

**PUBLIC OFFERING OF SHARES  
AND  
LISTING ON THE ALTERNATIVE INVESTMENT MARKET SEGMENT**

*Regulation 7(1) (a) and (b) and & 10(b) of the First Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002*

**1. DOCUMENTS IN SUPPORT OF APPLICATION**

<b>Requirement</b>	
1.	Information Memorandum
2.	Certified Copy of Certificate of Incorporation of Applicant
3.	Certified copy of Memorandum and Articles of Association of Applicant
4.	Certified copy of Board of Directors Resolution recommending initial public offering
5.	Certified copy of Shareholders Resolution approving initial public offering
6.	Legal Opinion
7.	Reporting Accountants' report
8.	Audited financial statements / annual reports for the last three financial years <i>NOTE: The latest audited financial statements to be less than 4 months old from the proposed date of offer. (The Authority may require latest management accounts, limited review of accounts and the applicant shall be advised accordingly if this is the case)</i>
9.	IPO price valuation reports
10.	Underwriting Agreement (if applicable)
11.	Draft Agreements between the issuer and the members of the transaction team

## 2. ELIGIBILITY CRITERIA CHECKLIST

REQUIREMENT	CRITERIA FOR THE ALTERNATIVE INVESTMENT MARKET SEGMENT	Met: Y, N or N/A	Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made
<b>Incorporation status</b>	The issuer to be listed shall be a public company limited by shares and registered under the Companies Act (Cap. 486 of the Laws of Kenya).		
<b>Size: Share capital</b>	The issuer shall have a minimum authorized issued and fully paid up ordinary share capital of twenty million shillings.		
<b>Net assets</b>	Net assets immediately before the public offering or listing of shares should not be less than twenty million shillings.		
<b>Free transferability of shares</b>	Shares to be listed shall be freely transferable and not subject to any restrictions on marketability or any preemptive rights.		
<b>Availability and reliability of financial records</b>	The issuer shall have audited financial statements complying with International Financial Reporting Standards (IFRS) for an accounting period ending on a date not more than four months prior to the proposed date of the offer or listing for issuers whose securities are not listed at the securities exchange, and six months for issuers whose securities are listed at the securities exchange.		
	The Issuer must have prepared financial statements for the latest accounting period on a going concern basis and the audit report must not contain any emphasis of matter or qualification in this regard.		

REQUIREMENT	CRITERIA FOR THE ALTERNATIVE INVESTMENT MARKET SEGMENT	Met: Y, N or N/A	Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made
<p><b>Competence and suitability of directors and management</b></p>	<p>At the date of the application, the issuer must not be in breach of any of its loan covenants particularly in regard to the maximum debt capacity.</p> <p>As at the date of the application and for a period of at least two years prior to the date of the application, no director of the issuer shall have-</p> <p>any petition under bankruptcy or insolvency laws in any jurisdiction pending or threatened against the director (for individuals), or any winding-up petition pending or threatened against it (for corporate bodies);</p> <p>any criminal proceedings in which the director was convicted of fraud or any criminal offence, nor be named the subject of pending criminal proceeding, or any other offence or action either within or outside Kenya; or been the subject of any ruling of a court of competent jurisdiction or any governmental body in any jurisdiction, that permanently or temporarily prohibits such director from acting as an investment adviser or as a director or employee of a stockbroker, dealer, or any financial service institution or engaging in any type of business practice or activity in that jurisdiction.</p> <p>The issuer must have suitable senior management with relevant experience for at least one year prior to the listing, none of whom shall have committed any serious offence in any jurisdiction that may be considered inappropriate for the management of a listed company.</p>		

REQUIREMENT	CRITERIA FOR THE ALTERNATIVE INVESTMENT MARKET SEGMENT	Met: Y, N or N/A	Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made
	<p>The issuer shall ensure continued retention of qualified management during listing and no change of management for a period of twelve months following the listing other than for reason of a serious offence that may be considered to affect the integrity or be inappropriate for management of a listed company.</p> <p>The issuer must have at least a third of the Board as non executive directors</p>		
<b>Dividend policy</b>	The issuer must have a clear future dividend policy.		
<b>Track record, profitability and future prospects</b>	<p>The issuer must have been in existence in the same line of business for a minimum of two years one of which should reflect a profit with good growth potential.</p> <p>For purposes of listing by introduction by issuers listed on a foreign securities exchange, the issuer must have been listed for a minimum of two years.</p>		
<b>Solvency and adequacy of working capital</b>	<p>The issuer should not be insolvent.</p> <p>The issuer should have adequate working capital.</p>		

REQUIREMENT	CRITERIA FOR THE ALTERNATIVE INVESTMENT MARKET SEGMENT	Met: Y, N or N/A	Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made
<b>Share ownership structure</b>	<p>Following the public share offering or immediately prior to listing in the case of an introduction, at least twenty per centum of the shares must be held by not less than one hundred shareholders excluding employees of the issuer or family members of the controlling shareholders.</p> <p>No investor shall hold more than three per centum of the twenty per centum shareholding.</p> <p>The issuer must ensure that the existing shareholders, associated persons or such other group of controlling shareholders who have influence over management shall give an undertaking to the Authority not to sell their shareholding before the expiry of a period of twenty four months following listing and such undertaking shall be disclosed in the Information Memorandum.</p>		
<b>Certificate of comfort</b>	<p>If the issuer is listed in a securities exchange outside Kenya or is licensed by any regulator the Authority shall obtain a certificate of no objection from that foreign securities exchange and the relevant regulators.</p>		

### 3. DISCLOSURE REQUIREMENTS CHECKLIST

REQUIREMENT		Met: Y, N or N/A	Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made
ID.A.00	<b>Identity of directors, senior management and advisers (ie persons responsible for the information disclosed)</b>		
A.01	The name, home or business address and function of each of the persons giving the declaration set out in paragraph A.02		
A.02	A declaration in the following form:		
	The directors of [the issuer], whose names appear on page [ ], of the prospectus accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with facts and does not omit anything likely to affect the import of such information.		
A.03	The names, addresses and qualifications of the auditors who have audited the issuer's annual accounts in accordance with IAS for the last two financial years.		
A.04	If auditors have resigned, have been removed or have not been re-appointed during the last two financial years and have deposited a statement with the issuer of circumstances which they believe should be brought to the attention of members and creditors of the issuer, details of such matters must be disclosed.		
A.05	The names and addresses of the issuer's bankers, legal advisers, sponsors, reporting accountants and any other expert to whom a statement or report included in the prospectus has been attributed.		

<b>ID.B.00</b>	<b>Offer statistics and expected timetable</b>		
B.01	(1) A statement that the Authority has approved the public offering and listing of the shares on the Alternative Investment Market Segment of a securities exchange.		
	(2) Cautionary statement of the Authority.		
B.02	A statement that a copy of the prospectus has been delivered to the Registrar.		
B.03	If the offer is by more than one method, for each method of offering state the total amount of the issue, including the expected issue price or the method of determining the price and the number of securities expected to be issued.		
B.04	For each public offering, and separately for each group of targeted potential investors, state the following information to the extent applicable:		
	a) the period during which the offer will be open, and where and to whom purchase or subscription applications shall be addressed. Describe whether the purchase period may be extended or shortened, and the manner and duration of possible extensions or possible early closure or shortening of the period. Describe the manner in which the latter shall be made public. If the exact dates are not known when the documents are first filed or distributed to the public, describe arrangement for announcing final or definitive date or period;		
	b) method and time limits for paying up securities;		
	c) method and time limits for delivery of securities (including provisional certificates, if applicable) to subscribers or purchasers;		

	d) in case of pre-emptive purchase rights, the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised; and		
	e) a full description of the manner in which results of the distribution of securities are to be made public, and when appropriate, the manner for refunding excess amounts paid by applicants (including whether interest is to be paid).		
<b>ID.C.00</b>	<b>Information on the issuer</b>		
C.01	The name, registered office and, if different, head office of the issuer. If the issuer has changed its name within the last two years, the old name must be printed in bold type under the new name.		
C.02	The country of incorporation of the issuer.		
C.03	The date of incorporation and the length of life of the issuer, except where indefinite.		
C.04	The legislation under which the issuer operates and the legal form which it has adopted under that legislation.		
C.05	A description of the issuer's principal objects and reference to the clause(s) of the memorandum of association in which they are described.		
C.06	The place and date of registration of the issuer and its registration number.		
C.07	A statement that for a period of not less than five working days from the date of the prospectus or for the duration of any offer to which the prospectus relates, if longer, at a named place as the Authority may agree, the following documents (or copies thereof), where applicable, could be inspected:		
	(a) the memorandum and articles of association of the issuer;		
	(b) any trust deed of the issuer or of its subsidiary companies which is referred to in the prospectus;		



	(c) each document mentioned in paragraphs C.18 (material contracts) and E.10 (directors' service contracts) or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof;		
	(d) copies of service agreements with managers or secretary/ies, underwriting, vendors' and promoters' agreements entered into during the last two financial years;		
	(e) in the case of an issue of shares in connection with a merger, the division of a company, the transfer of all or part of an undertaking's assets and liabilities, or a takeover offer, or as consideration for the transfer of assets other than cash, the documents describing the terms and conditions of such operations, together, where appropriate, with any opening balance sheet, if the issuer has not prepared its own or consolidated annual accounts (as appropriate);		
	(f) the latest competent person's report, in the case of a mineral company;		
	(g) the latest certified appraisals or valuations relative to movable and immovable property and items of a similar nature, if applicable;		
	(h) all reports, letters, and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in the prospectus;		
	(i) written statements signed by the auditors or accountants setting out the adjustments made by them in arriving at the figures shown in any accountants' report pursuant to paragraph G.04 and giving the reasons therefor; and		
Cap 486.	(j) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiary undertakings for each of the two financial years (three years, if the issuer has been in existence for such a period) preceding the publication of the prospectus, including, in the case of a company incorporated in Kenya, all notes, reports or information required by the Companies Act.		

C.08	Where any of the documents listed in paragraph C.07 are not in the English language, translations into English must also be available for inspection. In the case of any document mentioned in paragraph C.18 (material contracts), a translation of a summary of such document may be made available for inspection, if the Authority so requires.		
C.09	The amount of the issuer's authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the shares of which it is composed with details of their principal characteristics. If any part of the issued capital is still to be paid up, a statement of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down, where applicable, according to the extent to which they have been paid up.		
C.10	Where the issuer has authorised but un issued capital or is committed to increase the capital, an indication of-		
	(a) the amount of such authorised capital or capital increase and, where appropriate, the duration of the authorisation;		
	(b) the categories of persons having preferential subscription rights for such additional portions of capital; and		
	(c) the terms and arrangements for the share issue corresponding to such portions.		
C.11	If the issuer has shares not representing capital:		
	(a) the number and main characteristics of such shares;		
	(b) the amount of any outstanding convertible debt securities, exchangeable debt securities or debt securities with warrants; and		
	(c) a summary of the conditions governing and the procedures for conversion, exchange or subscription of such securities.		

C.12	A summary of the provisions of the issuer's memorandum and articles of association regarding changes in the capital and in the respective rights of the various classes of securities.		
C.13	A summary of the changes during the two preceding financial years in the amount of the issued capital of the issuer and, if material, the capital of any member of the group and/or the number and classes of securities of which it is composed. Intra group issues by partly owned subsidiaries and changes in the capital structure of subsidiaries which have remained wholly owned throughout the period may be disregarded. Such summary must also state the price and terms granted and (if not already fully paid) the dates when any installments are in arrears. If any asset has been acquired or is to be acquired out of the proceeds of the issue, its value must be stated. If there are no such issues, an appropriate negative statement must be made.		
C.14	The names of the persons so far as they are known to the issuer, who, directly or indirectly, jointly or severally, exercise or could exercise control over the issuer, and particulars of the proportion of the voting capital held by such persons. For these purposes, joint control means control exercised by two or more persons who have concluded an agreement which may lead to their adopting a common policy in respect of the issuer.		
C.15	Details of any change in controlling shareholder(s) as a result of the issue.		
C.16	The history of any change in the controlling shareholder(s) and trading objectives of the issuer and its subsidiaries during the previous two financial years. A statement of the new trading objectives and the manner in which the new objectives will be implemented. If the issuer or the group, as the case may be, carries on widely differing operations, a statement showing the contributions of such respective differing operations to its trading results. The proposed new name, if any, the reasons for the change and whether or not consent to the change has been obtained from the Registrar.		

C.17	If the issuer has subsidiary undertakings or parent undertakings, a brief description of the group of undertakings and of the issuer's position within it stating, where the issuer is a subsidiary undertaking, the name and number of shares in the issuer held (directly or indirectly) by each parent undertaking of the issuer.		
C.18	A summary of the principal contents of :		
	(a) each material contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group within the two years immediately preceding the publication of the prospectus, including particulars of dates, parties, terms and conditions, any consideration passing to or from the issuer or any other member of the group, unless such contracts have been available for inspection in the last two years in which case it will be sufficient to refer to them collectively as being available for inspection in accordance with paragraph C.07; and		
	(b) any contractual arrangement with a controlling shareholder required to ensure that the company is capable at all times of carrying on its business independently of any controlling shareholder, including particulars of dates, terms and conditions and any consideration passing to or from the issuer or any other member of the group.		
C.19	If any contract referred to in paragraph C.18 relates to the acquisition of securities in an unlisted subsidiary, or associate company where all securities in the company have not been acquired, state the reason why 100% of the shareholding was not acquired, and whether anyone associated with the controlling shareholder(s) of the issuer, or associate companies, or its subsidiaries is interested and to what extent.		

C.20	<p>Details of the name of any promoter of any member of the group and the amount of any cash, securities or benefits paid, issued or given within the two years immediately preceding the date of publication of the prospectus, or proposed to be paid, issued or given to any such promoter in his capacity as a promoter and the consideration for such payment, issue or benefit. Where the interest of such promoter consists in being a member of a partnership, company, syndicate or other association of persons, the nature and extent of the interest of such partnership, company, syndicate or other association, and the nature and extent of such promoter's interest in the partnership, company, syndicate or other association.</p>		
C.21	<p>A statement of all sums paid or agreed to be paid within the two years immediately preceding the date of publication of the prospectus, to any director or to any company in which he is beneficially interested, directly or indirectly, or of which he is director, or to any partnership, syndicate or other association of which he is a member, in cash or securities or otherwise, by any person either to induce him to become or to qualify him as a director, or otherwise for services rendered by him or by the company, partnership, syndicate or other association in connection with the promotion or formation of the issuer.</p>		

C.22	<p>Where securities are issued in connection with any merger, division of a company, takeover offer, acquisition of an undertaking's assets and liabilities or transfer of assets –</p> <p>(a) a statement of the aggregate value of the consideration for the transaction and how it was or is to be satisfied;</p> <p>(b) If the total emoluments receivable by the directors of the issuer will be varied in consequence of the transaction, full particulars of the variation; if there will be no variation, a statement to that effect; and</p> <p>(c) if the business of the issuer or any of its subsidiaries or any part thereof is managed by a third party under a contract or arrangement, the name an address (or the address of its registered office, if a company) of such third party and a description of the business so managed or to be managed and the consideration paid in terms of the contract or arrangement and any other pertinent details relevant to such contract or arrangement.</p>		
C.23	<p>A description of the group's principal activities, stating the main category of products sold and/or services performed. Where the issuer or its subsidiaries carries on or proposes to carry on two or more businesses which are material having regard to the profits or losses, assets employed or to be employed, or any other factor, information as to the relative importance of each such business.</p>		
C.24	<p>For the business (es) described in paragraph C.23 above, the degree of any government protection and of any investment encouragement law affecting the business (es).</p>		
C.25	<p>Information on any significant new products and /or activities.</p>		

C.26	A breakdown of net turnover during the last two financial years (three where available) by categories of activity and into geographical markets in so far as such categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services falling within the group's ordinary activities are organised.		
C.27	Particulars of royalties payable or items of a similar nature in respect of the issuer and any of its subsidiaries.		
C.28	Information on any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) which may have or have had in the recent past (covering at least the previous four months) a significant effect on the group's financial position or an appropriate negative statement.		
C.29	Information on any interruptions in the group's business which may have or have had during the recent past (covering at least the previous four months) a significant effect on the group's financial position.		
C.30	A description, with figures, of the main investments made, including interests such as shares, debt securities etc., in other undertakings over the last two financial years and during the current financial year.		
C.31	Information concerning the principal investments (including new plant, factories and research and development) during the current financial year being made, with the exception of interests being acquired in other undertakings, including -		
	(a) the geographical distribution of these investments; and		
	(b) the method of financing such investments.		
C.32	Information concerning the group's principal future investments (including new plant, factories, and research and development, if any), with the exception of interests to be acquired in other undertakings, on which the issuers directors have already made firm commitments.		
C.33	Information concerning policy on the research and development of new products and processes over the past two financial years, where significant.		

C.34	The basis for any statements made by the company regarding its competitive position shall be disclosed.		
<b>ID.D.00</b>	<b>Operating and financial review and prospectus (the recent development and prospects of the group)</b>		
D.01	Unless otherwise approved by the Authority in exceptional circumstances:		
	(a) general information on the trend of the group's business since the end of the financial year to which the last published annual accounts relate, and in particular -		
	(i) the most significant recent trends in production, sales and stocks and the state of the order book; and		
	(ii) recent trends in costs and selling prices; and		
	(b) information on the group's prospects for at least the current financial year. Such information must relate to the financial and trading prospects of the group together with any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in the prospectus and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits.		
D.02	Provide information on the risk factors that are specific to the issuer or its industry and make an offering speculative or on high risk in a section headed "Risk Factors".		
D.03	Describe the:		
	a) extent to which the financial statements disclose material changes in net revenues, provide a narrative discussion of the extent to which such changes are attributable to changes in prices or to changes in the volume or amount of products or services being sold or to the introduction of new products or services;		



	b) impact of inflation if material - if the currency in which financial statements are presented is of a country that has experienced hyperinflation, the existence of such inflation, a history of the annual rate of inflation covering the period, and discussion of the impact of the hyperinflation on the issuer's business shall be disclosed;		
	c) impact of foreign currency fluctuations on the issuer, if material, and the extent to which foreign currency net investments are hedged by the currency borrowing and other hedging instruments; and		
	d) impact of any material governmental factors that have materially affected or could materially affect, directly or indirectly the issuer's operations or investments by the host country shareholders.		
D.04	Where a profit forecast or estimate appears, the principal assumptions upon which the issuer has based its forecast or estimate must be stated. Where so required, the forecast or estimate must be examined and reported on by the reporting accountants or auditors and their report must be set out. There must also be set out a report from the sponsor confirming that the forecast has been made after due and careful enquiry by the directors.		
D.05	The opinion of the directors, stating the grounds therefor, as to the prospects of the business of the issuer and of its subsidiaries and of any subsidiary or business undertaking to be acquired, together with any material information which may be relevant thereto.		
<b>ID.E.00</b>	<b>Directors and employees</b>		
E.01	The full name, age (or date of birth) home or business address, nationality and function in the group of each of the following persons and an indication of the principal activities performed by them outside the group where these are significant with respect to the group:		
	(a) directors, alternate and proposed directors of the issuer and each of its subsidiaries, including details of other directorships;		

	(b) the senior management of the issuer including the chief executive, board secretary and finance director, with details of professional qualifications and period of employment with the issuer for each such person; and		
	(c) founders, if the issuer has been established as a family business or has been in existence for fewer than five years and the nature of family relationship, if any; and		
	(d) detailed disclosure of chief executive or other senior management changes planned or expected during twenty four months following the issue and listing of the security or appropriate negative statement.		
E.02	A description of other relevant business interests and activities of every such person as is mentioned in paragraph E.01 and, if required by the Authority particulars of any former forename or surname of such persons.		
E.03	In the case of a foreign issuer, information similar to that described in E.01 and E.02 above, relative to the local management if any. Where the Authority considers the parent company is not adequately represented on the directorate of its subsidiaries, an explanation is required.		
E.04	The total aggregate of the remuneration paid and benefits in kind granted to the directors of the issuer by any member of the group during the last two completed financial years under any description whatsoever.		
E.05	A statement showing the aggregate of the direct and indirect interests of the directors in, and the direct and indirect interests of each director holding in excess of 3% of the share capital of the issuer, distinguishing between beneficial and non-beneficial interests, or an appropriate negative statement. The statement should include by way of a note any change in those interests occurring between the end of the financial year and the date of publication of the prospectus, or if there has been no such change, disclosure of that fact.		

E.06	All relevant particulars regarding the nature and extent of any interests of directors of the issuer in transactions which are or were unusual in their nature or conditions or significant to the business of the group, and which were effected by the issuer during -		
	(a) the current or immediately preceding financial year; or		
	(b) an earlier financial year and remain in any respect outstanding or unperformed;		
	or an appropriate negative statement.		
E.07	The total of any outstanding loans granted by any member of the group to the directors and also of any guarantees provided by any member of the group for their benefit.		
E.08	Particulars of any arrangement under which a director of the issuer has waived or agreed to waive future emoluments together with particulars of waivers of such emoluments in force at the date of the prospectus.		
E.09	An estimate of the amounts payable to directors of the issuer, including proposed directors, by any member of the group for the current financial year under the arrangements in force at the date of the prospectus.		
E.10	Details of existing or proposed directors' service contracts (excluding contracts previously made available for inspection in accordance with paragraph C.07 and not subsequently varied); such details to include the matters specified in paragraphs (a) to (g) below or an appropriate negative statement:		
	(a) the name of the employing company;		
	(b) the date of the contract, the un-expired term and details of any notice periods;		
	(c) full particulars of the director's remuneration including salary and other benefits;		

	(d) any commission or profit sharing arrangements;		
	(e) any provision for compensation payable upon early termination of the contract;		
	(f) details of any other arrangements which are necessary to enable investors to estimate the possible liability of the company upon early termination of the contract; and		
	(g) details relating to restrictions prohibiting the director, or any person acting on his behalf or connected to him, from any dealing in securities of the company during a close period or at a time when the director is in possession of unpublished price sensitive information in relation to those securities.		
E.11	A summary of the provisions of the memorandum and articles of association of the issuer with regards to:		
	(a) any power enabling a director to vote on a proposal, arrangement, or contract in which he is materially interested;		
	(b) any power enabling the directors, in the absence of an independent quorum, to vote remuneration (including pension or other benefits) to themselves or any members of their body; and		
	(c) retirement or non-retirement of directors under an age limit.		
E.12	Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person, referred to in E.01 above, was selected as a director or member of senior management.		

E.13	Details relating to the issuer's audit, remuneration and nomination committees including the names of committee members and a summary of the terms of reference under which the committees operate.		
<b>ID.F.00</b>	<b>Major shareholders and related party transactions</b>		
F.01	The following information shall be provided regarding the issuer's major shareholders, which means shareholders that are the beneficial owners of at least 3% or more of each class of the issuer's voting securities:		
	a) provide the names of the major shareholders, and the number of shares and the percentage of outstanding shares of each class owned by each of them as at the most recent practicable date, or an appropriate negative statement if there are no major shareholders;		
	b) disclose any significant change in the percentage ownership held by any major shareholders during the past three financial years; and		
	c) indicate whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.		
F.02	Information shall be provided as to the portion of each class of securities held in Kenya and the number of shareholders in Kenya.		
F.03	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled by any other corporation(s), foreign government or other natural or legal person(s) severally or jointly, and, if so, give the name(s) of such controlling corporation(s), government or other person(s), and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.		

F.04	Describe any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.		
F.05	In so far as is known to the issuer, the name of any person other than a director who, directly or indirectly, is interested in 10 % or more of the issuer's capital, together with the amount of each such person's interest.		
F.06	Provide information required on (a) and (b) below for the period since the beginning of the issuer's preceding two financial years (three where available) up to the date of the prospectus, with respect to transactions or loans between the issuer and:		
	(a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the issuer;  (b) associates;		
	(c) individuals owning, directly or indirectly, an interest in the voting power of the issuer that gives them significant influence over the issuer, and close members of any such individual's family;  (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the issuer, including directors and senior management of the issuer and close members of such individuals' families; and		
	(e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the issuer and enterprises that have a number of key management in common with the issuer. Shareholders beneficially owning a 10% interest in the voting power of the issuer are presumed to have a significant influence on the issuer including-		

	<p>(i) the nature and extent of any transactions or presently proposed transactions which are material to the issuer or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, or tangible or intangible assets, to which the issuer or any of its parent or subsidiary(ies) was a party; and</p> <p>(ii) the amount of outstanding loans (including guarantees of any kind) made by the issuer or any of its parent or subsidiaries to or for the benefit of any of the persons listed above.</p> <p>The information given should include the largest amount outstanding during the period covered, the amount outstanding as of the latest practicable date, the nature of the loan, the transaction in which it was incurred, and the interest rate on the loan.</p>		
F.07	Full information of any material inter-company finance.		
F.08	Where a statement or report attributed to a person as an expert is included in the prospectus, a statement that it is included, in the form and context in which it is included, with the written consent of that person, who has authorised the contents of that part of prospectus, and has not withdrawn his consent.		
F.09	If any of the named experts employed on a contingent basis, owns an amount of shares in the issuer or its subsidiaries which is material to that person, or has a material, direct or indirect economic interest in the issuer or that depends on the success of the offering, provide a brief description of the nature and terms of such contingency or interest.		
<b>ID.G.00</b>	<b>Financial information</b>		

G.01	A statement that the annual accounts of the issuer for the last two financial years (three where available) have been audited. If audited reports on any of those accounts have been refused by the auditors or contain qualifications, such refusal or such qualifications must be reproduced in full and reasons given.		
G.02	A statement of what other information in the prospectus has been audited by the auditors.		
G.03	Financial information as required by paragraphs G.14 and G.15 set out in the form of a comparative table together with any subsequent interim financial statements if available.		
G.04	Financial information as required by paragraphs G.14 and G.15 set out in the form of an accountants' report.		
G.05	If applicable, an accountant's report, as set out in paragraphs G.14 and G.15 on the asset which is the subject of the transaction.		
G.06	(1) If the issuer prepares consolidated annual accounts only, it must include those accounts in the prospectus in accordance with paragraph G.03 or G.04.		
	(2) If the issuer prepares both own and consolidated annual accounts, it must include both sets of accounts in the prospectus in accordance with paragraph G.03 or G.04. However, the issuer may exclude its own accounts on condition that they do not provide any significant additional information to that contained in the consolidated accounts with the approval of the Authority and such accounts shall be available for inspection in accordance with paragraph C. 07.		
G.07	(1) Where the issuer includes its annual accounts in the prospectus, it must state the profit or loss per share arising out of the issuer's ordinary activities, after tax for each of the last two financial years.		



	(2) Where the issuer includes consolidated annual accounts in the prospectus, it must state the consolidated profit or loss per share for each of the last two financial years; this information must appear in addition to that provided in accordance with (1) above where the issuer also includes its own annual accounts in the prospectus.		
G.08	If, in the course of the last two financial years, the number of shares in the issuer has changed as a result, for example, of an increase in or reduction or reorganisation of capital, the profit or loss per share referred to in paragraph G.07 must be adjusted to make them comparable; in that event the basis of adjustment used must be disclosed.		
G.09	Particulars of -		
	(a) the dividend policy to be adopted;		
	The above particulars must be prepared and presented in accordance with IAS. If the issuer is a holding company, the information must be prepared in consolidated form.		
G.10	The amount of the total dividends, the dividend per share and the dividend cover for each of the last two financial years, adjusted, if necessary, to make it comparable in accordance with paragraph G.08.		
G.11	(1) Where not more than nine months have elapsed since the end of the financial year to which the last published annual accounts relate, an interim audited financial statement covering at least the first six months following the end of that financial year must be included in or appended to the prospectus. Where not more than six months have elapsed since the end of the financial year, unaudited financial statements covering the period preceding the six months shall be included in the prospectus of the issuer whose securities are currently listed at a securities exchange.		

	(2) Where the issuer prepares consolidated annual accounts, the interim financial statement must either be consolidated statements or include a statement that, in the opinion of the issuer's directors, the interim financial statements enable investors to make an informed assessment of the results and activities of the group for the period.		
G.12	A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial statements have been published, or an appropriate negative statement.		
G.13	If the issuer's own annual or consolidated annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits and losses of the group, more detailed and/or additional information must be given. In the case of issuers incorporated in a country where issuers are not obliged to draw up their accounts so as to give a true and fair view, but are required to draw them up to an equivalent standard, the latter may be sufficient.		
G.14	A table showing the changes in financial position of the group over each of the last two financial years (three where available) in the form of a cash flow statement.		
G.15	(1) Information in respect of the matters listed below relating to each undertaking in which the issuer holds (directly or indirectly) on a long term basis an interest in the capital that is likely to have a significant effect on the assessment of the issuer's own assets and liabilities, financial position or profits and losses -		

	(a) the name and address of the registered office; (b) the field of activity;		
	(c) the proportion of capital held;		
	(d) the issued capital; (e) the reserves; (f) the profit or loss arising out of ordinary activities, after tax, for the last financial year;		
	(g) the value at which the issuer shows in its accounts the interest held; (h) any amount still to be paid up on shares held; (i) the amount of dividends received in the course of the last financial year in respect of shares held; and		
	(j) the amount of the debts owed to and by the issuer with regard to the undertaking.		
	(2) The items of information listed in (1) above must be given in any event for every undertaking in which the issuer has a direct or indirect participating interest, if the book value of that participating interest represents at least 20% of the capital and reserves of the issuer or if that interest accounts for at least 20% of the net profit or loss of the issuer or, in the case of a group, if the book value of that participating interest represents at least 20% of the consolidated net assets or at least 20% of the consolidated net profit or loss of the group.  (3) The information required by (1) (e) and (f) above may be omitted where the undertaking in which a participating interest is held does not publish annual accounts.		

	<p>(4) The information required by (1)(d) to (j) above may be omitted if the annual accounts of the undertakings in which the participating interests are held are consolidated into the group annual accounts or, with the exception of (1)(i) and (j) above, if the value attributable to the interest under the equity method is disclosed in the annual accounts, provided that in the opinion of the Authority the omission of the information is not likely to mislead the public with regard to the facts and circumstances, knowledge of which is essential for the assessment of the securities in question.</p>		
G.16	<p>The name, registered office and proportion of capital held in respect of each undertaking not failing to be disclosed under paragraph G.15(1) or (2) in which the issuer holds at least 20% of the capital. These details may be omitted when they are of negligible importance for the purpose of enabling investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer or group and of the rights attaching to the securities for which application is made.</p>		
G.17	<p>When the prospectus includes consolidated annual accounts, disclosure:</p>		
	<p>(a) of the consolidation principles applied (which must be described explicitly where such principles are not consistent with IAS);</p>		
	<p>(b) of the names and registered offices of the undertakings included in the consolidation, where that information is important for the purpose of assessing the assets and liabilities, financial position and profits and losses of the issuer; it is sufficient to distinguish them by a symbol in the list of undertakings of which details are required in paragraph G.15; and</p>		

	<p>(c) for each of the undertakings referred to in (b) above;</p> <p>(i) the total proportion of third-party interests, if annual accounts are wholly consolidated; or</p> <p>(ii) the proportion of the consolidation calculated on the basis of interest, if consolidation has been effected on a pro rata basis.</p>		
G.18	Particulars of any arrangement under which future dividends are waived or agreed to be waived.		
G.19	<p>(1) Details on a consolidated basis as at the most recent practicable date (which must be stated and which in the absence of exceptional circumstances must not be more than fourteen days prior to the date of publication of the prospectus) of the following, if material:</p> <p>(a) the borrowing powers of the issuer and its subsidiaries exercisable by the directors and the manner in which such borrowing powers may be varied;</p> <p>(b) the circumstances, if applicable, if the borrowing powers have been exceeded during the past two years. Any exchange control or other restrictions on the borrowing powers of the issuer or any of its subsidiaries;</p> <p>(c) the total amount of any loan capital outstanding in all members of the group, and loan capital created but un issued, and term loans, distinguishing between loans guaranteed, un guaranteed, secured (whether the security is provided by the issuer or by third parties), and unsecured;</p>		
	(d) all off-balance sheet financing by the issuer and any of its subsidiaries;		
	(e) the total amount of all other borrowings and indebtedness in the nature of borrowing of the group, distinguishing between guaranteed, un guaranteed, secured and unsecured borrowings and debts, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments and obligations under finance leases;		

	(f) the total amount of any material commitments, lease payments and contingent liabilities or guarantees of the group; or		
	(g) how the borrowings required to be disclosed by paragraphs (c) to (f) above arose, stating whether they arose from the purchase of assets by the issuer or any of its subsidiaries.		
	(2) An appropriate negative statement must be given in each case where relevant, in the absence of any loan capital, borrowings, indebtedness and contingent liabilities described in (1) above; As a general rule, no account should be taken of liabilities or guarantees between undertakings within the same group, a statement to that effect being made if necessary.		
	(3) For each item identified in (1) above, where applicable -		
	(a) the names of the lenders if not debenture holders; (b) the amount, terms and conditions of repayment or renewal; (c) the rates of interest payable on each item; (d) details of the security, if any; (e) details of conversion rights; and (f) where the issuer or any of its subsidiaries has debts which are repayable within twelve months, state how the payments are to be financed.		
	(4) If the issuer prepares consolidated annual accounts, the principles laid down in paragraph G.06 apply to the information set out in this paragraph G.19.		
G.20	Details of material loans by the issuer or by any of its subsidiaries stating -		
	(a) the date of the loan;		
	(b) to whom made;		
	(c) the rate of interest;		

	<ul style="list-style-type: none"> <li>(d) if the interest is in arrears, the last date on which it was paid and the extent of the arrears;</li> <li>(e) the period of the loan;</li> <li>(f) the security held;</li> <li>(g) the value of such security and the method of valuation;</li> <li>(h) if the loan is unsecured, the reasons therefor; and</li> <li>(i) if the loan was made to another company, the names and addresses of the directors of such company.</li> </ul>		
G.21	Details as described in paragraph G.20 above of loans made or security furnished by the issuer or by any of its subsidiaries for the benefit of any director or manager or any associate of any director or manager.		
G.22	Disclose how the loans receivable arose, stating whether they arose from the sale of assets by the issuer or any of its subsidiaries.		
G.23	A statement that in the opinion of the directors, the issued capital of the issuer (including the amount to be raised in pursuance of this issue) is adequate for the purposes of the business of the issuer and of its subsidiaries for the foreseeable future, and if the directors are of the opinion that it is inadequate, the extent of the inadequacy and the manner in which and the sources from which the issuer and its subsidiaries are, to be financed.		

G.24	<p>The statement should be supported by a report from the issuer's auditor, reporting accountant, investment banker, sponsoring stockbroker or other adviser acceptable to the Authority.</p> <p>The foreseeable future should normally be construed as the nine months subsequent to the date of the publication of the prospectus.</p>		
G.25	<p>The following information regarding the acquisition, within the last two financial years, or proposed acquisition by the issuer or any of its subsidiaries, of any securities in or the business undertaking of any other company or business enterprise or any immovable property or other property in the nature of a fixed asset (collectively called "the property") or any option to acquire such property shall be disclosed –</p>		
	<p>(a) the date of any such acquisition or proposed acquisitions;</p>		
	<p>(b) the consideration, detailing that settled by the issue of securities, the payment of cash or by any other means, and detailing how any outstanding consideration is to be settled;</p> <p>(c) details of the valuation of the property;</p>		



	<p>(d) any goodwill paid and how such goodwill was or is to be accounted for;</p> <p>(e) any loans incurred, or to be incurred, to finance the acquisition, or proposed acquisition;</p>		
	<p>(f) the nature of title or interest acquired or to be acquired;</p>		
	<p>(g) details regarding the vendors as described in paragraph I.01;</p>		
G.26	<p>The following details regarding any property disposed of during the past two years (three where available), or to be disposed of, by the issuer, or any of its subsidiaries-</p>		
	<p>(a) the dates of any such disposal or proposed disposal;</p>		
	<p>(b) the consideration received, detailing that settled by the receipt of securities or cash or by any other means and detailing how any outstanding consideration is to be settled;</p>		
	<p>(c) details of the valuation of the property; and</p>		
	<p>(d) the names and addresses of the purchasers of assets sold. If any purchaser was a company, the names and addresses of the beneficial shareholders of the company. If any promoter or director had any interest, directly or indirectly, in such transaction or where any promoter or director was a member of a partnership, syndicate or other association of persons which had such an interest, the names of any such promoter or director, and the nature and extent of his interest.</p>		

G.27	Where the financial statements provided under paragraphs G.01 to G.05 are prepared in a currency other than Kenya shillings, disclosure of the exchange rate between the financial reporting currency and Kenya shillings should be provided, using the exchange rate designated by the Central Bank of Kenya for this purpose, if any -		
	(a) at the latest practicable date; (b) the high and low exchange rates for each month during the preceding twelve months; and (c) for the two most recent financial years and any subsequent interim period for which financial statements are presented, the average rates for each period, calculated by using the average of the exchange rates on the last day of each month during the period.		
<b>ID.H.00</b>	<b>The offer and listing</b>		
H.01	An indication whether or not all the shares have been marketed or are available in whole or in part to the public in conjunction with the application.		
H.02	A statement of the resolutions, authorisations and approvals by virtue of which the shares have been or will be created and/or issued.		
H.03	The nature and amount of the issue.		
H.04	The number of shares which have been or will be created and/or issued, if predetermined.		
H.05	(1) A summary of the rights attaching to the shares for which application is made, and in particular the extent of the voting rights, entitlement to share in the profits and, in the event of liquidation, in any surplus and any other special rights. Where there is or is to be more than one class of shares of the issuer in issue, like details must be given for each class.		

	(2) If the rights evidenced by the securities being offered or listed are or may be materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other documents, include information regarding such limitation or qualification and its effect on the rights evidenced by the securities to be listed or offered.		
H.06	The time limit (if any) after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates.		
H.07	A statement regarding tax on the income from the shares withheld at source -		
	(a) in the country of origin; and		
	(b) in Kenya.		
H.08	Arrangements for transfer of the shares and (where permitted) any restrictions on their free transferability (for example, provisions requiring transfers to be approved).		
H.09	The fixed date(s) (if any) on which entitlement to dividends arises.		
H.10	Other securities exchanges (if any) where admission to listing is being or will be sought.		
H.11	The names and addresses of the issuer's registrar and paying agent(s) for the shares in any other country where admission to listing has taken place.		
H.12	The following information must be given concerning the terms and conditions of the issue of securities whether through a public or private placing with respect to the listing at a securities exchange where such issue or placing is being effected at the same time as the listing or has been effected within the three months preceding admission:		

	(a) a statement of any right of pre-emption of shareholders exercisable in respect of the shares or of the disapplication of such right (and where applicable, a statement of the reasons for the disapplication of such right; in such cases, the directors' justification of the issue price where the issue is for cash; if the disapplication of the right of pre-emption is intended to benefit specific persons, the identity of those persons);		
	(b) the total amounts which have been or are being issued or placed and the number of shares offered, where applicable by category;		
	(c) if a public or private issue or placing has been or is being made simultaneously on the markets of two or more countries and if a tranche has been or is being reserved for any of these, details of any such tranche including -  (i) the issue price or offer or placing price, stating the nominal value or, in its absence, the accounting par value or the amount to be capitalised;  (ii) the issue premium and the amount of any expenses specifically charged to any subscriber or purchaser; and		
	(iii) the methods of payment of the price, particularly as regards the paying-up of shares which are not fully paid;		
	(d) The procedure for the exercise of any right of pre-emption, transferability of subscription rights and treatment of subscription rights not exercised;		
	(e) The period during which the issue or offer remained open or will remain open after		

	publication of the prospectus, and the names of the receiving agents;		
	(f) The names, addresses and descriptions of the persons underwriting or guaranteeing the issue and where the underwriter is a company, the description must include -		
	(i) the place and date of incorporation and registered number of the company; (ii) the names of the directors of the company; (iii) the name of the secretary of the company; (iv) the bankers to the company; and (v) the authorised and issued share capital of the company.		
	(g) where not all of the issue has been or is being under-written or guaranteed, a statement of the portion not covered;		
	(h) a statement or estimate of the overall amount and/or of the amount per share of the charges relating to the issue payable by the issuer, stating the total remuneration of the financial intermediaries, including the underwriting commission or margin, guarantee commission, placing or selling agent's commission; and		
	(i) the estimated net proceeds accruing to the issuer from the issue and the intended application of such proceeds. If the capital offered is more than the amount of the minimum subscription referred to in paragraph H.13 below, the reasons for the difference between the capital offered and the said minimum subscription.		
H.13	The minimum amount which, in the opinion of the directors, must be raised by the issue of the securities in order to provide the sums, or, if any part thereof is to be defrayed in any other manner, the balance of the sums required to be provided, in respect of each of the following matters:		
	(a) the purchase price of any property, as referred to in paragraph G.25, purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the		

	issue;		
	(b) any preliminary expenses payable by the issuer, and any commission payable to any person in consideration for his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for or of his underwriting any securities of the issuer.		
	(c) the repayment of any moneys borrowed in respect of any of the foregoing matters;		
	(d) working capital, stating the specific purposes for which it is to be used and the estimated amount required for each such purpose;		
	(e) any other material expenditure, stating the nature and purpose(s) thereof and the estimated amount in each case;		
	(f) the amount(s) to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the issue, and the sources from which those amounts are to be provided; and		
	(g) if the proceeds are being used directly or indirectly to acquire assets, other than in the ordinary course of business, briefly describe the assets and their cost. If the assets will be acquired from affiliates of the issuer or associates, disclose the person from whom they will be acquired and how the cost to the issuer will be determined.		

H.14	A description of the shares for which application is made and, in particular, the number of shares and nominal value per share in the absence of nominal value, the accounting par value or the total nominal value, the exact designation or class, and coupons attached.		
H.15	If shares are to be marketed and no such shares have previously been sold to the public, a statement of the number of shares made available to the market (if any) and of their nominal value, or, if they have no nominal value, of their accounting par value, or a statement of the total nominal value and, where applicable, a statement of the minimum offer price.		
H.16	The securities exchange at which the shares are to be listed and the dates on which the shares will be admitted to listing and on which dealings will commence.		
H.17	The names of the securities exchanges (if any) on which shares of the same class are already listed.		
H.18	If during the period covered by the last financial year and the current financial year, there has occurred any public takeover offer by a third party in respect of the issuer's shares, or any public takeover offer by the issuer in respect of another company's shares, a statement to that effect and a statement of the price or exchange terms attaching to any such offers and the outcome thereof.		

H.19	Where the shares for which application is being made are shares of a class which is already listed, information regarding the price history of the securities to be offered or listed shall be disclosed as indicated from (a) to (c) below. This information shall be given with respect to the market price at the securities exchange at which the securities are listed in Kenya and the principal trading market outside Kenya. If significant trading suspensions occurred in the prior two years, the issuer shall disclose -		
	(a) for the two most recent full financial years, the annual high and low market prices;		
	(b) for the one most recent full financial year, and any subsequent period, the high and low market prices for each full financial quarter; and		
	(c) for the most recent six months, the high and low market prices for each month.		
H.20	A statement whether the issuer assumes responsibility for the withholding of tax at source.		
H.21	To the extent known to the issuer, indicate whether major shareholders, directors or members of the issuer's management, supervisory or administrative bodies intend to subscribe in the offering, or whether any person intends to subscribe for more than 5% of the offering.		
H.22	Identify any group of targeted potential investors to whom the securities are offered. If the offering is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for any of these, indicate any such tranche.		
H.23	If securities are reserved for allocation to any group of targeted investors, including, for example, offerings to existing shareholders, directors, or employees and past employees of the issuer or its subsidiaries, provide details of these and any other preferential allocation arrangements		



H.24	Indicate whether the amount of the offering could be increased by the issuer or vendor by the exercise of a 'greenshoe' option subject to a maximum of 15% of the securities offered in the prospectus in case of over subscription of the securities.		
H.25	Indicate the amount, and outline briefly the plan of distribution of any securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of stockbrokers or dealers, describe the plan of distribution and the terms of any agreement or understanding with such entities and identify the stockbroker(s) or dealer(s) that will participate in the offering stating the amount to be offered through each.		
H.26	If the securities are to be offered in connection with the writing of exchange-traded call options where applicable in the case of an issuer whose securities are listed at a securities exchange outside Kenya, describe briefly such transactions.		
H.27	Where there is a substantial disparity between the public offering price and the effective cash cost to directors or senior management, or affiliated persons, of securities acquired by them in transactions during the past five years, or which they have the right to acquire, include a comparison of the public contribution in the proposed public offering and the effective cash contributions of such persons.		
H.28	Disclose the amount and percentage of immediate dilution resulting from the offering, computed as the difference between the offering price per share and the net book value per share for the equivalent class of security, as of the latest balance sheet date.		
H.29	In the case of a subscription offering to existing shareholders, disclose the amount and percentage of immediate dilution if they do not subscribe to the new offering.		

H.30	The following information on expenses shall be provided:		
	(a) the total amount of the discounts or commissions agreed upon by the underwriters or other placement or selling agents and the issuer shall be disclosed, as well as the percentage such commissions represent of the total amount of the offering and the amount of discounts or commissions per share;		
	<p>(b) an itemised statement of the major categories of expenses incurred in connection with the issuance and distribution of the securities to be listed or offered and by whom the expenses are payable, if other than the issuer.</p> <p>The following expenses shall be disclosed separately:</p> <ul style="list-style-type: none"> <li>(i) advertisement;</li> <li>(ii) printing of prospectus;</li> <li>(iii) approval and listing fees;</li> <li>(iv) brokerage commissions;</li> <li>(v) financial advisory fees;</li> <li>(vi) legal fees; and</li> <li>(vii) Underwriting fees.</li> </ul> <p>If any of the securities are to be offered for the account of a selling shareholder, indicate the portion of such expenses to be borne by such shareholder. The information may be given subject to future contingencies. If the amounts of any items are not known, estimates (identified as such) shall be given; and</p>		
	(c) a statement or estimate of the overall amount, percentage and amount per share of the charges relating to the issue payable by the issuer, stating the total remuneration of the intermediaries, including the underwriting commission or margin, guarantee commission, placing or selling agent's commission.		

H.31	Disclose the minimum amount which in the opinion of the directors must be raised through the issue of securities in form of total subscriptions in shares and value.		
<b>ID.1.00</b>	<b>Vendors</b>		
I.01	The names and addresses of the vendors of any assets purchased or acquired by the issuer or any subsidiary company during the two years preceding the publication of the prospectus or proposed to be purchased, or acquired, on capital account and the amount paid or payable in cash or securities to the vendor, and where there is more than one separate vendor, the amount so paid or payable to each vendor, and the amount (if any) payable for goodwill or items of a similar nature. The cost of assets to the vendors and dates of purchase by them if within the preceding two years. Where the vendor is a company, the names and addresses of the beneficial shareholders, direct and indirect, of the company if required by the Authority. Where this information is unobtainable, the reasons therefor are to be stated.		
I.02	State whether or not the vendors have given any indemnities, guarantees or warranties.		
I.03	State whether the vendors agreements preclude the vendors from carrying on business in competition with the issuer or any of its subsidiaries, or impose any other restriction on the vendor, and disclose of any cash or other payment regarding restraint of trade and the nature of such restraint of trade.		
I.04	State how any liability for accrued taxation, or any apportionment thereof to the date of acquisition, will be settled in terms of the vendors' agreements.		

I.05	Where securities are purchased in a subsidiary company, reconciliation between the amounts paid for the securities and the value of the net assets of that company. Where securities are purchased in companies other than subsidiary companies, a statement as to how the value of the securities was arrived at.		
I.06	Where any promoter or director had any beneficial interest, direct or indirect, in such transaction or where any promoter or director was a member of a partnership, syndicate or other association of persons which had such an interest, the names of any such promoter or director, and the nature and extent of his interest. Where the vendors or any of them are a partnership, the members of the partnership shall not be treated as separate vendors.		
I.07	The amount of any cash or securities paid or benefit given within two preceding years or proposed to be paid or given to any promoter not being a director, and the consideration for such payment or benefit.		
I.08	State whether the assets acquired have been transferred into the name of the issuer or any of its subsidiary companies and whether or not the assets have been ceded or pledged.		

#### 4. LEGAL OPINION CHECKLIST

##### *Regulation 6 (3) (b) of the Capital Markets (Securities) (Public offers, Listings and Disclosures) Regulations*

Requirement under Regulation 6(3)(b)	PARTICULARS
(i)	Whether all licenses and consents required to perform the business or proposed business of the issuer have been duly obtained
(ii)	The validity of evidence of ownership of land, plant and equipment and other important and relevant assets of the issuer
(iii)	Any agreements or contracts with respect to the proposed issue of securities
(iv)	Any material litigation, prosecution or other civil or criminal legal action in which the issuer or any of its director is involved
(v)	Whether the existing capital of the issuer and any proposed changes thereto is in conformity with applicable laws and has received all necessary authorizations
(vi)	Any other material items with regard to the legal status of the issuer and the proposed issue

*Where by reasons of exceptional circumstances acceptable to the Authority and disclosed in the Prospectus the issuer is not able to obtain a legal opinion, the directors of the issuer will be required individually and severally to declare and give an undertaking on the matters stated in Regulation 6(3)(b)(i) to (vi) and such declaration and undertaking shall be included in the prospectus*

**5. Corporate Governance requirements as per the Capital Markets Guidelines on Corporate Governance Practices by Public Listed Companies in Kenya, 2002**

REQUIREMENTS	MET Y/N	COMMENT
Identify reasons for non-compliance, where the company is not fully compliant, and indicate steps on how to comply.		
Have an effective board to offer strategic guidance, lead the company and be accountable to shareholders.		
Board to establish relevant committees to perform specific mandates.		
Board to specifically establish an audit and nominating committee.		
Board composes of a balance of executive and non-executive directors (including at least one third independent and non-executive directors of diverse skills or expertise (should be disclosed in the annual report).		
Every person, save for a corporate director, who is a director of a listed company shall not hold such position in more than five public listed companies at any one time		
Clear separation of roles and responsibilities of the chairman and chief executive.		
Every person who is a Chairperson of a public listed company shall not hold such position in more than two public listed companies at any one time		
The Board should appoint a nominating committee consisting mainly of independent and non-executive directors who will consider candidates for directorship proposed by the chief executive and shareholders.		
Establishment of an audit committee of at least three independent and non-executive directors by the board who shall report to it.		
The Company Secretary should be a member of Institute of Certified Public Secretaries of Kenya		
Auditor of the company should be a member of Institute of Certified Public Accountants of Kenya		