NGX Exchange
RC. 1603214

RULEBOOK OF NIGERIAN EXCHANGE LIMITED

AMENDMENTS TO <u>TRADING LICENSE HOLDERS'</u> ~~DEALING MEMBERS'~~ RULES (PART XI)

RULE 15.29: PRICING METHODOLOGY[1]

Legend: *Additions* ***<u>underlined</u>****, deletions ~~struck-through~~*

Definition:

<u>Small Trade:</u> **<u>means a trade volume below a specified threshold that does not alter the published price or key market statistics of a security as outlined in these rules.</u>**

Tick size: means the minimum price movement by which the price of a trading instrument can change.

(a) **The Opening Price** of any security traded on The Exchange on any given Trading day shall be the price determined by the Automated Trading System **<u>(ATS)</u>** in the opening auction of that Trading day as follows:

(1) Each symbol has only one (1) opening price per move from pre-open to open market state.

(2) The opening price calculation is based on the orders in the regular term book only.

(3) Each time orders are entered in the pre-open period the opening price is recalculated. A final opening price is calculated at the end of the pre-open state.

(4) Orders that match and are able to trade are queued in the market and traded at the opening price (some of them might be traded partially).

(5) The following criteria are used to calculate the opening price in consecutive order:

(A) Maximize ~~share~~ **<u>securities</u>** trade volume.

[1] **<u>Rule Making History</u>**

1. The proposed Amendments were presented to the Regulation and New Business Committee (RNBC) of the Board of NGX Regulation Limited at the RNBC meeting of 14 February 2025, and approved for exposure to stakeholders for comments;
2. The proposed Amendments were exposed for stakeholders' comments from 20 February 2025 to 13 March 2025;
3. The RNBC considered the proposed Amendments and stakeholders' comments thereon at its meeting of 20 October 2025 and approved the proposed Amendments for submission to the Board of NGX RegCo;
4. The Board of NGX RegCo approved the proposed Amendments at its meeting of 16 December 2025 for submission to the Securities and Exchange Commission (SEC);
5. The Board-approved Rule Amendments were submitted to the SEC for approval on 16 January 2026; and
6. The SEC approved the Rule Amendments on 16 June 2026.

(B) Minimize imbalance in ~~share~~ **securities** volume.

(C) Better price for the market side in high demand (i.e., the side of the market with no remaining volume).

(D) Minimize net change from the previous day's closing price.

(E) Maximize ~~share~~ **securities** price.

(6) The price level that allows the maximum amount of ~~shares~~ **a security** to trade is the opening price. At each price level (i.e., prices of queued orders) the total ~~share~~ **security** volume available in the market is calculated. The total ~~share~~ **security** volume available is determined separately for both the buy and sell side of the market.

(b) **The Closing Price** of any security traded on The Exchange on any given Trading day shall be calculated as follows:

(1) The close price is the last trade price in the symbol's primary listing market.

(2) Symbols that do not trade on a particular day use their last traded price from their primary **listing** market as their closing price.

(c) **Price Movements, Price Limits and Tick Sizes**

(1) For purposes of calculating price movements and price limits, equity ~~s~~**S**ecurities traded on The Exchange shall be classified as follows:

(A) **Group A**: shall consist of equities that are priced at One **Thousand** ~~Hundred~~ Naira (₦1**,**00**0**.00) per share or above for at least four (4) of the last six (6) **consecutive** months, or new **equity** ~~security~~ listings that are priced at One **Thousand** ~~Hundred~~ Naira (₦1**,**00**0**.00) or above at the time of listing on The Exchange.

(B) **Group B**: shall consist of equities that are priced at Five **Hundred** Naira (₦5**00**.00) per share or above but less than One **Thousand** ~~Hundred~~ Naira (₦1**,**00**0**.00) per share for at least four (4) of the last six (6) **consecutive** months, or new **equity** ~~security~~ listings that are priced at Five **Hundred** Naira (₦5**00**.00) per share or above but less than One **Thousand** ~~Hundred~~ Naira (₦1**,**00**0**.00) per share at the time of listing on The Exchange.

(C) **Group C**: shall consist of equities that are priced at One Kobo (₦0.01) per share or above but below Five **Hundred** Naira (₦5**00**.00) per share for at least four (4) of the last six (6) **consecutive** months, or new **equity** ~~security~~ listings that are priced at One Kobo (₦0.01) per share or above but below Five **Hundred** Naira (₦5**00**.00) per share at the time of listing on The Exchange.

(2) **Price Movements**: the minimum quantity of equities traded that will change the published price of an equity security shall be as follows:

(A) Group A: Ten Thousand (10,000) units.

(B) Group B: Fifty Thousand (50,000) units.

(C) Group C: One Hundred Thousand (100,000) units.

(3) **Price Limits**: the price movement band on any given Trading day shall be determined as follows:

(A) Group A: +/- 10% based on the previous day's closing price.

(B) Group B: +/- 10% based on the previous day's closing price.

(C) Group C: +/- 10% based on the previous day's closing price.

(4) **Tick Size**: the minimum price movement that equities shall trade are as follows:

(A) Group A: Ten (10) Kobo.

(B) Group B: Five (5) Kobo.

(C) Group C: One (1) Kobo.

(d) **Small Trades**:

(1) Trades of fewer than Ten Thousand (10,000) shares in Group A, Fifty Thousand (50,000) shares in Group B, and One Hundred thousand (100,000) shares in Group C, shall be regarded by the ATS as small trades. Small trades in an equity security shall not result in a change in the publicly reported price of such security.

(2) Small trades in an equity security shall not affect the following statistics calculated by The Exchange for that security:

(A) Last trade price.

(B) Daily high and low prices.

(C) Fifty two (52) week high and low prices.

(D) Open price. If after the opening there are only small trades, the open price shall be set to NULL and reported as blank.

(E) Close price.

(F) Indices of which the security's symbol is a ~~member~~ **<u>Trading License Holder</u>**.