



**PRIVATE COMPANIES' EQUITIES
NOTING GUIDELINES**

April 2022

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PART A: DEFINITIONS AND INTRODUCTION

DEFINITIONS

The following terms and expressions shall, unless the context otherwise requires, have the following meanings in these FMDQ Private Markets Limited (“**FMDQ Private Markets**” or the “**Private Markets**”) Private Companies’ Equities Noting Guidelines:

For this section, unless the context otherwise requires.

<p>"Applicable Law"</p>	<p>means any law, statute, code, ordinance, decree, rule or regulation (<i>including regulations of FMDQ Private Markets</i>) as may relate to activities of private companies within the Nigerian capital markets (<i>as may be revised, updated, and/or amended from time to time</i>).</p>
<p>"Board"</p>	<p>means the Board of Directors of FMDQ Private Markets Limited.</p>
<p>"Business Day"</p>	<p>means a day (other than a Saturday, Sunday or Federal Government of Nigeria declared public holiday) on which banks are open for general business in Nigeria.</p>
<p>"Business Hours"</p>	<p>means 9:00 AM to 5:00 PM on a Business Day.</p>
<p>"CAMA"</p>	<p>means the <i>Companies and Allied Matters Act 2020</i> (as may be amended or supplemented from time to time).</p>
<p>"Central Securities Depository (CSD)"</p>	<p>means a financial market infrastructure registered by the Securities and Exchange Commission which maintains records of ownership in PCEs in an uncertificated (<i>dematerialised</i>) form and operates a settlement service which facilitates the transfer of ownership in PCEs through a <u>book entry</u> rather than the transfer of a physical certificate. For all Private Company Equities to be noted on FMDQ Private Markets PCS Portal, CSD shall mean FMDQ Depository Limited.</p>
<p>"Client"</p>	<p>means the person who receives the financial benefit from, or bears the financial risk of securities, and grants authorisation to a Member to act in its own name.</p>
<p>"Commission"</p>	<p>means the Securities and Exchange Commission, Nigeria.</p>
<p>"Committee"</p>	<p>means the FMDQ Private Markets Board Committee (or such relevant committee as may be established by the Board from time to time) that oversees the entire spectrum of the FMDQ Private Markets securities noting/information repository service including but not limited to making determinations as to whether securities meet the noting guidelines and</p>

	continuous reporting and disclosure requirements as prescribed in any FMDQ Private Markets Guidelines and other Terms and Conditions.
"Company"	means private limited company, as defined and contemplated in CAMA.
"Compliance Report"	means a quarterly report prepared and submitted by a PCE Issuer through its Transaction Sponsor, confirming compliance with the continuous reporting and disclosure requirements as provided in these Guidelines and other disclosure standards as may be prescribed by Private Markets from time to time.
"Dematerialisation"	means the process by which securities are converted into electronic form.
"Director"	means a director as defined and contemplated in CAMA.
"Equity Securities"	means "private securities" which represents ownership interest in a private limited company
"FMDQ Private Markets Terms and Conditions" or "Terms and Conditions"	means guidelines, and such other directive as may be prescribed by Private Markets from time to time.
"Growth Phase"	means the entry market segment on the PCS Portal designated for start-ups, small and medium scale companies, who meet the applicable provisions in section 5.2 of these Guidelines.
"Information Memorandum"	means an offer document that serves to provide prospective investors with information on the Issuer and the PCEs sought to be noted on the PCS Portal.
"Issuer"	means a private limited company that intends to raise capital in the financial markets through the issuance of PCEs.
"KYC"	means Know Your Customer as recognised by the Private Markets.
"Main Phase"	means the market segment designated on the PCS Portal (Restricted) for companies who meet the applicable provisions in section 5.1 of these Guidelines.
"Member"	means an entity authorised by FMDQ Private Markets to perform one or more services in terms of the FMDQ Private Markets Guidelines, and as may be amended from time to time. Transaction Sponsors are authorised members of the Private Markets.
"Offer Documents"	means any document containing relevant information to help an investor make an investment decision including Information Memorandum for

	equity capital raising pricing supplement for the issuance of private companies' equities or equivalent document.
"PCE"	means the equity securities issued by an Issuer and noted on the FMDQ Private Markets PCS Portal (Restricted).
"PCS Portal (Restricted)"	means the restricted, access only Private Companies' Securities Information and Distribution Portal which serves as the repository for PCE disclosures and trade data noted by the Private Markets' Platform. This Portal is restricted to QIIs as recognised in the Nigerian Capital Market.
"Private Placement"	means a process involving the offer and sale of the PCE to identified investors that does not otherwise constitute a public offering.
"Qualified Institutional Investor" or "QII"	include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be recognised as QIIs in the Nigerian Capital Market.
"Transaction Sponsor"	means a financial institution appointed by the Issuer in connection with the enrolment/noting of a PCE on the FMDQ Private Markets PCS Portal (Restricted). Transaction Sponsors are Members of the Private Markets.
"Trustee"	means an entity that holds or administers PCEs for the benefit of investors in the PCEs.
"Unique Identifier"	means a code specifically designated/assigned to identify a PCE.

1. INTRODUCTION

- 1.1. The FMDQ Private Markets Private Companies' Equities Noting Guidelines, as may be revised from time to time, (the "**Guidelines**" or these "**Guidelines**") sets out requirements that must be met before private companies' equity securities, may be noted/ reported on the FMDQ Private Markets Private Companies' Securities (PCS) Portal (Restricted).
- 1.2. The Guidelines seek to establish the framework through which private companies that have accessed the Nigerian capital markets through the issuance of equities via Private Placement can provide the required level of transparency on the Issuer to QIIs, through the fulfilment of the Private Markets' disclosure and reporting requirements.
- 1.3. Issuers who wish to enrol/note their PCEs on the FMDQ Private Markets PCS Portal (Restricted) voluntarily subject their issuances to these Guidelines and may, prior to issuance, voluntarily present same for pre-assessment by Private Markets. Issuers consequently undertake to maintain compliance with the continuous reporting and disclosure requirements as outlined in these Guidelines or as may be prescribed by Private Markets from time to time.
- 1.4. Issuers and Transaction Sponsors shall ensure that all PCE issuances sought to be enrolled/noted by Private Markets abide by the provisions of the Guidelines and other Terms and Conditions, failing which, FMDQ Private Markets reserves the right to decline any application to enrol/note such PCEs.
- 1.5. Transaction Sponsors of PCEs enrolled/noted on the PCS Portal (Restricted) shall also ensure strict compliance with all relevant FMDQ Private Markets PCE Guidelines.
- 1.6. In the event that a Transaction Sponsor is unable to file the required document(s) or file the document(s) within the timeframe specified in these Guidelines for noting of a PCE, the Transaction Sponsor may file a waiver/deferral request letter, no later than one (1) Business Day before the expiration of the timeframe. The letter shall provide concrete justifications to satisfy Private Markets that such provisions are not applicable or should be exempt (in the case of a waiver) and specify a timeline for regularisation (in the case of a deferral).
- 1.7. FMDQ Private Markets may waive or defer any of the requirements of these Guidelines if it is satisfied that the Issuer and/or Transaction Sponsor have sufficient and satisfactory reasons why such requirements are not applicable or should be waived or deferred subject to fulfilment of conditions outlined in the Guidelines.
- 1.8. The PCS Portal (Restricted) shall be accessible only to Qualified Institutional Investors (as recognised in the Nigerian Capital Market).
- 1.9. Any violation of the prohibitions outlined in these Guidelines including but not limited to the restrictions on "invitations to the public" as provided in the Investments and Securities Act 2007 (as may be amended or supplemented from time to time) may attract criminal and/or civil liability under Applicable Law.

- 1.10. These Guidelines shall be read in conjunction with relevant FMDQ Private Markets Terms and Conditions and such other Applicable Law as may be prescribed from time.
- 1.11. PCE Issuers/Transaction Sponsors shall bear full responsibility for the accuracy and completeness of information provided in accordance with these Guidelines. FMDQ Private Markets shall bear no responsibility for the accuracy or completeness of information provided thereof and expressly disclaims any liability whatsoever for any loss howsoever arising from participation in the enrolment and noting of PCEs on the PCS Portal (Restricted).
- 1.12. These Guidelines are non-exhaustive and may be subject to review and amendment from time to time.

2. IMPORTANT NOTICES

- 2.1. PCEs are neither approved nor registered by the Commission. To this end, no application in respect of the enrolment/issuance of a PCE issuance may be made to the Commission for registration of the securities or clearance of any document related to the enrolment, issuance, offer, transfer or sale of PCEs. Consequently, the enrolment, issuance, offer, sale or transfer of PCEs shall not in any manner whatsoever, be deemed as an endorsement by the Commission of the securities of the Issuer.
- 2.2. PCE issuances sought to be enrolled/noted by Private Markets shall be issued by way of Private Placement and shall not in any manner whatsoever involve invitation to the public as defined in the *Investments and Securities Act 2007*. There shall be no advertisements whatsoever in relation to the enrolment, issuance, offer and sale of PCEs or in respect of any Offer Documents related to the enrolment, issuance, offer, sale or transfer of securities issued. Consequently, the noting of the issuance and subsequent PCEs issued under an enrolled PCE issuance shall not be advertised or publicised.
- 2.3. Issuers/Transaction Sponsors seeking enrolment/noting privileges for their PCEs shall ensure that the provisions of these Guidelines and applicable Terms and Conditions have been abided by prior to the establishment and/or the enrolment, issuance, offer, sale of PCEs to investors in the primary market.

PART B: NOTING OF PRIVATE COMPANIES' EQUITIES

3. GENERAL GUIDELINES

- 3.1. An application for the enrolment/noting of PCEs in the PCS Portal (Restricted) shall be submitted by a Transaction Sponsor approved by FMDQ Private Markets.
- 3.2. All applicants shall submit the FMDQ Private Markets-advised Application Form, along with all documentation requirements and disclosures as prescribed in these Guidelines or as may be required from time to time. All applications must be accompanied by the requisite non-refundable application fees set out in the FMDQ Private Markets-advised fees & dues framework. These fees may be subject to review from time to time.
- 3.3. Issuers must have satisfied all the requirements prescribed by the Committee including but not limited to the prescribed contents of its Offer Documents as stated in [Appendix I](#) of these Guidelines.
- 3.4. Issuers shall make full disclosures (initial and continuous) in accordance with these Guidelines and as may be prescribed by FMDQ Private Markets from time to time.
- 3.5. All Transaction Sponsors shall ensure that Issuers are aware of their rights and obligations under the Guidelines and ensure, to their best ability, Issuers comply with all reporting and disclosure obligations in respect of their enrolled/noted PCEs and shall be required to furnish a quarterly Compliance Report to Private Markets in the prescribed form.
- 3.6. FMDQ Private Markets may require the Transaction Sponsor(s) to show best efforts taken to ensure that it has advised and guided the Issuer as to its responsibilities and ongoing reporting and disclosure obligations to ensure compliance with the Guidelines.
- 3.7. Private Markets shall review the Private Companies' Equities Noting Guidelines on an ongoing basis to ensure conformity with international best practices.
- 3.8. Private Markets reserves the right to remove any PCE from the PCS Portal (Restricted) for failure of an Issuer or other relevant party to the PCE issue to abide by the provisions of these Guidelines.
- 3.9. Prospective Transaction Sponsors and Issuers may voluntarily file transaction documents to Private Markets for review, prior to issuance. Pre-assessment reviews conducted by Private Markets shall not constitute an approval but may serve as confidential and non-binding guidance as to the potential eligibility of the enrolment/noting of the proposed PCEs.
- 3.10. Private Markets may grant exemptions to the application of these Guidelines, as it may deem necessary.
- 3.11. Private Markets retains the absolute discretion to accept or reject applications for enrolment/noting of PCEs on its PCS Portal (Restricted).

3.12. The manner and method of dissemination of information on the prices of PCEs noted on the PCS Portal (Restricted) shall be determined by FMDQ Private Markets from time to time as it deems necessary.

3.13. Private Markets encourages all Issuers seeking enrolment/noting rights to comply with the highest standards of corporate governance as stipulated in any law of the Federal Republic of Nigeria and imbibe corporate discipline, transparency and accountability within the tenets of its operations.

4. CONDITIONS FOR THE NOTING OF PCEs

4.1. Features of PCE Issuers

- (i) An Issuer must be duly incorporated and licenced under the Applicable Law.
- (ii) An Issuer must maintain a register of holders of all its Equity Securities at all times.
- (iii) An Issuer must have a maximum of fifty (50) shareholders.

4.2. Features and Mode of all PCE issuances

- (i) PCEs may be held in dematerialised form through a CSD.
- (ii) PCEs shall be registered and lodged with a CSD and assigned a Unique Identifier. Evidence of lodgement shall be filed with Private Markets no later than ten (10) Business Days after the approval for the noting of the PCE on the PCS Portal (Restricted).

4.3. Private Placement Guidelines

- (i) A resolution shall be passed by the board of directors/shareholders of the Issuer approving the PCE issuance and said resolution shall be filed with Private Markets.
- (ii) The offer and sale of PCEs shall not be advertised, mentioned, and/or discussed in any print and electronic media. There shall be no advertisements whatsoever in relation to the enrolment, issuance, offer and sale of PCEs or in respect of any Information Memorandum, supplemental memoranda or other document in respect of the issuance, offer, sale or transfer of securities issued.
- (iii) Further to the above, the Offer Documents of the PCE **must** carry the following language:

THE EQUITIES SHALL NOT BE AVAILABLE FOR SUBSCRIPTION OR PURCHASE BY PERSONS OTHER THAN THOSE RECEIVING THE OFFER OR INVITATION. THE INFORMATION STATED IN THIS DOCUMENT IS FOR THE USE OF THE ADDRESSEE(S) ONLY AND IT IS EXPECTED THAT ALL INFORMATION STATED HEREIN OR SUBSEQUENTLY DISSEMINATED WOULD BE KEPT SAFE AND CONFIDENTIAL. UNAUTHORISED ACCESS AND/OR DUPLICATION OF THIS MATERIAL IS ILLEGAL.

- (iv) The Offer Documents may prescribe the period for which offer for the Private Placement shall be open.
- (v) Within two (2) Business Days of settlement, the Transaction Sponsor(s) shall be required to file an Allotment Report in the manner prescribed by Private Markets providing the following information:
- (a) Percentage of the Issue purchased by each investor group.
 - (b) Confirmation that the subscribers are strictly Qualified Institutional Investors in accordance with the provision of these Guidelines.
 - (c) Such other information as may be required by Private Markets.
- (vi) Private Markets may from time to time provide further Private Placement Guidelines on the noting of PCEs by Private Markets on the PCS Portal (Restricted).

5. GUIDELINES FOR ISSUERS

5.1. Qualification for Noting on the FMDQ Private Markets PCE Main Phase

5.1.1. An Issuer seeking enrolment/noting privileges on the Main Phase shall:

- (i) be a private limited liability company duly incorporated under CAMA and shall be in conformity with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, inter alia.
- (ii) have been in operation not less than three (3) years, from the date of application for enrolment/noting of PCEs on the PCS Portal (Restricted).
- (iii) have shareholders' funds (unimpaired by losses) not less than ₦500,000,000.00 (Five Hundred Million Naira) as evidenced by latest audited accounts (not being later than twelve (12) months from the last financial year-end) and shall be maintained at or above that level for the entire period their PCEs remain enrolled/noted by the Private Markets.
- (iv) have audited annual reports and accounts covering the last three (3) years, the most recent not exceeding nine (9) months from the date of the submission of the application for the enrolment/noting.
- (v) ensure that the percent of the issued share capital made available to the QIIs are fully paid up and free of liens.

5.1.2. Documents to be Submitted Before Admission to FMDQ Private Markets Equities Main Phase

The following shall be submitted to FMDQ Private Markets:

- (i) A letter of indemnity by the Issuer dated and signed by two (2) directors or a director and the company secretary;
- (ii) Certificate of Incorporation
- (iii) Memorandum and Articles of Association
- (iv) Certified Copy of the Board Resolution
- (v) A true copy of the Reporting Accountants Report on the Financials (Historical and Forecast) of the Company

- (vi) A copy of the executed Information Memorandum;

- (vii) A written undertaking to comply with the post-noting requirements of FMDQ Private Markets as may be determined from time to time; and

- (viii) A certified copy of every report, valuation, resolution or other document any of which is extracted or referred to in the Information Memorandum

- (ix) Consent letters from all the parties to the issue

- (x) A statement of compliance as may be determined from time to time.

5.2. Qualification for Noting on the FMDQ Private Markets PCE Growth Phase

5.2.1. An Issuer seeking enrolment/noting privileges shall:

- (i) be a private limited company duly incorporated under CAMA and shall be in conformity with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, inter alia.

- (ii) have been in operation not less than one (1) year, from the date of application for enrolment/noting of PCEs on the PCS Portal (Restricted).

- (iii) have shareholders' funds (unimpaired by losses) not less than ₦100,000,000.00 (One Hundred Million Naira) as evidenced by latest audited accounts (not being later than twelve (12) months from the last financial year-end) and shall be maintained at or above that level for the entire period their PCEs remain enrolled/noted by the Private Markets or have a cumulative revenue of at least ₦50,000,000.00 (Fifty Million Naira) since the Company's inception.

- (iv) have audited financial statements, audited by reputable auditing firms, which shall be compliant with Applicable Law. Same shall cover the preceding financial year: provided that the statement at the time of submission of the application shall not be more than nine (9) months old.
- (v) ensure that the percentage of the issued share capital made available to the QIIs are fully paid up and free of liens.

5.2.2. For newly set-up high-growth businesses, the company's business operations must:

- (a) have commenced and conducted business for at least six (6) months.
- (b) be able to provide evidence:
 - (i) of investment in it by a core investor or a partner who has a minimum of 2 years' operating track record; or
 - (ii) demonstrating that it possesses documented earnings capacity on an entity or group level.
- (c) be able to provide evidence of the contract with Certified Advisers authorised by the Private Markets throughout its participation on the Growth Phase.

5.3. Subsequent Noting of Equity Securities

5.3.1. Companies whose Equity Securities are already noted on FMDQ Private Markets may apply to note additional Equity Securities from time to time.

5.3.2. An Issuer shall submit to FMDQ Private Markets the following documents in support of its application to note additional Equity Securities:

- (a) A formal application in the form prescribed by FMDQ Private Markets signed by the Issuer and accompanied by a non-refundable application processing fee and applicable noting fees;
- (b) A copy of the executed Information Memorandum;
- (c) A copy of the resolution(s) of:
 - (i) The Company obtained in a general meeting authorising the allotment of the Equities Securities to be noted.
 - (ii) Its board authorising the noting of the Equity Securities

- (d) A letter from the Transaction Sponsor declaring that they are satisfied that the statements in the Offer Documents, after due and careful enquiry, are true and no facts known to them are omitted.

5.4. Denoting of Equity Securities from FMDQ Private Markets PCS Portal

5.4.1. Powers to Denote a PCE

FMDQ Private Markets may denote the PCE where:

- (a) Private Markets considers it necessary for the protection of investors and for the maintenance of the integrity of PCEs noted on the PCS Portal (Restricted); or
- (b) an Issuer fails, in a manner which FMDQ Private Markets considers material, to comply with the noting requirements and it is in the investors interest to do so.

5.4.2. Denoting at the instance of the Issuer

- (a) The Issuer shall submit a written application, signed by any two (2) of its directors for the denoting of its Equity Securities. The request must be accompanied by any information which the Issuer believes to be of relevance to the application.
- (b) An Issuer shall not voluntarily denote on FMDQ Private Markets unless its application is supported with the appropriate denoting fees which shall be 50% of the initial noting application fees.

5.4.3. Notification of Denoting

FMDQ Private Markets will forthwith notify Transaction Sponsors and QIIs upon the denoting of any equity security or other security from the FMDQ Private Markets PCS Portal through an announcement made within two (2) days of such suspension or denoting.

5.4.4. Re-noting of PCEs on the PCS Portal (Restricted)

- (a) Issuer who seeks to be noted again on FMDQ Private Markets, after having successfully voluntarily denoted from Private Markets, shall not seek noting for a minimum period of two (2) years from the date of such denoting except where FMDQ Private Markets upon considering its application deems it fit and proper to grant such application to note again.
- (b) Where an Issuer is denoted at the instance of FMDQ Private Markets for non-compliance with the Noting Guidelines of the Private Markets, the Issuer shall not seek noting for a period of two (2) years from the date of such denoting.

5.4.5. Guidelines Relating to Issuers' Board Meetings and General Meetings

5.4.5.1. Board Meetings

Directors or Trustees of Issuers representing shareholders are jointly or individually (as the case may be) responsible for ensuring that Issuers comply with Guidelines of the Private Markets on which their shares are noted. In line with this, they shall be responsible for ensuring that the Issuer complies with the following:

- (a) Notification of FMDQ Private Markets within forty-eight (48) hours after the relevant board meeting or after receipt of any required approval from its primary regulator(s) (where applicable) of:
 - (i) Preliminary and final results for any year, quarter, half-year and full year, as well as the comparable figures in respect of profits before and after taxation;
 - (ii) All dividend or bonus recommendation including other distributions to shareholders such as rights issues;
 - (iii) Any decision for a capital structure change or repurchase/buy-back of any securities, disclosing all relevant details, and in the case of a registered security, the period of the closing of the transfer books (or the date of the striking of the balance) for the repurchase/buy-back; and
 - (iv) The amount of the security outstanding after any purchase or buy-back has been made.

5.4.5.2. General Meetings

- (a) Every Issuer shall comply with the Guidelines as may be issued by Private Markets, the CAMA and any other relevant requirements regarding general meetings.
- (b) General meetings shall be held on any Business Day, within Business Hours.
- (c) General meetings shall be held at any venue which is reasonably accessible to shareholders including persons with physical disabilities or virtually.

Each Issuer shall comply with Applicable Law regarding the dissemination of notices with regards to the timeframe outlined for transmission to relevant recipients.

6. DOCUMENTATION AND DISCLOSURE REQUIREMENTS

6.1. Financial Reporting and Periodic Disclosure

- (a) All financial information disseminated by the Issuer via the FMDQ Private Markets PCS Portal (Restricted) shall comply with International Financial Reporting Standards ("IFRS") and other accounting standards prescribed by the Financial Reporting Council of Nigeria ("FRC").

- (b) An Issuer must provide information on its interim and financial year-end results, basic earnings per share and diluted earnings per share.
- (c) An Issuer shall announce the financial statements for its year-end immediately after the figures are available, but in any event not later than ninety (90) days after its year-end. Preparation of the financial statements shall be in line with IFRS standards.
- (d) An Issuer shall provide the financial statements for each of the first three (3) quarters of its financial year immediately after the figures are available, but in any event not later than thirty (30) days from the end of relevant financial period.

6.2. Disclosures of Changes to the Board of Directors

- (a) An Issuer must notify Private Markets, via the PCS Portal (Restricted), of any appointment, resignation, removal, retirement or death of a director or the company secretary or change to any critical functions performed by a director.
- (b) A notification of the change must be made as soon as practically possible but by no later than forty-eight (48) hours after the change.
- (c) A director and company secretary must comply with the fit and proper persons regulatory and statutory requirements as may be defined by the CAMA and any other relevant requirement that may be defined by FMDQ Private Markets from time to time including completing and submitting to FMDQ Private Markets a declaration confirming compliance within fourteen (14) days of the appointment.

6.3. Duty to Disclose Information to Private Markets

- (a) An Issuer must notify Private Markets forthwith of:
 - (i) all information on any significant occurrence/situation likely to affect its financial condition; and
 - (ii) the details of any significant changes in its business which are not directly specified in the Guidelines, are not public knowledge, however may by reason of their effect on the Issuer's assets, liabilities, operations or reputation, affect the valuation of its Equity Securities.
- (b) The following information shall be deemed to be fundamental information and must be disclosed to Private Markets in line with the Guidelines:
 - (i) Any proposed alteration of the memorandum or articles of association;
 - (ii) Change in its financial year end;
 - (iii) Financial results (interim or annual);

- (iv) Earnings/profit guidance;
- (v) Any recommendation or decision that dividends be paid, or bonus shares be issued;
- (vi) Planned capital raising, share reconstruction or changes in the Issuer's capital structure;
- (vii) The resignation, appointment, dismissal or demise of a principal officer;
- (viii) Major fire outbreak at any of the Issuer's premises;
- (ix) Major theft or major destruction of the company's assets or disruption of production;
- (x) Any changes in the rights attached to any class of noted securities into which they are convertible;
- (xi) The results of any new issues and the effect, if any, of further issues on outstanding options, warrants and convertible securities;
- (xii) The receipt or serving of a notice of intention to merge or make a takeover bid, or acquisitions or tender offers or divestments;
- (xiii) Any proposed change in the business model, general character or nature of the Issuer's business;
- (xiv) Any change in beneficial ownership (with accompanying voting control or not) of the Issuer's securities;
- (xv) Any other information deemed necessary to enable investors appraise the position of the company.
- (xvi) Further to the foregoing, an Issuer shall without any delay, disclose via PCS Portal (Restricted), any significant occurrence concerning any announcements after these events occur.

7. POST NOTING AND CONTINUOUS REPORTING OBLIGATIONS

7.1. PCS Portal (Restricted)

A Transaction Sponsor must use the PCS Portal (Restricted) provided by the Private Markets for the dissemination of all information regarding the Issuer's activities in line with these Guidelines. The PCS Portal (Restricted) shall be available at all times except during periods of scheduled maintenance which will be communicated in advance by Private Markets.

- (a) An Issuer must designate two (2) officers to submit information via the Private Markets PCS Portal (Restricted) on its behalf. The designated officers may be any two (2) of the Chief Executive Officer, Chief Financial Officer and Company Secretary or Trustees as they may choose, who must duly authenticate the document by whatever electronic means as provided for and communicated to Private Markets from time to time.
- (b) The information referred to in subsection (a) shall include:
- (i) Quarterly financial statements (may be unaudited);
 - (ii) Audited year-end financial statements;
 - (iii) Notice of General Meetings;
 - (iv) Notice of Board Meetings;
 - (v) Notice of Completion Board Meetings/Execution of Offer Documents;
 - (vi) Notice of Court Ordered Meetings;
 - (vii) Notice of dealings of directors;
 - (viii) Notice of change of name;
 - (ix) Notice of change of registered address;
 - (x) Notice of change of Company Secretary or Auditors;
 - (xi) Notice of resignation and appointment of directors;
 - (xii) Notice of dividend/bonus declared;
 - (xiii) Notice of earnings forecast; and
 - (xiv) Any other corporate action that is relevant.
- (c) An Issuer shall ensure the accuracy, clarity and unambiguity of all information submitted via the PCS Portal (Restricted) by its designated officers.
- (d) An Issuer shall indemnify Private Markets against all losses or damages it may suffer due to the inaccuracy, falsehood or ambiguity of information disseminated via the PCS Portal (Restricted).

7.2. Response to False/Misleading Information and Subsequent Communications

- (a) Where an Issuer learns of any report or rumour in the media, whether true or false, which is likely to have an impact on investors' investment decisions and the value of its PCEs, and such information is at variance to previously officially disclosed information via the Private Markets PCS Portal (Restricted) or any other official media including but not limited to announcements, circulars or information memorandum, the Company shall make a statement on the PCS Portal (Restricted) to clarify its position as quickly as possible.
- (b) Where, in line with the Guidelines, an Issuer is required to make an announcement but finds itself in a position where it is not yet able to do so, but believes that there is a likelihood that the information has been leaked or may be leaked, the Issuer must make an interim announcement which:
- i. provides as much detail of the subject matter as possible.
 - ii. clearly states the reasons why a more detailed announcement cannot be made at the time; and
 - iii. contains an undertaking to announce further details as soon as it can.

PART C: DUTIES, OBLIGATIONS, AND ENFORCEMENT OF THE GUIDELINES

8. DUTIES AND OBLIGATIONS OF PCE ISSUERS

- 8.1. The Issuer shall be bound by the Terms and Conditions disclosed by the Issuer in the executed Offer Documents filed with Private Markets.
- 8.2. The Issuer shall, through its Transaction Sponsor(s), treat the prospective investors in the PCE in a fair and equitable manner and in accordance with the FMDQ Private Markets Guidelines.
- 8.3. The Issuer shall, through its Transaction Sponsor(s), provide all prospective investors in the PCE with the same information which shall be disclosed in the Offer Documents and give investors the opportunity to raise questions on the Terms and Conditions of the PCE issue and to obtain additional facts necessary to verify the information provided by the Issuer.
- 8.4. The Issuer shall, through its Transaction Sponsor(s), provide Private Markets with any information that may affect its financial performance.

9. DUTIES AND OBLIGATIONS OF THE TRANSACTION SPONSORS

- 9.1. An application for onboarding a Transaction Sponsor to present an Issuer of PCEs for noting on the PCS Portal (Restricted) shall be filed with Private Markets based on a set of qualification criteria and payment of the requisite eligibility fees upon application, as well as annual fees.
- 9.2. The Transaction Sponsor(s) shall verify and confirm that the disclosures made by the Issuer are true, fair, and adequate and ensure that the Issuer complies with these Guidelines and such other Terms

and Conditions as may be prescribed by Private Markets and other relevant regulatory authorities.

- 9.3. The Transaction Sponsor(s) shall notify Private Markets immediately, and no later than one (1) Business Day of becoming aware of any circumstances that occur which could impact the contents of the Offer Documents making such documents include an untrue statement of a material fact or omit to state any material fact which may make statement(s) in the Offer Document untrue, inaccurate and/or misleading.
- 9.4. The Transaction Sponsor(s) shall use all reasonable endeavours to procure revised or supplemental documentation which will correct any untrue statement or include such omitted fact referred to in section 9.2 above.
- 9.5. The Transaction Sponsor(s) shall ensure that Issuers file all updated or supplemental Offer Documents with respect to each series, containing details of the series and material changes and the impact of said changes, if any, in the information provided in the Offer Documents of their enrolled PCEs.
- 9.6. The Transaction Sponsor(s) shall at all times advise their respective Issuers of all the noting and continuous reporting and disclosure requirements as may be provided in these Guidelines (as may be amended or supplemented from time to time).
- 9.7. The Transaction Sponsor(s) shall conduct adequate due diligence in respect of assignments undertaken by them in respect of offer and distribution of the PCEs to investors.
- 9.8. The Transaction Sponsor(s) shall ensure that all investors meet the eligibility criteria for investors as prescribed by Private Markets.
- 9.9. The Transaction Sponsor(s) shall within two (2) Business Days of settlement, submit an Allotment Report providing a summary of the various groups of investors in the PCEs.
- 9.10. The Transaction Sponsor(s) shall on behalf of the Issuer, file quarterly Compliance Reports with Private Markets
- 9.11. The Transaction Sponsor(s) shall provide such other information as may be required by Private Markets.
- 9.12. The Transaction Sponsor(s) shall be bound by these Guidelines and such other Terms and Conditions as may be prescribed by Private Markets from time to time.

10. ENFORCEMENT OF THE GUIDELINES

- 10.1. Where FMDQ Private Markets considers an Issuer to be in violation of the Guidelines it may take one

or more of the following actions:

- (i) Issue warning letters.
- (ii) Impose fines.
- (iii) Suspend the PCE from the PCS Portal (Restricted).
- (iv) Remove the PCE from the PCS Portal (Restricted).
- (v) Publicly censure the Issuer.
- (vi) Notify the relevant agencies and regulatory authorities.
- (vii) Such other actions as Private Markets may deem fit to make upon due consideration of the violation.

10.2. Power to suspend or remove a PCE from the PCS Portal (Restricted):

- (i) Enrolment/noting is granted subject to certain considerations and conditions as provided in these Guidelines (subject to amendment from time to time). Where Private Markets considers it necessary for the protection of investors, it may at any time suspend or remove any PCE from the PCS Portal (Restricted) in such circumstances and subject to such conditions as it deems fit. Such conditions include but are not limited to the following:
 - (a) The Issuer fails to comply with all relevant FMDQ Private Markets Guidelines, and such other Terms and Conditions as may be made from time to time.
 - (b) Private Markets considers that the Issuer does not have satisfactory level of operations or sufficient assets to warrant the continued noting of its PCE on the PCS Portal (Restricted).
 - (c) The Issuer fails to meet the corporate governance standards as may be prescribed by Private Markets and other relevant regulatory authorities.
 - (d) The Committee considers that the PCE is no longer be suitable for noting.
 - (e) Such other circumstances as the Committee may deem fit to suspend or remove a PCE from the PCS Portal (Restricted).
- (ii) Where an Issuer seeks a suspension of its noted PCE, the request for suspension must be articulated by the Transaction Sponsor(s) and must be confirmed in writing. In all cases, the request must be supported by specific reasons for the request for suspension, the requested duration of the suspension, the nature of the event affecting the Issuer's activities and the current state of events with respect to the Issuer's activities in order for the Committee to assess the need for and appropriate duration of the suspension. The continuation of a suspension for a prolonged period without the Issuer taking appropriate action to obtain restoration for noting may lead to the Committee removing the PCE from the PCS Portal (Restricted).
- (iii) Where the Committee considers that a PCE is no longer suitable for noting, the Issuer/Transaction Sponsor(s) shall be informed in writing of the decision of the Committee. In certain circumstances, the Issuer may be given an opportunity to take remedial action and

resolve any issues raised by the Committee within a stipulated timeframe. Failure by the Issuer/Transaction Sponsor(s) to take such remedial action within the stipulated timeframe shall lead to a removal of the PCE from the PCS Portal (Restricted).

10.3. Failure of Transaction Sponsor(s) to comply with the provisions of these Guidelines or such other Terms and Conditions as may be prescribed by Private Markets shall incur one or more of the following penalties:

- (i) Warning Letters
- (ii) Fines
- (iii) Suspension of participation in the Private Markets
- (iv) Expulsion as a participant in the Private Markets
- (v) Public Censure.

Such other sanctions as may be prescribed by Private Markets from time to time.

APPENDIX I: CONTENTS OF THE OFFER DOCUMENT

The table below provides an indicative template of the information which FMDQ Private Markets requires to be provided in the Offer Documents of Private Companies' Equities (PCEs).

Please note that this is simply a guide to the Issuer and Transaction Sponsor(s) seeking to enrol/note PCEs on FMDQ Private Markets. Issuers and their Transaction Sponsors are fully responsible for the contents of the Offer Documents in respect of their Issues and as such FMDQ Private Markets makes no representations and disclaims all express, implied, and statutory warranties of, including warranties as to accuracy, timeliness, completeness of the Offer Documents and merchantability of PCE sought to be noted by Private Markets on the PCS Portal (Restricted).

The Offer Documents in respect of the prospective PCE issuance shall include, the contents of the table below, *inter alia*:

S/N	Heading	Sub-Heading	Content Guidelines
1.	Company Description	Overview	Overview of the business of the Issuer
		History	Brief information about the history of the Issuer
		Strategy	<ul style="list-style-type: none"> i. Long-term priorities and objectives ii. Growth opportunity iii. Brand strategy iv. Social and environmental commitments
		Business Activities	<ul style="list-style-type: none"> i. By geographical area ii. Trading performance by sector/market
		Market Description	<ul style="list-style-type: none"> i. Segments ii. Technology evolution iii. Competitors iv. Regulation v. Environmental matters
		Management Overview	Profiles of the following key persons: <ul style="list-style-type: none"> i. Board of directors ii. Key Management staff
		Financial Performance	<ul style="list-style-type: none"> i. Summary of financial statements ii. Overall performance history iii. Cash flows, working capital and capital expenditure
		Other Information	<ul style="list-style-type: none"> i. Legal matters/litigation ii. Other (socially responsible investment) iii. Health and safety iv. Research and development

			<ul style="list-style-type: none"> v. Information Technology vi. Intellectual property vii. Insurance viii. External Risk Factors ix. Related party transactions
2.	Key Considerations	Operational positioning	<ul style="list-style-type: none"> i. Key business strengths ii. Brand iii. Diversification (market, sector, geography, etc.) iv. Client analysis and relationship with suppliers v. Competitive position
		Financial Positioning	<ul style="list-style-type: none"> i. Statement of Profit or Loss ii. Statement of Financial Position iii. Cash Flow Statement iv. Statement of Changes in Equity v. Investment Policy vi. Dividend Policy vii. Main financial covenants and guarantees
		Risk Factors	<p>Information on the material risk factors relevant to the investment in the PCE of the Issuer should be provided in the Offer Document</p> <p>The Offer Documents shall also expressly state that the PCE is rated and emphasise the risks of investing in PCE (in clear and unambiguous language)</p>
		Tax Considerations	Information with respect to taxation in respect of the PCE issue shall be provided in the Offer Documents.
3.	Terms and Conditions of the PCE issuance	Form, Denomination and Title	<p>The Issuer will be required to maintain a register in respect of the PCE, which will record the serial number (if relevant), holder and transfer of each PCE issue. The person in whose name the PCE is registered shall be treated as its absolute owner for all purposes.</p> <p>The Offer Documents shall state that the PCE shall be issued in dematerialised form.</p>
		Information Disclosure Undertakings	Although the circumstances will vary for each Issuer and each PCE issuance, the information that Issuers are likely to be required to disclose to investors in order to ensure compliance with, and/or prevent a breach of, an undertaking may include some or all of the following:

			<ul style="list-style-type: none"> i. Financial data prepared on the basis set out in the Offer Documents (consolidated and non-consolidated annual financial statements and, where appropriate, interim financial statements, along with the relevant statutory auditors' reports and significant historical data), statement of existing security interests or guarantees and business plan, where appropriate; ii. All documents sent to the Issuer's shareholders or other creditors. iii. Details of litigation, arbitration or administrative procedures and further information regarding the financial condition, business and operations of the Issuer or its group as may be reasonably requested by the investors and in all cases as agreed between the Issuer and the investor.
		Other undertakings	<p>Other required undertakings will depend on the nature and situation of the Issuer. However, generally, the Issuer may be required to give some or all of the following undertakings as to:</p> <ul style="list-style-type: none"> i. Compliance with all relevant authorisations and laws. ii. Restrictions on disposals of assets. iii. Restrictions on mergers and corporate restructurings generally in certain circumstances. iv. Restrictions on substantial changes to business. v. Potential requirement to hold an annual meeting with senior management of the Issuer. vi. Potential limits on the incurrence of additional indebtedness of the Issuer and its subsidiaries
		Representations	<p>Although the circumstances will vary for each Issuer and each PCE issue, the information that Issuers are advised to represent to investors may include some or all of the following representations as to:</p> <ul style="list-style-type: none"> i. Corporate matters: due incorporation and existence of the Issuer, power and authority to issue the PCE, validity and admissibility of authorisations and compliance with Issuer's memorandum and articles

			<p>of association or other equivalent constitutional documents.</p> <p>ii. Governing law, enforceability, and conflict: that obligations under the PCE issue are legal, valid, binding, and enforceable, and do not conflict with law or regulation applicable to the Issuer, its constitutional documents, and other obligations.</p> <p>iii. Accuracy of the information provided.</p> <p>iv. Financial statements.</p> <p>v. Insolvency proceedings.</p> <p>vi. Litigation pending or threatened.</p> <p>vii. That the PCEs are offered on a Private Placement basis rather than to the public, and that all financial regulatory requirements have been met in connection with the PCE issue.</p> <p>viii. That the Programme/Issue shall be enrolled/noted by FMDQ Private Markets which, upon acceptance of the enrolment/noting by the FMDQ Private Markets Board Committee may only be transferred to Qualified Institutional Investors and subsequently reported to Private Markets.</p>
		Private Placement	<p>PCEs shall be strictly issued via Private Placement. The Offer Document shall boldly state on its front page:</p> <p>THE EQUITIES SHALL NOT BE AVAILABLE FOR SUBSCRIPTION OR PURCHASE BY PERSONS OTHER THAN THOSE RECEIVING THE OFFER OR INVITATION. THE INFORMATION STATED IN THIS DOCUMENT IS FOR THE USE OF THE ADDRESSEE(S) ONLY AND IT IS EXPECTED THAT ALL INFORMATION STATED HEREIN OR SUBSEQUENTLY DISSEMINATED WOULD BE KEPT SAFE AND CONFIDENTIAL. UNAUTHORISED ACCESS AND/OR DUPLICATION OF THIS MATERIAL IS ILLEGAL.</p>
		Transferability	<p>The Offer Documents should also expressly state that there are no restrictions to transferability of the PCE and that the PCEs can also be transferred to Qualified Institutional Investors.</p>
		Parties to the PCE Issuance	<p>The Offer Documents shall provide information about all parties to the PCE issuance.</p>

4.	Declaration by Investor		The Offer Documents shall provide information to the effect that the investors in the PCEs have declared that they possess the requisite knowledge, skill and experience in business, financial and investment matters and are capable of evaluating the merits and risks of an investment in PCEs.
5.	Disclaimer		The Offer Documents shall boldly state the following disclaimer: FMDQ PRIVATE MARKETS TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT.