,



'Kemi Awodein
Managing Director
Chapel Hill Denham Advisory Limited

7. SCHEME OF ARRANGEMENT

**SCHEME OF ARRANGEMENT
FOR THE RESTRUCTURING OF CONSOLIDATED HALLMARK INSURANCE PLC
UNDER SECTION 715 OF THE COMPANIES AND ALLIED MATTERS ACT 2020**

BETWEEN

CONSOLIDATED HALLMARK INSURANCE PLC (RC NO. 168762)

AND

THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF ₦0.50 KOBO EACH

A. Preliminary

In this Scheme of Arrangement, as hereinafter defined, the following expressions shall have the meanings attributed to them below, unless otherwise stated or clearly indicated by the context:

Business Day means any day other than a Saturday, Sunday or official public holiday declared by the Federal Government of Nigeria;

CAC means the Corporate Affairs Commission;

CAMA means the Companies and Allied Matters Act (No 3 of 2020);

CBN means the Central Bank of Nigeria;

Company or **Consolidated Hallmark** means Consolidated Hallmark Insurance Plc, a public limited liability company incorporated under the laws of the Federal Republic of Nigeria with registration number 168762 and duly licensed to carry out General Insurance business by NAICOM;

Court means the Federal High Court;

Court-Ordered Meeting or **Meeting** means the meeting of the Shareholders of Consolidated Hallmark convened by an order of the Court and held pursuant to Section 715 of the CAMA, of which notice is set out at the end of the document of which this Scheme forms part; or any reconvened meeting following any adjournment thereof;

Court Sanction means the Order of the Court pursuant to the provisions of Section 715(3) of the CAMA, approving the Scheme;

CSCS means the electronic clearing and depository system for securities transactions in Nigeria operated by the Central Securities Clearing System Plc;

CTC means Certified True Copy;

Effective means the Scheme having become effective pursuant to its terms;

Effective Date means the date on which a CTC of the Court Sanction is submitted to the CAC for registration;

Explanatory Statement means the statement dated October 13th, 2022 and issued by the Financial Adviser to Consolidated Hallmark, and set out on pages 13 to 19 of the document of which this Scheme forms part, for the purpose of explaining the terms, conditions and effects of the Scheme;

Financial Adviser means Chapel Hill Denham Advisory Limited;

Holdco or **Consolidated Hallmark Holdings Plc** means Consolidated Hallmark Holdings Plc, a public limited liability company incorporated under the laws of the Federal Republic of Nigeria with registration number 1901273;

Holdco Shares means the 4,000,000 ordinary shares of 50 Kobo each in the share capital of the Holdco which are proposed to be issued to the Scheme Shareholders in exchange for the Scheme Shares pursuant to the Scheme;

NGX means Nigerian Exchange Limited;

Official List means the official list for listed securities that is maintained by NGX, displaying trade and price information relating to listed and traded securities;

Qualification Date means October 21, 2022 being the date the Register of Members of Consolidated Hallmark shall be closed for the purpose of determining the Shareholders who will be eligible to attend and vote at the Court-Ordered Meeting;

Register of Members means the register of members of Consolidated Hallmark Holdings Plc or the Holdco (as appropriate) that is required to be maintained by the Registrar pursuant to the provisions of CAMA;

Scheme means the Scheme of Arrangement between Consolidated Hallmark and its Shareholders proposed to be made under Section 715 of CAMA, the terms of which are as set out on pages 20 to 23 of this document;

Scheme Document means this document setting out the Scheme, the Explanatory Statement, the Notice of the Court-Ordered Meeting and the various appendices contained therein in relation to the Scheme;

Scheme Shares or **Shares** means the 10,840,000,000 ordinary shares of 50 Kobo each which constitute the entire issued share capital of Consolidated Hallmark as at the date of this Scheme Document and which are listed on the Official List of The NGX under the trading symbol “**CHIPLC**”;

Scheme Shareholders or **Shareholders** means the holders of the fully paid ordinary shares of Consolidated Hallmark whose names appear in the Register of Members as at the Qualification Date and who are eligible to attend and vote at the Court-Ordered Meeting;

SEC or the **Commission** means the Securities and Exchange Commission;

Subsidiaries means the subsidiaries of Consolidated Hallmark Insurance Plc as of the date of this Scheme Document as listed below and such other subsidiary as may be included at a future date:

- CHI Microinsurance Limited;
- Grand Treasurers Limited;
- CHI Capital Limited; and

- Hallmark Health Services Limited

Terminal Date means the Business Day immediately preceding the Effective Date.

- B.** The issued and fully paid share capital of the Company is ~~₦~~5,420,000,000.00 (Five Billion, Four Hundred and Twenty Million Naira) comprising 10,840,000,000 (Ten Billion, Eight Hundred and Forty Million) ordinary shares of ~~₦~~0.50 (fifty kobo) each and, and its authorised share capital is ~~₦~~10,000,000,000.00 (Ten Billion Naira) comprising 20,000,000,000 (Twenty Billion) ordinary shares of ~~₦~~0.50 (fifty kobo).
- C.** The authorized and issued share capital of the Holdco is presently ~~₦~~2,000,000 (Two Million Naira) divided into 4,000,000 (Four Million) ordinary shares of ~~₦~~0.50 kobo each.
- D.** The issued and paid-up share capital of the HoldCo will be increased by ~~₦~~5,418,000,000 (Five Billion Four Hundred and Eighteen Million Naira) divided into 10,836,000,000 (Ten Billion Eight Hundred and Thirty-Six Million) ordinary shares of ~~₦~~0.50 kobo each.
- E.** As at the Effective Date of the Scheme, the issued and paid-up share capital of the HoldCo will be ₦5,420,000,000 (Five Billion Four Hundred and Twenty Million Naira) divided into 10,840,000,000 (Ten Billion Eight Hundred and Forty Million) ordinary shares of ₦0.50 kobo each.
- F.** In order to achieve the Group's general strategic objective to continue to offer a broad range of financial services and products within the new regulatory environment for insurance providers in Nigeria, the reorganization of the Group into the Holdco structure arrangement was considered appropriate by the Board and the Financial Adviser as it will provide the Company with a competitive advantage and increased financial viability; and subsequently, position it for future expansion in line with its strategic objectives.
- G.** The Scheme will comprise of the elements listed below.

The Scheme

1. Transfer of Consolidated Hallmark Insurance Plc Shareholders to the Holdco

Each Shareholder of the Company will receive one (1) ordinary share each of 50 kobo in the Holdco, which will be credited as fully paid, in exchange for every one (1) ordinary share of fifty (50) kobo each held in the Company as at the Terminal Date. Each share held by such shareholder in the Company will be transferred to the Holdco without any further act or deed.

2. Relinquishment of shares in the Holdco

The Holdco was incorporated with four (4) shareholders, Eddie Efekoha, Sunny Obidegwu, Titilope Aletor and Nouveau Technologies and Associated Limited. Upon the Scheme becoming Effective, the pre-Scheme shareholders of the Holdco will relinquish the shares held in the Holdco.

3. Delisting of the Scheme Shares and Listing of the Holdco Shares on The NGX

The Company will apply for the Shares to be delisted from NGX. The Holdco Shares will be listed on NGX and the Scheme Shareholders will be credited with the Holdco Shares in the same proportion as their Consolidated Hallmark shareholding within five (5) Business Days of the Effective Date. Further to the implementation of the Scheme, the Company will be re-registered as a private limited liability company.

4. Conditions Precedent

The Scheme shall become effective and binding on Shareholders subject to the following conditions:

- a) The regulators in each sector the Group conducts regulated services have been notified of the Restructure;
- b) The regulators include NAICOM which has issued a 'Provisional Approval'; NHIA which has issued a 'No Objection' and the CBN which has issued an 'Approval' to the Transaction;
- c) It is approved with or without modification(s), by a majority representing three-fourths ($\frac{3}{4}$) (75%) in value of the Shares held by the Scheme Shareholders present and voting, either in person or by proxy at the Court-Ordered Meeting;
- d) SEC grants Final approval, with or without modification, the terms and conditions of the Scheme as agreed by the 75% majority of the Shareholders;
- e) The Court sanctions the Scheme with or without modification(s); and
- f) The CTC of the Court Sanction is delivered to the CAC for registration.

5. Consequential Activities

- a) The pre-Scheme/existing shareholders of the Holdco will relinquish the shares they hold in the Holdco and all the issued shares of the Holdco will be transferred and allotted to the new shareholders of the Holdco (the former shareholders of the Company) without any further act or deed;
- b) The Holdco Shares shall be registered with SEC;
- c) Each Shareholder as at the Terminal Date, will receive one (1) Holdco Share, in exchange for every one (1) Scheme Share as at the Terminal Date which will be credited as fully paid;
- d) The Holdco will enter the names of the Shareholders in its Register of Members;
- e) The Holdco Shares will be listed on the NGX and the Shareholders will be credited with their equivalent shareholding in the CSCS; and
- f) The Scheme Shares will be delisted from the NGX and all share certificates representing the shareholding interests of the Shareholders (to the extent that such certificates remain in existence) shall cease to be valid or to have any value.
- g) The HoldCo will own all the Scheme Shares in Consolidated Hallmark

6. Effectiveness

The Scheme shall become effective on the day on which a CTC of the Court Sanction is delivered to the CAC for registration, following which the current shareholders of the Holdco shall surrender their shares in the Holdco. These shares shall become part of the un-issued shares of the Holdco, which will be allotted to the Scheme Shareholders.

7. Modification

The Board of Directors of the Company is authorized to consent, on behalf of all parties concerned, to any modification(s) of or addition to the Scheme which the Court or any regulatory authority may deem fit to approve or to any condition which the Court or any regulatory authority may impose.

APPENDIX A – FURTHER INFORMATION REGARDING CONSOLIDATED HALLMARK INSURANCE PLC

1.1. CORPORATE INFORMATION

Consolidated Hallmark Insurance Plc is a leading General Business and Special Risks Insurance underwriting company fully capitalised in accordance with the statutory requirements of the National Insurance Commission. The Company was incorporated in August 1991 as a private limited liability company called Consolidated Risk Insurers Limited and launched operations in 1992. Consolidated Hallmark subsequently, converted to a public limited company in July 2005.

In 2007, Consolidated Risk Insurers Plc merged with Hallmark Assurance Plc and The Nigerian General Insurance Company Limited in accordance with the consolidation reforms initiated by the NAICOM in 2006, Consolidated Risk Insurers Plc changed its name to Consolidated Hallmark Insurance Plc. In February 2008, Consolidated Hallmark was listed on the former Nigerian Stock Exchange (now “Nigerian Exchange”).

Consolidated Hallmark has thirteen (13) offices across the country and four (4) subsidiaries namely CHI Capital Limited, CHI Microinsurance Limited, Hallmark Health Services Limited and Grand Treasurers Limited. CHI Capital Limited has one wholly owned subsidiary, CHI Support Services Limited.

Consolidated Hallmark Insurance Plc has grown to become one of the leading General Business and Special Risk insurance underwriters in Nigeria. The Company has led the underwriting of several milestone transactions that have shaped the Aviation, Oil and Gas, Marine Cargo, Hull Business and Motor insurance business. The Company underwrites Aviation, Oil and Gas, Marine Cargo and Hull and other non-life insurance underwriting including Motor, Fire and Special Perils, Goods-in-transit, Engineering Insurance and General Accident insurance businesses.

Consolidated Hallmark is the second insurance company in Nigeria to obtain the globally recognised ISO 9001:2015 (Quality Management Systems Certification). Consolidated Hallmark continues to shape and drive growth in the general insurance sector and aims to be one of the most respected and valued insurance companies in Nigeria and in the West African region.

1.2. PROFILE OF THE BOARD OF DIRECTORS

The Company’s Board of Directors constitutes of nine (9) members comprising, four (4) executive Directors, four (4) non-executive Directors and the Company Secretary namely:

Mr Obinna Ekezie

Chairman

Mr. Ekezie is the Founder of one of the fastest growing and largest online travel companies in Nigeria and in Africa, Wakanow.com. He is a graduate of Mechanical Engineering from the University of Maryland (1999) - Robert H. Smith College of Business, Maryland U.S.A with a minor degree in IBM Total Quality Management (1999). Mr Ekezie is the Chairman of Consolidated Hallmark Insurance Plc. Mr Ekezie is also the Founder and Chairman of African Basketball League (2015-Date), established to develop innovative organizational models in African Basketball after an illustrious career as a professional basketball player for the Vancouver Grizzlies, Washington Wizards, Dallas Mavericks, Los Angeles Clippers, Atlanta Hawks, Red Star Belgrade, amongst others.

Mr Eddie Efekoha

Group Managing Director

Mr. Efekoha holds a Bachelor's degree in Insurance (1985) and a Master's degree in Business Administration (1995) both from the University of Lagos. He has worked with leading Insurance Brokerage firms in top executive positions including Hogg Robinson Nigeria, Glanvill Enthoven & Co (Nig.) Limited and Fountain Insurance Brokers as the pioneer Managing Director/Chief Executive Officer. He was the Executive Vice Chairman/Chief Executive Officer of Consolidated Risks Insurers Plc before his current appointment in Consolidated Hallmark Insurance Plc. He is a former President of the Chartered Insurance Institute of Nigeria (CIIN) and the 22nd Chairman of the Nigerian Insurers Association (NIA) from 2016-2018.

Mr Babatunde Daramola

Executive Director – Finance, Systems and Investment

Mr Daramola is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Chartered Insurance Institute of Nigeria. He is also a Member of the Nigerian Institute of Management. He graduated from the Lagos State Polytechnic with a Higher National Diploma in Insurance (1994) and holds an MBA in Finance and Accounting from the University of Liverpool, UK (2010). Mr Daramola has vast working experience spanning Insurance Broking, Underwriting and Banking.

Mr Daramola served as a two-time Chairman and Executive Member of the Accounting Technical Committee of the Nigerian Insurers Association. He also served as a member of the Insurance Industry Accounting Practices Committee established by the National Insurance Commission. He was also a member of MCPD planning Committee of the Institute of Chartered Accountants of Nigeria. He is currently a member of the Finance and Audit Committee of the Chartered Insurance Institute of Nigeria (2015-Date). He is a Member, Finance Houses Association of Nigeria (2012-Date). Tunde is an Alumnus of the Lagos Business School (2013) and is the current Vice President of Lagos Business School AMP 25 Class (2013 to present).

Mrs Mary Adeyanju

Executive Director – Operations

Mrs Adeyanju has over two decades of varied experience in the insurance industry, having commenced her career at Boof & Co. Insurance Brokers. She is also an Alumnus of the Lagos Business School (2011). Mary is an Associate of the Chartered Insurance Institute of Nigeria. She possesses a Master's Degree in Business Administration from the Lagos State University (2004) as well as a B. A in Theatre Arts (1991) and Diploma in Insurance (1987) from the University of Jos and Ahmadu Bello University, Zaria, respectively. Mary has over two decades of varied experience in the Insurance industry.

Dr Layi Fatona

Non-Executive Director

Dr. Layi Fatona is the erstwhile Chief Executive officer of Niger Delta Exploration and Production Plc, where he pioneered the first and only privately owned refinery in Nigeria - the Ogbel Mini Refinery. He is a Petroleum Geologist with over thirty-five (35) years of practice, commencing with a seven-year stint in the Petroleum Engineering and Exploration & Production Departments at Shell Petroleum Development Company of Nigeria Ltd (SPDC). He is widely consulted by Nigerian and foreign oil companies, and is a former President and Fellow of the Nigerian Association of Petroleum Explorationists (NAPE). A certified Petroleum Geologist of the American Association of Petroleum Geologists (AAPG). Dr. Fatona studied Geology at the University of Ibadan (1973) and obtained a MSc in Petroleum Geology and Sedimentology from the University of London (1976). In addition, Dr Fatona obtained a PhD in Sedimentology (1980) from the Royal School of Mines, Imperial College of Science & Technology, London. In 2018, Dr Fatona was awarded an honorary Doctorate from Osun State University.

Prince Ben Onuora*Director*

Prince Onuora is a Barrister, Solicitor, Arbitrator and Notary Public of Nigeria. He attended the University of Lagos where he obtained his Bachelor of Laws (LL.B) and Master of Laws (LL.M) degrees in 1985 and 1991 respectively. Prince Onuora belongs to several professional bodies including the Nigerian Bar Association (NBA), Capital Market Solicitors Association, the Chartered Institute of Arbitrators (UK & Nigeria), and the Institute of Directors (IoD). Prince Onuora was elected as a Fellow of the IoD in 2004. Prince Onuora is a consummate Alternative Dispute Resolution (ADR) Practitioner and a registered Legal Consultant by the Securities & Exchange Commission. In 2012, he was in the Federal Government Committee that advised on the merger of agencies and parastatals as part of the strategy to reduce the high cost of governance in Nigeria.

Mrs Adebola F. Odukale*Director*

Mrs. Odukale is an Associate of the Chartered Insurance Institute of Nigeria. She started her Insurance career with Nigerian Life and Pensions Consultants in 1991 before joining Capital Express Assurance Limited as a Branch Manager. She rose through the ranks in the company prior to her appointment as the Managing Director. Mrs Odukale held several positions including Senior Manager, Technical Division; Controller, Marketing Division; Regional Director, South West and; Head, Domestic Operations. Mrs Odukale holds a Bachelor's degree in Economics from the Obafemi Awolowo University, Ile-Ife (1989) and an MBA in Human Resource Management from the Lagos State University (2004).

Mr Idris Shuaibu Abubakar*Independent Non-Executive Director*

Mr. Shuaibu holds a BSc in Accounting from Bayero University (1985) and a Master's Degree in Banking and Finance from the University of Wales, UK (1993). He is an associate member of the Association of National Accountants, and is a member of several professional bodies including the Chartered Institute of Personnel Management of Nigeria, the Institute of Directors, the Nigerian Institute of Management and the Fellow of the Institute of Credit Administration. He has served as Board member of Mainstreet Bank, Navision W.A. Limited and Coronation BDC. In addition, he was a council member of Kaduna State University.

Mrs Rukevwe Falana*Company Secretary*

Mrs Falana is a graduate of the Delta State University (LLB Hons) in 2001 and the Nigerian Law School, Lagos (2004). Mrs Falana is a member of the Nigerian Bar Association (NBA). She was appointed in 2011 as the Chief Compliance Officer of the Company with the mandate to ensure compliance with all institutional regulatory laws governing the affairs of the company. She has undergone several developmental training in diverse areas including commercial law and legal drafting.

1.3. SHAREHOLDING STRUCTURE

The 10,840,000,000 ordinary shares of 50 Kobo each in the issued and fully paid up ordinary share capital of Consolidated Hallmark were held as follows as at June 30, 2022:

Shareholder	No. of Ordinary Shares Held	Percentage held
Sephine Edefe Nigeria Limited	586,444,000	5.41%
Capital Express Assurance Co. Ltd	1,066,666,666	9.84%
Mr Eddie Efekoha	1,040,000,000	9.59%
Niger Delta Exploration & Production Plc	2,754,442,750	25.41%
Others	5,392,446,584	55.16%
Total	10,840,000,000	100.00%

SHARE CAPITAL HISTORY

The changes in the Company's share capital since 1991 are as stated below:

YEAR	AUTHORISED		ISSUED AND FULLY PAID		CONSIDERATION
	INCREASE	CUMULATIVE	INCREASE	CUMULATIVE	
1991	5,000,000	5,000,000	-	-	
1992	10,000,000	15,000,000	3,611,881	3,611,881	Cash
1993	-	15,000,000	1,500,000	5,111,881	Cash
1995	15,000,000	30,000,000	14,888,119	20,000,000	Cash
1998	-	30,000,000	5,601,651	25,601,651	Bonus
1999	-	30,000,000	239,500	25,841,151	Cash
2000	-	30,000,000	259,632	26,100,783	Cash
2003	320,000,000	350,000,000	223,899,217	250,000,000	Cash
2004	150,000,000	500,000,000	50,000,000	300,000,000	Cash
2005	500,000,000	1,000,000,000	-	300,000,000	Cash
2006	-	1,000,000,000	365,155,330	665,155,330	Cash
2007	4,000,000,000	5,000,000,000	2,334,844,670	3,000,000,000	Acquisition/Bonus
2008	-	5,000,000,000	-	3,000,000,000	No change
2009	-	5,000,000,000	-	3,000,000,000	No change
2010	-	5,000,000,000	-	3,000,000,000	No change
2011	-	5,000,000,000	-	3,000,000,000	No change
2012	-	5,000,000,000	-	3,000,000,000	No change
2013	-	5,000,000,000	-	3,000,000,000	No change
2014	-	5,000,000,000	-	3,000,000,000	No change
2015	-	5,000,000,000	-	3,000,000,000	No change
2016	-	5,000,000,000	-	3,000,000,000	No change
2017	-	5,000,000,000	-	3,000,000,000	No change
2018	-	5,000,000,000	500,000,000	3,500,000,000	Rights Issue
2018	-	5,000,000,000	565,000,000	4,065,000,000	Private Placement
2019	2,500,000,000	7,500,000,000	-	4,065,000,000	No change
2020	2,500,000,000	10,000,000,000	1,016,250,000	5,081,250,000	Rights Issue
2020	-	10,000,000,000	338,750,000	5,420,000,000	Bonus Issue
2021	-	10,000,000,000	-	5,420,000,000	No change

1.4. SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company's interests in its subsidiaries and associated companies as at the date of this Scheme Document are indicated below:

SUBSIDIARIES	COUNTRY OF INCORPORATION	% HELD	NATURE OF BUSINESS
CHI Capital Limited	Nigeria	100	Asset and portfolio management
CHI Microinsurance Limited	Nigeria	100	Life assurance
Hallmark Health Services Limited	Nigeria	100	Health maintenance services
Grand Treasurers Limited	Nigeria	99	Consumer lending and lease financing

The Company has a support business, CHI Support Limited, which provides corporate support services. This is a wholly owned subsidiary of CHI Capital Limited.

1.5. DIRECTORS' BENEFICIAL INTEREST

SHAREHOLDER	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING	TOTAL SHAREHOLDING	HOLDING
Mr Obinna Ekezie		526,537,893	526,537,893	4.86%
Mrs Adebola Odukale		1,151,979,358	1,151,979,358	10.63%
Mr Eddie Efekoha	1,040,000,000	586,798,809	1,626,798,809	15.01%
Prince Ben Onuora	43,655,598		43,655,598	0.40%
Dr Layi Fatona		2,818,442,750		26.00%
Mr Babatunde Daramola	26,834,482		26,834,481	0.25%
Mrs Mary Adeyanju	33,953,777		33,953,777	0.31%

1.6. DIRECTORS AND INDIRECT INTEREST REPRESENTED

DIRECTOR	INDIRECT INTEREST REPRESENTED	INDIRECT SHAREHOLDING	HOLDING
Mr Obinna Ekezie	Dr Ugo Obi Ralph Ekezie	526,537,893	4.86%
Mrs Adebola Odukale	Capital Express Assurance Company Limited Capital Express Securities Limited Capital Express Managed Fund Capital Express Assets and Trust Limited	1,151,979,358	10.63%
Mr Eddie Efekoha	Sephine Edefe Nigeria Limited	586,798,809	5.41%
Dr Layi Fatona	Niger Delta Exploration and Production Plc Nouveau Technologies & Ass Ltd	2,818,442,750	26.00%

1.7. SUMMARY OF CLAIMS AND LITIGATION

The Company in the ordinary course of business is presently involved as a defendant in eleven (11) cases which were instituted against Consolidated Hallmark Insurance Plc.

The total amount, including general damages, claimed against the Company is estimated to be ₦59,337,075.88 (Fifty Nine Million, Three Hundred and Thirty Seven Thousand, Seventy Five Naira Eighty Eight Kobo).

Based on the review of the facts of the cases in the litigation schedule provided by the Company, the Solicitors are of the opinion that the aforementioned suits would not adversely affect the Transaction.

1.8. EXTRACTS FROM MEMORANDUM AND ARTICLES OF ASSOCIATION

Below are relevant extracts from the Company's Articles of Association:

MEMORANDUM OF ASSOCIATION

- 3a. To act as Managers for any Insurance Company, clubs or association its or his insurance underwritten in connection with its or his insurance underwriting business (whatever the same may be carried on) or any branch or the same to make arrangements for all classes of insurance (including Group, Life and Pension Funds schemes, and enter into agreements for any of their purposes aforesaid with any such Company, club, association and underwriter).
- 3d. To contract with leaseholders' borrowers' lenders annuitants and others for the establishment accumulation provision and payment of sinking funds redemption funds depreciation funds renewal funds endowment funds and any other special funds and that either in consideration of a lump sum or of an annual premium or otherwise and generally on such terms and conditions as may be arranged.
- 3h. To pay satisfy or compromise any claims made against the Company in respect of policies or contracts granted by dealt in or entered into by the Company which claims it may deem expedient to pay satisfy or compromise notwithstanding that the same may not be valid in law.

ARTICLES OF ASSOCIATION

GENERAL MEETINGS

- 6.1. An Annual General Meeting shall be held not more than eighteen months after the incorporation of the Company and subsequently once I every year, at such time (or within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other meetings shall be called Extraordinary General Meetings.
- 6.2 The Annual General Meeting shall be held at such time and place, as the Directors shall appoint.
- 6.3 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 he is not present within thirty minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their members to be Chairman of the meeting.
- 6.4 If at the any meeting no Director is willing to act as Chairman or if no Director is present within thirty minutes after the time appointed for holding the meeting, the Members present shall choose one of their members to be Chairman of the meeting.
- 6.5 The Directors may, whenever they think fit and shall on requisition in accordance with the Act, proceed to convene an Extraordinary General Meeting in the same manner or as nearly as possible as such Meeting may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

7.1 An Annual General Meeting and Extraordinary General Meeting shall be called by twenty one days' notice in writing, at the least, (exclusive of the day in which it is served or deemed to be served and of the day or which it is given) in the manner herein after mentioned to such members as are under the provisions of these Articles entitled to receive such notice from the Company and to the Auditors; provided that a general meeting notwithstanding that it had been called by a shorter notice than that specified it shall be deemed to have been called if it is so agreed as provided under the provisions of Section 217 (2) of the Act.

7.2 The accidental omission to give notice of a meeting to, or non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

VOTES OF MEMBERS

8.9 In case of an equality of votes, whether on a show of hands, or on 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 vote.

8.10 A resolution in writing signed by every shareholder of the Company shall have the same effect and validity as a unanimous Resolution at a meeting duly convened and constituted.

1.8. INDEBTEDNESS

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

1.9. FINANCIAL SUMMARY

Statement of Financial Position (₹)

The following is a summary of the Group's audited statement of financial position as at December 31, 2017 – 2021.

	2017	2018	2019	2020	2021
ASSETS					
Cash and cash equivalents	1,921,271,578	2,948,826,686	1,717,868,438	3,170,302,572	2,860,302,257
Financial assets:					
-At fair value through profit or loss	170,256,830	301,916,504	342,463,380	778,767,398	931,592,939
-At Amortised Cost	-	-	-	3,561,358,248	4,243,158,250
-Fair Value Through OCI	-	-	-	78,097,761	98,131,368
-Loans and receivables	408,385,061	1,187,669,655	595,806,033	-	-
-Available for sale assets	60,950,000	60,950,000	70,148,451	-	-
-Held to maturity	2,260,597,511	1,075,587,381	3,189,220,145	-	-
Finance lease receivables	229,440,306	249,994,807	109,998,499	86,247,031	148,741,441
Trade receivables	150,356,282	234,852,324	293,747,996	607,688,316	595,124,911
Reinsurance assets	1,655,890,085	2,031,727,218	2,688,545,807	3,008,477,628	3,096,184,739
Deferred acquisition cost	257,664,385	307,344,920	360,563,251	355,066,148	408,900,191
Other receivables & prepayments	174,488,859	195,161,111	209,056,966	129,353,111	232,377,892
Intangible Assets	24,621,130	22,362,991	26,087,026	36,574,657	77,503,064
Investment properties	899,661,000	899,211,000	843,766,470	1,042,487,470	1,098,676,470

Property and equipment	976,591,367	1,006,001,531	994,550,828	1,021,572,225	981,620,300
Right-of-Use of Assets (Leased Assets)	-	-	-	9,968,479	6,406,591
Statutory deposits	300,000,000	300,000,000	300,000,000	402,000,000	400,000,000
Total Assets	9,490,174,394	10,821,606,128	11,741,823,290	14,287,961,044	15,178,720,413
Liabilities					
Insurance contract liabilities	3,532,407,618	3,803,576,977	4,105,083,759	5,208,233,152	5,168,752,679
Investment contract liabilities				-	21,425,720
Trade payables	26,482,944	10,777,564	54,241,112	13,972,733	46,805,158
Borrowings	-	67,530,064	10,448,536	5,013,052	55,855,345
Other payables and provision	207,368,924	217,647,746	384,049,650	221,056,870	412,569,919
Retirement benefit obligations	5,574,664	6,403,628	7,290,620	4,129,526	2,075,682
Deposit for Shares	500,456,779	-	-	-	-
Income tax liabilities	297,205,965	368,204,246	436,426,812	359,459,121	460,612,130
Deferred tax liabilities	231,671,385	171,484,879	130,587,188	177,878,284	190,719,800
Total Liabilities	4,801,168,279	4,645,625,104	5,128,127,677	5,989,742,738	6,358,816,433
EQUITY					
Share capital	3,000,000,000	4,065,000,000	4,065,000,000	5,420,000,000	5,420,000,000
Share premium	-	155,264,167	155,264,167	168,933,834	168,933,834
Contingency reserve	1,400,446,908	1,603,720,833	1,855,299,252	2,136,621,663	2,437,049,662
Fair value reserve	-	-	-	5,749,310	24,320,166
Statutory reserve	16,304,970	27,726,056	36,863,982	45,964,378	72,071,187
Retained Earnings	272,254,237	324,269,968	501,268,212	520,949,121	697,529,131
Equity attributable to Owners	4,689,006,115	6,175,981,024	6,613,695,613	8,298,218,306	8,819,903,980
Non-Controlling interest					
TOTAL EQUITY AND RESERVES	4,689,006,115	6,175,981,024	6,613,695,613	8,298,218,306	8,819,903,980
TOTAL LIABILITIES AND EQUITY	9,490,174,394	10,821,606,128	11,741,823,290	14,287,961,044	15,178,720,413

Statement of Comprehensive Income (¥)

The following is a summary of the Group's audited statement of comprehensive income for the years ended December 31, 2017 – 2021.

	2017	2018	2019	2020	2021
Gross premium written	5,680,553,122	6,864,879,525	8,691,234,590	9,775,797,397	10,488,788,948
Gross premium income	5,542,732,729	6,512,335,014	8,302,808,423	9,698,993,709	10,310,384,816
Reinsurance premium expenses	(1,859,540,653)	(2,239,421,340)	(3,357,536,001)	(3,691,859,703)	(4,278,107,792)
Net premium income	3,683,192,076	4,272,913,674	4,945,272,422	6,007,134,006	6,032,277,024
Fee and commission income	370,550,419	356,385,052	519,638,029	493,373,753	529,017,764
Net underwriting income	4,053,742,495	4,629,298,726	5,464,910,451	6,500,507,759	6,561,294,788

Claims expenses	(3,354,056,803)	(4,787,135,023)	(3,448,090,659)	(4,173,175,310)	(3,660,269,098)
Claims recoveries from reinsurers	1,931,112,704	2,987,313,881	1,768,819,617	1,607,269,895	1,388,984,864
Claims incurred	(1,422,944,099)	(1,799,821,142)	(1,679,271,042)	(2,565,905,415)	(2,271,284,234)
Underwriting expenses	(1,384,738,653)	(1,622,040,692)	(1,957,228,763)	(2,073,847,971)	(2,353,884,622)
Underwriting profit	1,246,059,744	1,207,436,892	1,828,410,645	1,860,754,373	1,936,125,932
Investment income	796,219,129	939,953,832	1,080,354,125	940,350,767	1,223,496,254
Other operating income	74,861,221	25,923,716	29,560,781	91,162,556	307,474,400
Impairment (charge)/write back	770,516	(11,745,127)	(147,122,129)	(45,399,531)	(74,916,968)
Net fair value gains on financial assets at fair value through profit or loss	(4,674,531)	151,362,024	(11,848,771)	72,321,055	(163,420,988)
Operating & Administrative expenses	(1,472,184,057)	(1,778,493,631)	(2,067,880,186)	(2,146,624,937)	(2,307,030,717)
Profit before taxation	641,052,022	534,437,706	711,474,465	772,564,283	921,727,913
Income tax expense	(234,846,616)	(127,726,964)	(111,159,875)	(94,581,467)	(183,706,028)
Profit after taxation	406,205,406	406,710,742	600,314,590	677,982,816	738,021,885
Other comprehensive income/(loss) net of tax					
Items that will be reclassified subsequently to profit or loss	-	-	-	5,749,310	18,570,856
Items that will not be reclassified subsequently to profit or loss					
Total other comprehensive income	-	-	-	5,749,310	18,570,856
Total comprehensive income for the year	406,205,406	406,710,742	600,314,590	683,732,126	756,592,741
Profit attributable to:					
Equity Owners of the parent	406,205,406	406,710,742	600,314,590	683,732,126	756,592,741
Non-controlling interests	-	-	-	-	-
Profit transferred to revenue reserve	406,205,406	406,710,742	600,314,590	683,732,126	756,592,741

Statement of Cash Flows (A)

The following is a summary of the Group's audited statement of statement of cash flows for the years ended December 31, 2017 – 2021.

<i>Cash flows from operating activities</i>	2017	2018	2019	2020	2021
Premium received from policy holders	5,712,287,932	6,780,383,482	8,632,338,918	9,461,857,077	10,501,352,353
Reinsurance receipts in respect of claims	866,513,195	2,787,704,737	1,618,530,538	1,099,371,558	1,579,164,561
Commission received	390,586,084	369,621,536	587,202,514	402,856,705	571,439,345
Other operating receipts	184,010,569	25,923,716	29,560,781	91,162,556	307,115,598
Cash paid to and on behalf of employees	(566,188,159)	(696,317,651)	(793,681,066)	(745,955,263)	(873,685,309)
Reinsurance premium paid	(1,955,460,368)	(2,431,354,711)	(3,820,601,964)	(3,553,764,554)	(4,425,912,506)
Claims paid	(2,370,171,567)	(4,872,635,876)	(3,573,383,142)	(3,116,308,123)	(3,965,359,281)
Underwriting expenses	(1,416,006,094)	(1,671,721,227)			
Commission expenses	-	-	(1,380,982,363)	(1,335,814,155)	(1,545,754,502)
Maintenance expenses	-	-	(633,843,473)	(733,035,975)	(829,497,494)
Other operating cash payments	(974,739,853)	(659,457,657)	(944,269,207)	(1,159,366,740)	(1,376,294,399)
Company income tax paid	(67,537,495)	(116,915,189)	(83,835,000)	(124,258,062)	(76,536,878)
Net cash (used in)/ from operating activities	(196,705,756)	(484,768,840)	(362,963,464)	286,745,024	(133,968,512)
<i>Cash flows from investing activities</i>					
Purchase of property and equipment	(98,434,767)	(131,592,105)	(99,632,721)	(146,173,554)	(99,777,792)
Purchase of intangible asset	(15,161,690)	(9,133,293)	(11,480,127)	(21,448,064)	(51,224,666)
Additions to investment properties	(9,000,000)	(3,550,000)	(1,105,470)	(198,721,000)	(231,850,000)
sale of Investment properties	-	-	95,000,000	-	142,400,000
Proceeds from sale of property and equipment	6,274,442	7,954,350	7,361,415	4,883,647	27,639,196
Purchase of financial assets	(1,091,771,846)	(2,355,921,314)	(3,205,476,970)	(3,621,794,202)	(2,945,485,581)
Proceeds from sale of financial assets	765,023,988	2,925,553,362	1,752,585,048	3,780,713,162	1,867,297,750
Proceeds from borrowing	-	-	-	-	-
Payment on borrowing (principal & Interest)	-	-	-	-	-
Dividend received	8,499,313	8,764,597	16,088,305	40,402,530	101,095,583
Rental Income received	3,689,257	3,997,000	3,695,333	9,816,808	12,575,667
Interest received					1,109,825,004
	331,577,321	418,913,900	887,374,522	297,139,437	

Net cash from investing activities	(99,303,982)	864,986,497	(555,590,665)	144,818,764	(67,504,839)
<i>Cash flows from financing activities</i>					
Proceeds on private placement	500,456,779	720,264,167	-	1,029,919,667	-
Proceeds from borrowing	-	99,000,000	104,168,381	2,000,000	109,087,970
Payment on borrowing (principal & Interest)	-	(31,469,936)	(161,249,909)	(7,435,484)	57,786
Dividend paid	(120,000,000)	(140,000,000)	(162,600,000)	-	(216,800,050)
Refund of excess on right issue	-	(456,779)			
Net cash used in financing activities	380,456,779	647,794,231	(219,681,528)	1,024,484,183	(107,654,294)
Increase in cash and cash equivalents	84,447,041	1,028,011,888	(1,138,235,657)	1,456,047,971	(309,127,645)
Cash and cash equivalents at Beginning	1,836,824,537	1,921,271,578	2,948,826,686	1,810,591,031	3,266,638,999
Cash and cash equivalent at End	1,921,271,578	2,949,283,466	1,810,591,029	3,266,639,002	2,957,511,354

APPENDIX B – FURTHER INFORMATION REGARDING CONSOLIDATED HALLMARK HOLDINGS PLC

1.1. BACKGROUND

Consolidated Hallmark Holdings Plc, a public limited liability company (RC No. 1901273) was incorporated on March 3, 2022 under the laws of the Federal Republic of Nigeria.

The Holdco has been incorporated principally to acquire the Group's investments direct or indirect. The Holdco does not intend to engage in any revenue generating activity. The Company and all the subsidiaries in the Group will each be operated separately to ensure each Company develops its competitive advantage and sustained financial viability.

The Holdco will be required to comply with the Listing Rules of NGX as well as the SEC regulations that govern the operations of listed companies. The subsidiaries of the HoldCo will be regulated by their respective industry regulators.

1.2. SHAREHOLDING STRUCTURE

As at the date of this Scheme Document, the following have subscribed to 4,000,000 Ordinary Shares of ₦50 kobo each.

Beneficiary	No. of shares held	% Shareholding
Eddie Agberia Efekoha	1,000,000	25%
Sunny Chukwudi Obidegwu	1,000,000	25%
Olayinka Titilope Aletor	1,000,000	25%
Nouveau Technologies and Associates Limited	1,000,000	25%

As at the date of the Scheme, the above-listed subscribed shares (subscribers to the Memorandum of Association of the Holdco) have been issued but are unpaid. On the Effective Date, these initial shareholders of the Holdco shall surrender their shares in the Holdco and the said shares shall become part of the un-issued shares of the Holdco, which will be allotted to the Scheme Shareholders.

1.3. INDEBTEDNESS

The Company is newly incorporated with no indebtedness as at the date of this Scheme Document.

1.4. SUBSIDIARIES AND ASSOCIATED COMPANIES

The HoldCo is expected to have direct investments in the following proposed subsidiaries, post approval of the Scheme:

- a. Grand Treasurers Limited
- b. Hallmark Health Services Limited
- c. Consolidated Hallmark Insurance Limited¹

1.5. BOARD OF DIRECTORS

The Board of Directors of the Holdco will be appointed following the approval of the Scheme.

¹ CHI Capital Limited and CHI Micro (Life) Insurance Limited will be subsidiaries of Consolidated Hallmark Insurance Limited. CHI Support Services will be a subsidiary of CHI Capital Limited.

1.6. RELATED PARTY TRANSACTION

The Holdco is newly incorporated and has no related party transaction.

1.7. SUMMARY OF CLAIMS AND LITIGATION

The Holdco is not involved (whether as defendant or otherwise) in any claims, legal actions, suits, arbitration, alternative dispute resolution proceedings or other legal proceedings. The Solicitor confirms that the Holdco is not involved in any cases.

1.8. EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF CONSOLIDATED HALLMARK HOLDINGS PLC

The following are the relevant extracts from the Holdco's Memorandum and Articles:

MEMORANDUM OF ASSOCIATION

3B. Principally to act as the Holding Company and to coordinate the administration of and to provide advisory, administrative, management and another services in connection with the activities of any Companies which are for the time being subsidiaries of the Company.

ARTICLES OF ASSOCIATION

Attendance and Speaking at General Meetings

- (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when –
 1. that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 2. that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may take whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

Voting: General

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

1.9. PRO-FORMA STATEMENT OF SHAREHOLDING

Upon the Scheme taking effect in accordance with the terms and conditions, the ordinary shares of Consolidated Hallmark Holdings Plc will be beneficially held as follows:

Shareholders	Existing Holding	Post-Scheme Holding	% Holding in Holdco
Holders of Scheme Shares*	10,840,000,000	10,840,000,000	100.00%
	10,840,000,000	10,840,000,000	100.00%

*the issued shares of Consolidated Hallmark currently outstanding, will be transferred to the Holdco upon the restructuring.

1.10. PRO-FORMA FINANCIAL INFORMATION

- a. This section presents a summary of financial information showing the effect of the proposed Restructure to a Holding Company referred to as the **“Pro-forma Financial Information”** and includes:
- o Pro-forma consolidated balance sheet as at December 31, 2023 to December 31, 2027 as if the Restructure were in place on that date;
 - o Pro-forma consolidated income statement for the years ended December 31, 2023 to December 31, 2027 assuming the Restructure was in place on that date; and
- b. This Pro-Forma Financial Information is provided for illustrative purposes only. It does not represent what the Holdco’s financial results would be if the Restructure occurred on the dates above. It is not representative of the financial results for any future period.

Basis of Preparation

The Pro-Forma Financial Information is presented in abbreviated form and therefore does not comply with all presentation and disclosure standards applicable to annual reports prepared in accordance with the CAMA.

The following assumptions were made in the preparation of the Pro-Forma Financial Information:

- The projections have been based on the Going Concern Assumption basis
- Consolidated Hallmark Holdings Plc will have 100% holding of Consolidated Hallmark Insurance Limited (Insurance), Grand Treasurers Limited (Finance Company), Hallmark Health Services Limited (HMO) and CHI Capital Limited
- The Scheme will be completed in Q1’2023
- There will be stable Board and Management and a stable socio-political environment in Nigeria and a stable government policy
- Tax rate regime is projected at approximately 32% and VAT rate 7.5% and interest rate regime of between 13–15% over the projected period. Inflation is projected at an average of 15% over the projected period
- Management expenses was set at an average of 17% of the Gross Revenue which is reflective of the prevalent inflation regime
- Moderated borrowing to finance growth opportunities
- Dividend pay-out ratio of about 9% was assumed based on a pay-out ratio of similar HoldCos
- The share capital will amount to ₦5,420,000,000 (Five Billion, Four Hundred and Twenty Million Naira). This represents the value of the HoldCo shares proposed to be issued to the Scheme Shareholders in exchange for the Scheme Shares pursuant to the Scheme

Pro-Forma Statement of Comprehensive Income (A)

The following is a summary of the Holdco's pro-forma income statement from year 2023 to 2027:

	2023	2024	2025	2026	2027
Gross Revenue	691,604,633	941,746,883	1,024,389,133	1,200,300,560	1,416,536,560
Interest income	37,500,000	225,000,000	262,500,000	300,000,000	450,000,000
Operating and investment income	654,104,633	716,746,883	761,889,133	900,300,560	966,536,560
Finance cost	(125,000,000)	(250,000,000)	(281,250,000)	(312,500,000)	(437,500,000)
Net income	566,604,633	691,746,883	743,139,133	887,800,560	979,036,560
Net fair value gain/(loss)	50,000,000	62,500,000	78,125,000	97,656,250	122,070,313
Management expenses	(120,000,000)	(150,000,000)	(180,000,000)	(216,000,000)	(259,200,000)
Profit before taxation	496,604,633	604,246,883	641,264,133	769,456,810	841,906,873
Income tax expenses	12,000,000	(12,000,000)	(21,400,000)	(33,130,000)	(53,868,500)
Profit after tax	508,604,633	592,246,883	619,864,133	736,326,810	788,038,373

Pro-Forma Statement of Financial Position (A)

The following is a summary of the Holdco's pro-forma statement of financial position from year 2023 to 2027:

	2023	2024	2025	2026	2027
ASSETS					
Cash and cash equivalents	457,604,633	565,107,347	86,671,480	249,928,290	591,404,837
Financial assets	500,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,500,000,000
Other receivables and prepayments	-	-	-	-	-
Investments in subsidiaries	5,588,933,834	5,588,933,834	5,838,933,834	6,338,933,834	7,338,933,834
Investment properties	-	500,000,000	1,000,000,000	750,000,000	1,250,000,000
Property and equipment	39,000,000	78,000,000	155,000,000	218,500,000	250,500,000
TOTAL ASSETS	6,585,538,467	7,732,041,181	8,080,605,314	8,557,362,124	10,930,838,671
LIABILITIES					
Borrowing	500,000,000	1,500,000,000	1,750,000,000	2,000,000,000	3,000,000,000
Other payables and provision	-	-	-	-	-
Income Tax Liabilities	(12,000,000)	-	21,400,000	54,530,000	108,398,500
TOTAL LIABILITIES	488,000,000	1,500,000,000	1,771,400,000	2,054,530,000	3,108,398,500
EQUITY AND RESERVES					
Issued and paid up capital	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000	5,420,000,000
Share Premium	168,933,834	168,933,834	168,933,834	168,933,834	168,933,834
Retained Earnings	508,604,633	643,107,347	720,271,480	913,898,290	1,050,696,663
TOTAL EQUITY AND RESERVES	6,097,538,467	6,232,041,181	6,309,205,314	6,502,832,124	6,639,630,497
TOTAL LIABILITIES AND EQUITY AND RESERVES	6,585,538,467	7,732,041,181	8,080,605,314	8,557,362,124	9,748,028,997



CHARTER HOUSE
7 McNeil Road, Sabo, Yaba
G. P. O. Box 3260 Marina, Lagos, Nigeria.
Tel: Office +234 (0) 811 2731 722
E-mail: bbo@bbccharter.com
bbccharter@yahoo.com
Website: www.bbccharter.com

The Directors
Consolidated Hallmark Insurance Plc
266, Ikorodu Road
Obanikoro
Lagos State

Dear Sir/Madam,

CONSOLIDATED HALLMARK INSURANCE PLC

**INDEPENDENT OPINION ON THE FAIRNESS AND REASONABLENESS OF THE
PROPOSED CORPORATE RESTRUCTURING OF CONSOLIDATED HALLMARK
INSURANCE PLC (CHI) AND ITS RELATED GROUP ENTITIES VIA SCHEME OF
ARRANGEMENT**

Introduction

Consolidated Hallmark Insurance Plc (Consolidated Hallmark) intends to reorganize the corporate structure of the Company by establishing a non-operating holding Company, Consolidated Hallmark Holdings Plc ("HoldCo"). The HoldCo will be the parent of both the Company and its existing subsidiaries ("The Restructuring"). The Restructuring will entail the transfer of the shares of Consolidated Hallmark's shareholders to the HoldCo.

The restructuring is expected to optimize business operations, improve financial performance and enhance value for shareholders. The restructuring is proposed to be effected through a Scheme of Arrangement pursuant to Section 715 of the Companies and Allied Matters Act, 2020.

Under the terms of the restructure:

- Consolidated Hallmark Insurance Plc shall be delisted from Nigerian Exchange Limited ("NGX") while the HoldCo shall be publicly listed on the NGX.
- One (1) ordinary issued share in the share capital of the Consolidated Hallmark Insurance Plc is proposed to be exchanged for one ordinary share in the share capital of the HoldCo (the "Ratio" or "the Consideration").

BBC Professionals ("BBC") has been appointed by the Board of Directors (the "Board") of Consolidated Hallmark Insurance Plc ("Consolidated Hallmark or the Client") to provide an independent fairness opinion (the "Opinion") on the proposed Scheme of Arrangement.

*A member firm of PrimeGlobal, an Association of Independent Accounting
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Website: www.primeglobal.net

BN: 133294



This fairness opinion has been prepared in compliance with the Securities & Exchange Commission ("SEC") or the ("Commission") Mergers & Acquisition Regulatory Guide issued in 2017 which states "where a proponent or beneficiary in a Scheme of Arrangement holds at least 30% of the company or where there are common directors in the entities involved in the Scheme of Arrangement, or where a Scheme seeks to remove minority shareholders, the commission will require the explanatory statement to be accompanied by an independent expert report".

Responsibility

BBC accepts no duty of care to any third party in connection with the provision of this opinion and/or any related information or explanation (together the "information"), whether in contract, tort (including, without limitation, negligence) or otherwise, and to the extent permitted by applicable law, BBC accepts no liability of any kind to any third party and disclaims all responsibilities for the consequences of any third party acting or refraining to act in reliance on the information.

Our work involved analysis of financial information and or accounting records, it did not include an audit in accordance with generally accepted auditing standards.

In compliance with the SEC regulations, it is the responsibility of the Board to guarantee the fairness of the proposed transition to the HoldCo.

Definition of the term "fair"

For the purpose of this opinion, "fair market value" and "fair value" are defined as the price available in an open market between informed parties at arm's length expressed in terms of money or money's worth in a sale between a willing buyer and a willing seller, each of whom is deemed to be acting for self-interest. The share exchange ratio with regards to this transaction may be considered fair as it is not less than the fair value of Consolidated Hallmark Insurance Plc.

Procedures

In arriving at our opinion, we have considered the following:

- The draft Scheme document
- Rationale and basis of the share exchange; and
- Discussions with the Consolidated Hallmark Insurance Plc

Assumptions and Limitations

BBC relied on the fact that the financial information, data, opinions and representations provided to us are complete, accurate and have been fairly and reasonably presented.

Our procedures do not constitute an audit in accordance with International Standards for Audit (ISA) and accordingly, we do not express any opinion on the financial and other information in arriving at our opinion.

As at the date of this opinion, BBC disclaims any undertaking obligation to advise any person of any change in any fact or matter affecting this opinion, which may occur after the date of this opinion. In the event that there is any material change in any fact or matter affecting this opinion after the date thereof, BBC reserves the right, but will be under no obligation to change, modify or withdraw this opinion. In addition, BBC will not be under any obligation to complete any additional analysis that might be subsequently required following the receipt of additional information.

Opinion

Based upon and subject to the foregoing and such other matters considered relevant as at the date hereof, BBC is of the opinion that the terms of the proposed Transaction are fair and reasonable.

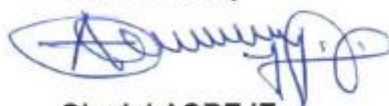
Reasons for the Opinion

- The Exchange ratio offered to the Scheme Shareholders of one (1) ordinary share of ₦0.50 each in the HoldCo credited as fully paid in exchange for one (1) ordinary share of ₦0.50 each held in Consolidated Hallmark Insurance Plc as at the Terminal Date represents an exchange at par.
- The HoldCo structure will streamline the group's structure to deliver operational and cost synergies to the business. This will lead to improved financial performance and risk exposure across all businesses.
- The Share Exchange Ratio that is being offered is in line with the exchange ratio on similar schemes, under similar circumstances: that is, the creation of a Holding Company.
- The transaction will improve credit rating of the Group, which will enable the Company to obtain easier access to finance from the Capital Market.
- It will lead to operational efficiency by streamlining duplicated roles and functions which will result to cost savings and increase in overall profitability.

Consent

We consent to the inclusion of our opinion in the Scheme Document to be issued to the Regulators and Transaction Parties in the form and context in which it appears.

Yours faithfully



Olaniyi AGBEJE
Partner





TECHNICAL DEPARTMENT
2ND FLOOR, NO.20 SOKODE CRESCENT, WUSE ZONE 5, ABUJA
technicaldepartment@firs.gov.ng
www.firs.gov.ng

16th May, 2022

The Managing Director,
Consolidated Hallmark Insurance Plc Group,
Through The Managing Partner,
PKF Professional Services,
Unity Bank House, 5th Floor, Plot 785, Herbert Macaulay Way,
Central Business District, Abuja.

Dear Sir,

Re: Consolidated Hallmark Insurance Plc Group
Notification of Proposed Corporate Restructuring under Section 29 of Companies
Income Tax Act

I refer to your letter through your Consultants, PKF Accountants and Business Advisers dated 5th April, 2022 in respect of the above subject matter.

Background

You notified the Service of the proposed restructuring and reorganization of your business to a newly incorporated holding company, Consolidated Hallmark Holdings Plc. You also informed us that the subject matter of the restructuring is solely the transfer of all the issued and paid up ordinary share capital of Consolidated Hallmark Insurance Plc to Consolidated Hallmark Holdings Plc. Consequently, you requested for a letter of "No Objection" from the Service.

You provided the following documents and information in support of your application:

- I. The Scheme of Arrangement (under Section 715 of the Companies and Allied Matters Act, 2002) of the internal restructuring;
- II. The certificate of incorporation of Consolidated Hallmark Holdings Plc (the Holdco);
- III. that the proposed internal restructuring will be consummated under a share transfer scheme involving the transfer of all the issued and paid up ordinary share capital of Consolidated Hallmark Insurance Plc to Consolidated Hallmark Holdings Plc;

- IV. that Holdco will become the listed entity and the owner of Consolidated Hallmark Insurance Limited (delisted) and its subsidiaries; and
- V. that the Holdco, a Nigerian company incorporated on 3rd March, 2022 will be a non-operating holding company.

Your request

Our understanding of your request is for the Service to issue a letter of "no objection" to the proposed internal restructuring and direct that the transaction (i.e. the shares transferred by Consolidated Hallmark Insurance Plc to Consolidated Hallmark Holdings Plc) will not be liable to Capital Gains Tax (CGT) in line with Section 29(12) of the Companies Income Tax Act, 2004 as amended and Section 30 of the Capital Gains Tax Act, 2004 as amended.

FIRS' Response

Having reviewed the application, submissions and other information submitted along with the provisions of the tax laws, the Service hereby responds as follows:

- I. In line with Section 29 (12) of the Companies Income Tax Act, 2004 as amended, please, take this letter as FIRS' **no objection notice** to the proposed restructuring of Consolidated Hallmark Insurance; and
- II. In line with Section 29(12) of the Companies Income Tax Act, 2004 as amended and Section 30 of the Capital Gains Tax Act, 2004 as amended, the transaction (i.e. the shares transferred by Consolidated Hallmark Insurance Plc to Consolidated Hallmark Holdings Plc, **will not be liable to Capital Gains Tax (CGT).**

Kindly note that the no objection notice was issued solely on the strength of the information contained in the application letter and other representations provided by your company, the continued validity of the notice is subject to FIRS subsequent confirmation by audit (post-restructuring audit) that every information pleaded is true and correct and that should any of the information provided be false or otherwise incorrect, the no objection notice will become invalid and the Service shall recover all taxes due and invoke the necessary penalties as provided in the relevant laws.

Please, accept the assurances of the highest regards of the Executive Chairman of Federal Inland Revenue Service.

Thank you.



Iro Ukpai

Director, Technical Department

APPENDIX E – STATUTORY AND GENERAL INFORMATION

1.1. RESPONSIBILITY STATEMENT

The information contained in this Scheme Document in relation to Consolidated Hallmark and the Holdco has been supplied by the Company. The Directors of the Company have taken all reasonable care to ensure that the facts stated and opinions expressed in this document with regard to the Company and the Holdco are both fair and accurate and confirm having made all reasonable enquiries that to the best of its knowledge and belief as at the date of this Scheme, no material facts concerning the Company and the Holdco have been omitted from this document. The Directors hereby accept responsibility for the information provided.

1.2. RELATED PARTY INFORMATION

There are no related party transactions, as the Holdco is newly incorporated.

1.3. SUMMARY OF CLAIMS AND LITIGATION

The material litigation with a combined estimated monetary value of ₦59,337,075.88 (Fifty-Nine Million, Three Hundred and Thirty-Seven Thousand, Seventy-Five Naira, Eighty-Eight Kobo) (Monetary Contingent Liability Amount), in order to provide an insight into potential litigation liabilities of the Company. However, where there is an adverse decision in the material litigation, the Company's liability in respect thereof is not likely to exceed the Material Contingent Liability Amount.

The directors of the Company are of the view that the claims against the Company will not have a significant effect on its financial health nor adversely affect the Transaction

Based on the review of the facts of the suits provided in the litigation schedule provided by the Company, the Solicitors are of the opinion that the aforementioned suits would not adversely affect the Transaction.

A schedule of claims and litigation in which the Company is involved is available for inspection at the registered office of the Company.

1.4. MATERIAL CONTRACTS AGREEMENTS

The following agreement have been entered into by the Company and are considered material to the Scheme:

1. A Financial Advisory Services Agreement between Consolidated Hallmark Insurance Plc and Chapel Hill Denham Advisory Limited which sets out the terms and conditions under which Chapel Hill Denham Advisory Limited has agreed to act as Financial Adviser to Consolidated Hallmark Insurance Plc in respect of this Scheme.

Other than as stated above, the Company has not entered any material contracts except in the ordinary course of business.

1.5. MATERIAL ADVERSE STATEMENT

Except as disclosed in this Scheme of Arrangement, there has been no material adverse change in the financial position or prospects of Consolidated Hallmark Insurance Plc.

Consolidated Hallmark Insurance Plc accepts responsibility for the information contained in this Scheme of Arrangement, which contains all information that is material in the context of the Scheme of Arrangement.

1.6. CONSENT OF PARTIES TO THE SCHEME

The following have given, and have not withdrawn, their consents to the issue of this Scheme Document and references to their names in the form and context in which they appear herein.

Directors of Consolidated Hallmark Insurance Plc

Mr Obinna Ekezie

Chairman

Mr Eddie Efekoha

Group Managing Director

Mr Babatunde Daramola

Executive Director

Mrs Mary Adeyanju

Executive Director

Dr Layi Fatona

Non-Executive Director

Mr Idris Shuaibu Abubakar

Independent Non-Executive Director

Prince Ben Onuora

Director

Mrs Adebola F. Odukale

Director

Mrs Rukevwe Falana

Company Secretary

Chapel Hill Denham Advisory Limited

Financial Adviser to Consolidated Hallmark Insurance Plc

BBC Professional Services Limited

Fairness Opinion Adviser

PKF Professional Services Limited

Tax Opinion Adviser

Alliance Law Firm

Solicitor

Meristem Registrars and Probate Services Limited

Registrar

Planet Capital Limited

Stockbroker

1.7. GENERAL INFORMATION

- Except as otherwise disclosed in this document, there are no material services agreement between the Company and any of its directors and employees other than during business.
- Except as otherwise disclosed in this document, there are no contracts which are or may be material, entered by the Company with other parties other than in the ordinary course of business.
- The costs, charges and expenses of and incidental to the Scheme are payable by the Company.

APPENDIX F – DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available and may be inspected at the offices of Chapel Hill Denham Advisory Limited, 10 Bankole Oki Street, Ikoyi, Lagos, during 1 business hours on any business day, until the Effective Date:

1. Certificate of Incorporation of Consolidated Hallmark Insurance Plc
2. Certificate of Incorporation of Consolidated Hallmark Holdings Plc
3. The Memorandum and Articles of Association of Consolidated Hallmark Insurance Plc
4. The Memorandum and Articles of Association of Consolidated Hallmark Holdings Plc
5. NAICOM's Approval Letter
6. SEC 'No Objection' Letter
7. Board Resolution of Consolidated Hallmark Insurance Plc approving the Scheme
8. Court Order convening the Meeting
9. Consent Letters from the Directors of the Company as well as the Parties to the Scheme
10. List of outstanding claims and litigations referred to on page 45
11. Material Contracts referred to on page 45

NOTICE OF COURT ORDERED MEETING

IN THE FEDERAL HIGH COURT
HOLDEN AT LAGOS, NIGERIA

SUIT NO: FHC/L/CS/1801/22

IN THE MATTER OF

THE COMPANIES & ALLIED MATTERS ACT, 2020
AND
IN THE MATTER OF AN APPLICATION UNDER SECTION 715 THEREOF
AND

IN RE:

1. CONSOLIDATED HALLMARK INSURANCE PLC (RC. No. 168762);
AND
2. HOLDERS OF ITS FULLY PAID ORDINARY SHARES

MEETING OF THE HOLDERS OF THE FULLY PAID ORDINARY SHARES
OF
CONSOLIDATED HALLMARK INSURANCE PLC

NOTICE IS HEREBY GIVEN that by an **Order of the Federal High Court** (hereinafter referred to as “**the Court**”) dated **October 13, 2022** made in the above matter, the Court has directed that a meeting (“**the Court-Ordered Meeting**” or “**the Meeting**”) of the holders of the fully paid ordinary shares of Consolidated Hallmark Insurance Plc (“**the Company**”) be convened for the purpose of considering and if thought fit, approving, with or without modification, a Scheme of Arrangement (“**the Scheme**”) pursuant to Section 715 of the Companies and Allied Matters Act, 2020 (“**the Act**”) between the Company and the holders of the fully paid ordinary shares of 50 kobo each in the Company (“**the Holders**”).

The Meeting will be held on **Tuesday November 1, 2022** at **Radisson Blu Hotel, 38/40 Isaac John Street GRA, Ikeja** at **11:00 am** or soon thereafter, at which place and time shareholders are requested to attend. Copies of the Scheme Document containing details of the Scheme have been made available to shareholders of the Company.

At the Meeting, the following sub-joined resolution will be proposed and if thought fit passed as a special resolution of the Company:

That:

1. The Scheme of Arrangement dated October 13, 2022, a printed copy of which has been produced for the Meeting and (for the purpose of identification only) signed by the Chairman be and is hereby approved;
2. In accordance with the Scheme of Arrangement, the 10,840,000,000 (Ten Billion Eight Hundred and Forty Million) ordinary shares of 50 kobo each in the issued and paid-up share capital of the Company and held by the shareholders be and are hereby transferred to Consolidated Hallmark Holdings Plc (“**the Holdco**”) in exchange for the allotment of 10,840,000,000 (Ten Billion Eight Hundred and Forty Million) ordinary shares of 50 kobo each in the share capital of the Holdco to the shareholders in proportion to their shareholding in the Company and to be credited as fully paid without any further act or deed;

3. The Board of Directors of the Company be and is hereby authorized to take all necessary action to delist the shares of the Company from the official list of Nigerian Exchange Limited, following which the Company will be re-registered as a private company;
4. The Memorandum and Articles of the Company be and are hereby amended as set out in the Annexure to this Notice; and;
5. The Board of Directors of the Company be and is hereby authorised to do all such things and take all such actions as are required to give effect to the Scheme, including consenting to any modifications of the Scheme of Arrangement or any conditions that Securities & Exchange Commission, the National Insurance Commission, the Federal High Court or any other regulatory authority may think fit to approve or impose.”

The said Scheme will be subject to the subsequent sanction of the Court and delivery of a certified true copy of the Order of the Court sanctioning the Scheme to the Corporate Affairs Commission.

Voting at the Meeting

Pursuant to the Order, in the interest of public safety and having due regard to the Nigeria Centre for Disease Control (NCDC) COVID-19 Guidance for Safe Mass Gatherings in Nigeria, (and the restrictions on public gatherings by the Lagos State Government to 50% capacity up to a maximum of 500 people per gathering), only persons indicated to be Selected Proxies on the Proxy Form will be allowed to attend the Meeting physically. All other Shareholders will be required to attend the Meeting online and to vote at the Meeting through a proxy.

In view of the foregoing, an order of the Court was sought and obtained for the Court-Ordered Meeting to be held by proxy.

A proxy may be selected from any of the following individuals (**the Selected Proxies**):

1	Mr Obinna Ekezie	Chairman
2	Mr Eddie Efekoha	Group Managing Director/CEO
3	Mrs Bola Odukale	Director
4	Dr Layi Fatona	Director
5	Mr Shuaibu Idris	Director
6	Mrs Titi Omisore	Shareholder
7	Mr Sunny Obidegwu	Shareholder
8	Dr Tony Anonyai	Shareholder
9	Mr Francis Udubor	Shareholder
10	Sir Sunny Nwosu	Shareholder

The Selected Proxies are to attend the Meeting and vote on their own behalf as well as on behalf of the Shareholders who selected them as proxies. Other Shareholders can join the meeting and follow the proceedings online via real-time streaming options which will be available on the Company’s website. Shareholders who have appointed any of the Selected Proxies and have given the proxy voting instructions can participate and attend the Meeting online. Any Shareholder attending the Court-Ordered Meeting online who has any questions in respect of the Scheme will be able to ask such questions during the Court-Ordered Meeting via the real-time streaming options.

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 their names stand in the Register of Members for Consolidated Hallmark Insurance Plc.

A Proxy Form will be sent to the registered email address of Shareholders and will also be available at www.chiplc.com and www.meristemregistrars.com. It is requested that duly executed Proxy Forms (together with any Power of Attorney or other authority under which it is signed, or a notarised copy of such Power of Attorney or other authority) be lodged at the office of Meristem Registrars and Probate Services Limited, 213 Herbert Macaulay Way, Yaba, Lagos, not less than 24 hours before the time appointed for the Court-Ordered Meeting.

Shareholders are encouraged to submit the duly completed Proxy Form on or before 11:00 am on October 31, 2022.

A member entitled to attend the Court-Ordered Meeting who does not receive a copy of the Scheme Document within 7 days of the date of this notice can obtain copies of same, free of charge, from the Registrar of Consolidated Hallmark Insurance Plc, Meristem Registrars and Probate Services Limited, 213 Herbert Macaulay Way, Yaba, Lagos, Lagos.

The Scheme Document will also be available online at www.chiplc.com and www.meristemregistrars.com and www.chapelhilldenham.com

Closure of Register of Members

The Register of Members will be closed from 24th to 28th October, 2022 for the purpose of determining attendance at the Court-Ordered Meeting.

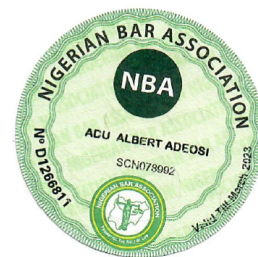
Dated this 13th day of October 2022



Mrs Rukevwe Falana
Company Secretary
Consolidated Hallmark Holdings Plc



Albert. A. Adu
Partner
Alliance Law Firm
71 Ademola Street, Off Awolowo Road
Ikoyi, Lagos
(Legal Adviser)



NOTES:

Accreditation of Shareholders to attend the Meeting via Electronic Platform

1. Shareholders who intend to attend the Meeting electronically are required to register for the meeting by visiting www.chiplc.com or www.meristemregistrars.com. Kindly be informed that Shareholders will be required to provide their registered email address(es) in completing the accreditation. A message containing a unique link to be utilized for attending the meeting will be sent to the registered email of Shareholders upon completion of the accreditation process. Accreditation of Shareholders will start on Thursday October 20, 2022 and end before the meeting commences.
2. The current and proposed Memorandum and Articles of Association of the Company with proposed changes will be available on the Company's website at <https://chiplc.com/investor-relations/>

ANNEXURE TO THE SCHEME DOCUMENT

ANNEXURE TO THE SCHEME DOCUMENT

BETWEEN

CONSOLIDATED HALLMARK INSURANCE PLC

AND

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

Further to the Scheme of Arrangement between Consolidated Hallmark Insurance Plc (the “**Company**”) and the holders of its fully paid ordinary shares of 50 kobo each as contained in the Scheme Document dated October 13, 2022, the Company has set below the proposed amendments which would be made to the Memorandum and Articles of Association following the passing of the resolution:

1. Following the repeal of the Companies and Allied Matters Act 1990 (“**CAMA1990**”), all references to CAMA 1990 be deleted and replaced with references to the new Companies and Allied Matters Act 2020 (“**CAMA 2020**”).
2. The Memorandum of Association of the Company will be altered by:
 - a. deleting the numbers “1990” and the words “(Cap 59)” in the heading and interpretation section of the Articles of Association and substituting it with “2020” to read “Companies and Allied Matters Act 2020”.
 - b. deleting the word “PLC” on the first page of the Memorandum of Association and substituting it with the word “LIMITED” to read “CONSOLIDATED HALLMARK INSURANCE LIMITED”
 - c. deleting Article 1 of the Articles of Association of the Company which reads as follows:

“The regulations contained in part 1 of Table A in the First Schedule to the Companies and Allied Matters Act, 1990 shall not apply to the Company except so far as same are repeated or contained in these Articles” and substituting it with the following:

“The provisions of this Articles of Association shall be in compliance with the provisions of the Companies and Allied Matters Act 2020”.
 - d. deleting the words “(Cap 59)” and the numbers “1990” in article 2(1) of the Articles of Association and substituting it with “2020” and “No. 3” to read “Companies and Allied Matters Act 2020, No. 3”
 - a. deleting Article 3 of the Articles of Association
 - e. deleting article 4.1(e) of the Articles of Association
 - f. deleting reference to “section 131” in Article 4.1(f) and replacing it with reference to “section 156”
 - g. deleting reference to “subject to the conditions and restrictions mentioned in section 113” in Article 4(g)
 - h. deleting reference to “section 100” in Article 5.1 and replacing it with reference to “section 125”
 - i. deleting reference to “section 102 and 103” in Article 5.3 and replacing it with reference to “section 127 and 128”
 - j. deleting reference to “subject, nevertheless, to the provisions of section 100(1)(c)” in Article 5.5(b)
 - k. deleting reference to “section 217(2)” in Article 7.1 and replacing it with reference to “section 241(2)”

PROXY FORM



THE PROPOSED SCHEME OF ARRANGEMENT BETWEEN CONSOLIDATED HALLMARK INSURANCE PLC AND HOLDERS OF ITS ORDINARY SHARES OF 50 KOBO EACH

I/We,

Shareholder's name:.....
Address:.....
Account Number:.....
No. of shares held:.....

Being the registered holder(s) of the ordinary shares of

Consolidated Hallmark Insurance Plc,

Hereby appoint*

As my/our proxy to vote on my/our behalf at the Court-Ordered Meeting of the holders of the holders of the Ordinary shares of the Company to be held at Radisson Blu Hotel, 38/40 Isaac John Street GRA, Ikeja at 11:00 am, on November 1, 2022, or at any adjournment thereof.

Or failing him/her.....

Signed this.....day of.....2022

Shareholder' signature.....

NOTES:	
1. Members (Shareholders) are required to attend the Court-Ordered Meeting by proxy and this proxy form has been prepared to enable you to exercise your right to vote.	
2. Shareholders are required to appoint a proxy of their choice from the list of proxies below:	
1. Mr Obinna Ekezie	Chairman, Board of Directors
2. Mr Eddie Efekoha	Group Managing Director/Chief Executive Officer
3. Mrs Bola Odukale	Director
4. Dr Layi Fatona	Director
5. Mr Shuaibu Idris	Director
6. Ms Titi Omisore	Shareholder
7. Mr Sunny Obidegwu	Shareholder
8. Dr Tony Anonyai	Shareholder
9. Mr Francis Udubor	Shareholder
10. Sir Sunny Nwosu	Shareholder
3. Provision has been made on this proxy for you to insert in the blank spaces, the names of the persons, one of whom will attend the Meeting And vote on your behalf.	
4. Voting at the Court-Ordered Meeting will be by poll which means that each shareholder has one vote for each of the shares/she/it holds in Consolidated Hallmark Insurance Plc.	
5. Please sign and post the proxy form so as to reach the registrar not less than 24 hours before the time appointed for the Court-Ordered Meeting and ensure that the proxy form is dated and signed.	
6. The details in the Scheme of Arrangement provide information on the material features of the proposed Scheme and the general effect thereof upon the rights of shareholders of Consolidated Hallmark Insurance Plc whilst also providing information essential to a shareholder's appraisal of the action to be taken with regards to the Scheme.	

SPECIAL RESOLUTION	
<p><i>"At the Court-Ordered Meeting, the following sub-joined resolutions will be proposed and if thought fit passed as a special resolution of the Company</i></p> <ol style="list-style-type: none"> <i>1. The Scheme of Arrangement dated October 13, 2022, a printed copy of which has been produced for the Meeting and (for the purpose of identification only) signed by the Chairman be and is hereby approved;</i> <i>2. In accordance with the Scheme of Arrangement, the 10,840,000,000 ordinary shares of 50 kobo each in the issued and paid-up share capital of the Company held by the shareholders be and are hereby transferred to Consolidated Hallmark Holdings Plc ("the Holdco") in exchange for the allotment of 10,840,000,000 ordinary shares of 50 kobo each in the share capital of Holdco to the shareholders in proportion to their shareholding in the Company credited as fully paid without any further act or deed;</i> <i>3. The Board of Directors of the Company be and is hereby authorized to take all necessary action to delist the shares of the Company from the official list of Nigerian Exchange Limited; following which the Company will be re-registered as a private company;</i> <i>4. The Memorandum and Articles of the Company be and are hereby amended as set out in the Annexure to this Notice; and</i> <i>5. The Board of Directors of the Company be and is hereby authorised to do all such things and take all such actions as are required to give effect to the Scheme, including consenting to any modifications of the Scheme of Arrangement or any conditions that the Securities & Exchange Commission, the Central Bank of Nigeria, the Federal High Court or any other regulatory authority may think fit to approve or impose."</i> 	
FOR	AGAINST
<p><i>Please indicate how you wish your vote to be cast on the subjoined resolution set out above by placing an "x" in the appropriate box. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.</i></p>	

Please:

(a) Write the name of your proxy (if any) where marked*

(b) Ensure that the form is signed by you

(c) Return the duly completed form to Meristem Registrars and Probate Services Limited, 213 Herbert Macaulay Way, Yaba, Lagos, not less than 24 hours before the time for holding the Meeting.