RULEBOOK OF NIGERIAN EXCHANGE

PROPOSED ADDITIONS TO ISSUERS' RULES

RULES ON INDIRECT DIVESTMENT

1.0 Definitions

For the purpose of these Rules, the following definitions shall apply:

(a) **Change in Governance Structure**: means a material change in the Board and/or Management of a company. A material change shall be deemed to have occurred where the transaction will lead to a change in the Chief Executive Officer/Managing Director or majority of the Board Members, or where in the opinion of The Exchange the change is material.

(b) **Control**: has the same meaning as ascribed to it in Section 357 of the Investments and Securities Act, 2025, as amended from time to time.

2.0 Requirements

(a) Any transaction where an indirect change in the beneficial ownership of an Issuer will lead to a change in the control or governance structure of the Issuer shall be deemed to be an indirect divestment.

(b) Every Issuer shall notify The Exchange of any indirect divestment and obtain a No Objection immediately after the signing of a binding agreement between the parties but before the completion of such transaction.

(c) The Issuer shall furnish The Exchange with the following information:

(1) The reasons why the core investor is divesting;

(2) The identity of the proposed new investor(s) and where it is a corporate body, the identity of the promoters, directors, management and the ultimate beneficial owners of the buying company;

(3) Details of the qualifications, professional experience and competence of the directors and proposed management relevant to the industry;

(4) Buyer's confirmation regarding the:

(A) Investment objectives in the company; and

(B) Plan for management continuity and/or profile of the post-acquisition management;

(5) Payment of the applicable processing fee of zero point two percent (0.2%) of the value of the transaction; and

(6) Any other information that may be required by The Exchange.

3.0 Sanctions

Where any Issuer violates the above provision, the Issuer shall pay a fine of not less than zero point two percent (0.2%) of the value of the transaction or any other amount as may be determined by The Exchange.