

RULES OF NIGERIAN EXCHANGE LIMITED
(ISSUERS' RULES)

AMENDMENTS TO CHAPTER 17 (INFORMATION DISCLOSURE)
RULES ON CLOSED PERIOD¹

Legend: additions underlined, deletions struck through

CHAPTER 17- INFORMATION DISCLOSURE

Rule 17.16: Trading Restrictions for Restricted Persons

- (a) The period prior to declaration of price sensitive information is particularly sensitive for transactions in Issuers' products securities. This sensitivity is due to the fact that the ~~insiders Directors, persons discharging managerial responsibility and Advisers~~ of the Issuer and their connected persons will, during that period, often possess unpublished price sensitive information.

During such sensitive period, no ~~Director, person discharging managerial responsibility or Adviser of the Issuer~~ insider and their connected persons shall trade in the Issuer's products securities.

- (b) All ~~insiders Directors, persons discharging managerial responsibility and Advisers~~ of the Issuer shall conduct all their dealings in the products securities of the Issuer only during the ~~free~~ open period and shall not deal in any transaction involving the purchase or sale of the Issuer's products securities during closed periods or during any other period as may be specified by The Exchange from time to time.

Rule 17.17: Closed Period

- (a) No ~~insider Director, person discharging managerial responsibility and Adviser~~ of the Issuer and their connected persons shall deal in the products securities of the Issuer when the trading window is closed. Any period during which trading is restricted shall be termed as a closed period.

¹ **Rule Making History**

1. The draft Rule amendments were presented to the Regulation Committee (RegCom), and were approved at the RegCom Meeting of 12 March 2020, for exposure to stakeholders for comments;
2. The draft Rules were exposed for stakeholders' comments from 19 March to 17 April 2020;
3. At its meeting of 2 July 2020, the RegCom considered the revised draft Rule amendments (further to stakeholders' comments), and approved for submission to Council for approval;
4. The Council approved the draft Rule amendments at its meeting of 10 August 2020 for submission to the Securities and Exchange Commission (SEC);
5. The Council approved draft Rules were submitted to the SEC for approval on 11 November 2020;
6. The SEC approved the Rule amendments on 9 April 2021.



- (b) The closed period shall be at commence prior to the release of any price sensitive information, and the period shall cover the time of:
- (1) Declaration of Financial results (quarterly, half-yearly and ~~annual-full year~~);
 - (2) Declaration of dividends (interim and final);
 - (3) Issue of products securities by way of public offer or rights or bonus, etc.;
 - (4) Any major expansion plans or winning of bid or execution of new projects e.g. Amalgamation, mergers, takeovers and buy-back;
 - (5) Disposal of the whole or a substantial part of the undertaking;
 - (6) Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of the products securities of the Company;
 - (7) Disruption of operations due to natural calamities;
 - (8) Litigation/dispute with a material impact.
 - (9) ~~Any price sensitive information, which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.~~

Rule 17.18: Period of Closure

- (a) The period of closure shall be effective from: ~~fifteen (15) days prior to~~
- (i) the end of the financial period in review (quarterly, half-yearly, and full year);
or
 - (ii) fifteen (15) calendar days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the matters referred to in Rule 17.17 above, or the date of circulation of the agenda and Board papers pertaining to any of the matters referred to above, whichever is earlier, except for the declaration of financial results and dividends which shall be treated under Rule 17.18(a) (i);
- and up to twenty-four (24) hours after the price sensitive information is submitted to The Exchange via its Issuers' Portal. The trading window shall thereafter be opened.
- (b) Every Issuer shall notify The Exchange in advance of the commencement of each closed period.
- (c) No Issuer shall suspend a closed period after it is announced.
- (d) With the prior approval of The Exchange, trading may be permitted during a closed period only:
- (i) To execute transactions pursuant to statutory or regulatory obligations or court orders;
 - (ii) To exercise stock options under a pre-existing employee stock option scheme; and
 - (iii) To execute large volume trades or block divestments between Insiders only.



(e) The Exchange may refuse to grant approval for trading during a closed period, where it considers that such a trade if allowed will interfere with the fair and orderly functioning of its market.