

FAQs

1. What does a Scheme of Arrangement mean?

- A Scheme of Arrangement is a court-approved process between a company and its shareholders or creditors, by which the rights or liabilities of the shareholders or creditors may be altered. A Scheme of Arrangement requires the approval of the shareholders and other regulators.

2. What is the Petition filed against Ocean and Oil Development Partners (OODP) and Oando PLC (herewith referred to as “Oando” or the “Company”) about?

On March 15, 2021, a Petition was filed at the Federal High Court, Lagos by fourteen (14) shareholders of Oando, for and on behalf of Oando’s minority shareholders led by Venus Construction Company Limited (the “**Petitioners**”). The Petition was brought pursuant to Sections 353, 354 and 355 of Companies and Allied Matters Act No.3 of 2020 (as amended) (“**CAMA 2020**”) praying the court for the following orders amongst others:

- a) *“An order that OODP purchase the entire shares of the Petitioners at the average price of Oando’s share price on the Nigerian Exchange Limited (“the NGX”) for a period of three (3) months prior to the date of the court’s order or at a valuation to be established pursuant to the order of court.*

Alternatively,

- b) *An order that Oando purchase the shares of the Petitioners at the average price of Oando’s share price on the NGX for a period of 3 months prior to the date of the court’s order or at a valuation to be established pursuant to the order of court and that the purchased shares of Oando be cancelled and the share capital of Oando be correspondingly reduced by the value of the said cancelled shares”*

3. How did OODP respond to the Petition?

OODP being aware of the challenges faced by Oando, noted its willingness and readiness to buy out all the minority shareholders and therefore proposed an offer to the Board of Directors of Oando PLC to do so by way of a Scheme of Arrangement.

4. What right does OODP have to buy out minority shareholders?

Based on the terms of the Court Order dated June 14, 2022, OODP is obligated by the law, to make an offer for the purchase of the shares of Oando's minority shareholders.

5. How will the Proposed Transaction be structured?

- The proposed transaction will be implemented via a Scheme of Arrangement, (the "Scheme") pursuant to Section 715 of CAMA 2020 and in line with the SEC Guidelines on Members' Schemes of Arrangement. Furthermore, the proposed transaction will be subject to shareholders' approval.

6. What is the role of the Board of Directors ("The Board") in the Scheme of Arrangement?

The Board is required to ensure that the Company complies with the laws of Nigeria, including the order of a court of law. Also, the Board after considering the offer, and receiving regulatory approvals, may, if it deems fit, recommend the offer to the shareholders for consideration. The final approval of the Scheme lies with the shareholders.

7. What is the role of the Shareholders in a Scheme of Arrangement?

- A Shareholders' approval of the Scheme is one of the key conditions required before the transaction can be completed. Thus, Oando will convene a meeting of all its shareholders to consider and if thought fit, approve the proposed Scheme for the purchase of all shares held by the minority shareholders shares in Oando PLC by OODP, in line with the terms of the court order.
- All minority shareholders will be entitled to vote at the meeting, and voting shall be done by poll. If at the said meeting, the proposed Scheme is approved by 3/4 (75%) of the shareholders present and voting, a report of the Court Ordered Meeting will be submitted to the court within 30 days for the Court to sanction the Scheme.

8. Will OODP vote at the Court Ordered Meeting?

OODP will not be permitted to vote at the Court-Ordered Meeting for the approval of the proposed Scheme in accordance with the Rule Book of the NGX.

9. What happens if any or more of the events/conditions in 7 above are not satisfied/met?

If the Scheme of Arrangement isn't approved by the shareholders, the Court will not grant an Order sanctioning the Scheme, and the Company's status quo shall be retained. There will be no change to the existing shareholding of the company, and Oando will continue as a listed company on NGX and the Johannesburg Stock Exchange (the "JSE").

10. When will the Scheme be effective?

The Scheme (if duly approved by the shareholders) will be effective when the order of the Court sanctioning the Scheme is delivered to the Corporate Affairs Commission for registration.

11. Does OODP stand to benefit at the expense of other shareholders?

Upon an independent valuation of the shares held by the minority shareholders, OODP will submit an offer to the minority shareholders and Oando for the buyout of the shares of the minority shareholders. The Board of Oando working with its independent valuation advisers will consider the price offered by OODP and if deemed fair, will recommend same to the shareholders for approval. The final purchase price of the shares will be determined by benchmarking the result of the valuation with the current market price of Oando shares on the NGX.

12. What happens on the next adjourned date of October 18, 2022?

The matter is adjourned for Mention/Report of Compliance. The Parties are expected to notify the Court on whether they have complied with the Courts' orders, or not. If they have, the Court will make an Order sanctioning the Scheme.

13. What is the SEC process for this Scheme of Arrangement?

If the Scheme is approved by the required majority of the minority shareholders, the Board will pass a resolution to recommend the transaction to the shareholders. Subsequently, the Financial Adviser to the Scheme will file an application with the SEC for clearance of the Scheme document and approval to hold a Court-Ordered Meeting. If the Scheme is approved by the shareholders, relevant documents will be executed by the relevant parties at the Court-Ordered Meeting and subsequently filed with the SEC in order to obtain formal approval of the Scheme.

Upon receipt of the SEC's formal approval, an application will be made to the Court for the Scheme to be sanctioned. The Scheme will only be effective when the order of the Court sanctioning the Scheme is registered at the Corporate Affairs Commission.

14. Will there be any changes to Oando's management team following the Scheme of Arrangement?

There will be no changes to Oando's management team.

15. What does it mean for Oando if the Scheme is granted? Will its name, brand and logo change?

If the Scheme is approved by the required majority of the minority Shareholders and sanctioned by the Court, Oando will cease to be a public limited liability company and be reregistered as a private limited company. The management will decide on any change to its name, brand or logo.