



RULES OF NIGERIAN EXCHANGE LIMITED
PROPOSED AMENDMENTS TO ISSUERS' RULES
AMENDMENTS TO RULES GOVERNING FREE FLOAT REQUIREMENTS
FOR ISSUERS LISTED ON NIGERIAN EXCHANGE LIMITED

Legend: *New Additions underlined in green text and bolded;*

Reinstated text: green text but no underline;

New Deletions struck through in green text;

Previously proposed additions that are now being deleted: ~~struck through, underlined in green text and bolded~~.

Definitions

Board: means the **listing platform** Board on which the Issuer's securities are admitted for trading on The Exchange.

Free Float: means the **number** of shares that an Issuer has outstanding and available to be traded on The Exchange **by the public**. It ~~includes all shares held by the investing public, and~~ excludes shares held directly or indirectly by promoters, directors and their close relatives; strategic investors holding five percent (5%) and above of the issued share capital; **and** ~~or~~ government.

Issuer: **means an entity that has any class of its securities admitted to listing by Nigerian Exchange Limited.**

Market Capitalization: **means a key financial metric that reflects the total value of a publicly traded company, providing insights into its size, stability, and investment potential.**

The Exchange: **means Nigerian Exchange Limited.**

Public: means persons other than the directors and employees of **an Issuer** company and any other persons excluded in these and any other Rules of The Exchange.

Shareholding Structure: **means an Issuer's issued share capital, showing the distribution of shares held directly and / or indirectly by various shareholders.**



Strategic Investor: means an individual or entity that invests in a company not merely for financial returns but with the intention of creating a strategic partnership that can enhance the investor's business operations or competitive position. Strategic investors are often large corporations or business units that invest in a company that align with their strategic goals.

1.0 Free Float Requirements for New and Existing Listings

1.1 To qualify for listing on any of the Boards of The Exchange and maintain same, an Issuer shall ensure that, as at the date The Exchange receives the Issuer's application to list and at all times thereafter, it complies with the following minimum ~~f~~ Free ~~f~~ Float requirements for the Board on which listing is being sought,;

1.1.1 ~~For a~~ Any Issuer seeking to list or already listed on the Premium Board, shall have a minimum ~~its f~~ Free ~~f~~ Float of shall be:

- (a) ~~Ten~~ Ten ~~Twenty~~ percent (~~21~~ 20%) of the Issuer's issued share capital which must be made available to the public and held by not less than three hundred (300) shareholders; or
- (b) ~~valued at Forty Billion Naira (N40 Billion) or more, or any value~~ as may be prescribed by The Exchange and approved by the SEC from time to time, ~~on the date The Exchange receives the Issuer's application to list.~~

1.1.2 ~~For a~~ Any Issuer seeking to list or already listed on the Main Board, shall have a minimum ~~its f~~ Free ~~f~~ Float of shall be:

- (a) ~~Ten~~ Ten ~~Twenty~~ percent (~~21~~ 20%) of the Issuer's issued share capital which must be made available to the public and held by not less than three hundred (300) shareholders; or
- (b) ~~valued at Twenty Billion Naira (N20 Billion) or more, or any value~~ as may be prescribed by The Exchange and approved by SEC from time to time, ~~on the date The Exchange receives the Issuer's application to list.~~

~~1.1.3 For any Issuer seeking to list on the Alternative Securities Market (ASeM) Board, its free float shall be:~~

- ~~(a) fifteen percent (15%) of the Issuer's issued share capital made available to the public and held by not less than fifty-one (51) shareholders; or~~
- ~~(b) valued at Fifty Million Naira (N50 Million) or more, or such value as The Exchange determines is appropriate in the circumstances, on the date The Exchange receives the Issuer's application to list.~~



~~1.1.34~~ For a Any Issuer seeking to list **or already listed** on the Growth Board, **shall have a minimum** ~~its f~~ **Free f** **Float of** ~~shall be:~~

- ~~(a) Entry Segment: **fifteen** ten percent (150%) of the Issuer's issued share capital **which must be** made available to the public and held by not less than twenty-five (25) shareholders **for the Entry Segment and fifty-one (51) shareholders for the Standard Segment; or**~~
- ~~(b) **as may be prescribed by The Exchange and approved by SEC from time to time.** For Standard Segment: fifteen percent (15%) of the Issuer's issued share capital made available to the public and held by not less than fifty-one (51) shareholders; or~~
- ~~(c) valued at Fifty Million Naira (N50 Million) or more, or such value as The Exchange determines is appropriate in the circumstances, on the date The Exchange receives the Issuer's application to list.~~

1.1.4 For Cross Border Listing, the Free Float requirements provided in paragraph 1.1.1. to 1.1.3 shall be applicable depending on the Board the Issuer is seeking to list or already listed on.

1.1.5 For highly capitalized Issuers listed on the Main Board or Premium Board with a market capitalization of One (1) trillion Naira and above, the Issuer shall be required to meet a minimum free float requirement of ten percent (10%) of the issued share capital.

~~1.2. The Exchange may grant extension of time to an Issuer to comply with the minimum freefloat requirements if:~~

~~1.2.1. it believes that the market can operate fairly and in an orderly manner with the Issuer's existing level of free float, or~~

~~1.2.2. it receives an undertaking from:~~

- ~~(a) a majority holder of shares in the Issuer holding a number of securities equivalent to at least five percent (5%) of the issued shares, or~~
- ~~(b) a combination of holders of shares in the Issuer, holding a total number of securities amounting to at least five percent (5%) of the issued share capital, to make available to the investing public a specific number of securities, required to restore the Issuer to the required free float level within such period as The Exchange may approve. The Issuer shall produce and submit to The Exchange for consideration and approval, an acceptable compliance plan in that regard.~~



2.0 Self-Assessment and Self-Regulation

2.1 Each Issuer shall independently, review its ~~Free Float~~ **Free Float annually**, every half-year, **and any other** ~~or other reasonable~~ time **as maybe required by the Exchange**, and when there is a breach of its ~~Free Float~~ requirement, the Issuer shall:

2.1.1 Disclose to The Exchange that it is not fully compliant with the ~~Free Float~~ requirement;

2.1.2 Initiate the steps set forth in these Rules in order to comply with the free float requirement; and

2.1.3 Demonstrate its co-operation and commitment in that regard.

2.2 Each Issuer shall incorporate in its half-year financial statements filed with The Exchange, its ~~Shareholding~~ **Structure** pattern, and also indicate whether or not its ~~Free Float~~ is in compliance with The Exchange's ~~Free Float~~ requirements for the Board on which it is listed.

3.0 Dealing with Free Float Deficiencies

3.1 Where any Issuer is not compliant with the Free Float requirements, the Issuer shall immediately and in any event not later than two (2) business days of becoming aware of the non-compliance, notify The Exchange of its non-compliant status.

3.1.1 Upon confirmation of the deficient status of the Issuer, The Exchange may depending on the compliance level of the Issuer, grant the Issuer an extension of a minimum of two (2) years (or any other timeline as may be decided upon by The Exchange) to resolve the free float deficiency.

3.1.2 Should the Issuer fail to rectify the Free Float deficiency within the extension of time granted, The Exchange may commence the process of delisting the Issuer's securities except the Issuer requests additional extension of time, provided that the cumulative total extension of time granted shall not be more than a period of five (5) years.

3.1.3 Where an Issuer fails to notify The Exchange of its non-compliance or observed deficiency, The Exchange may reprimand the issuer and such reprimand, either in private or in public shall be at the discretion of The Exchange.

3.2.4 Where any Issuer is not compliant with the ~~Free Float~~ requirement, and The Exchange notifies such Issuer of that fact, the following shall be applicable:

3.2.1 The Exchange shall notify the Issuer of the Free Float deficiency and request for its updated shareholding structure to determine its level of non-compliance.

3.2.2 Once confirmation of the deficient status of the Issuer is completed, The Exchange depending on the compliance level of the Issuer, may grant the Issuer an extension



of two (2) years (or any other timeline as maybe decided by The Exchange) to resolve the free float deficiency upon receiving a request from the Issuer.

3.2.3 Should the Issuer fail to rectify the Free Float deficiency within the approved extension of time granted. The Exchange may commence the process of delisting the Issuer's securities except the Issuer requests for additional extension of time, provided that the cumulative total extension of time granted shall not be more than a period of five (5) years.

3.3 Within ten (10) business days of receiving The Exchange's approval in 3.1.1 and 3.2.2 above, the Issuer shall notify its shareholders in writing via a notice submitted through The Exchange's Issuers' Portal that if it does not achieve the required Free Float within the stipulated timeframe, The Exchange may suspend trading in its securities.

3.4 Where an Issuer fails to resolve the free float deficiency within the stipulated extension period granted to the Issuer, and where no additional extension has been granted, The Exchange shall suspend trading in the Issuer's securities.

~~3.1.1~~ The Issuer shall within ten (10) business days of receiving The Exchange's notification, initiated discussions with The Exchange on the Issuer's plan for restoring itself to a state of full compliance with the free float requirement.

~~3.1.2~~ Within three (3) months of receiving The Exchange's notification, the Issuer shall produce and submit to The Exchange for consideration and approval, an acceptable compliance plan setting out a program for restoring itself to full compliance with The Exchange's free float requirements listing standards.

~~3.1.3~~ Where the compliance plan submitted by the Issuer is not approved by The Exchange, the Issuer shall submit an alternative acceptable compliance plan within twenty one (21) business days of The Exchange's notification of rejection of the initial plan.

~~3.1.4~~ Upon receiving The Exchange's approval on the compliance plan, the Issuer shall immediately commence implementation of the plan towards achieving full compliance within such period as The Exchange may approve.

~~3.1.5~~ Within ten (10) business days of receiving The Exchange's approval in 3.1.4 above decision, the Issuer shall notify its shareholders in writing via a notice submitted through The Exchange's Issuers' Portal that if it does not achieve the required free float within the stipulated timeframe, The Exchange may suspend trading in its securities.

~~3.1.6~~ Where the Issuer fails to achieve the required minimum free float requirement by the expiration of the timeframe granted by The Exchange, the Issuer's shares shall be suspended and subsequently delisted except it obtains an extension of time to cure the free float deficiency.



~~3.2 The Exchange may grant extension of time to an Issuer to comply with the minimum freefloat requirements if:~~

~~3.2.1 it believes that the market can operate fairly and orderly with the existing level of free floats, or~~

~~3.2.2 it receives an undertaking from:~~

~~(a) a majority holder of shares in the Issuer holding a number of securities equivalent to at least five percent (5%) of the issued shares, or~~

~~(b) a combination of holders of shares in the Issuer, holding a total number of securities amounting to at least five percent (5%) of the issued share capital, to make available to the investing public a specific number of securities, required to restore the Issuer to the required free float level within the next one (1) financial year or a longer period as The Exchange may approve. The Issuer shall produce and submit to The Exchange for consideration and approval, an acceptable compliance plan in that regard.~~

~~3.2.3 it has a minimum free float value of:~~

~~(a) N40 billion and is listed on the Premium Board, or~~

~~(b) N20 billion and is listed on the Main Board, or~~

~~(c) N50 million, and is listed on ASeM or the Growth Board, or~~

~~(d) an amount as may be determined by The Exchange for any of its other Boards from time to time.~~

4.0 Consequences of Un-remedied Free Float Deficiencies

4.1 If **at any time**, an Issuer's shares falls below **fails to achieve the required** f Free f Float requirements for the Board on which its securities are listed, the Issuer's name shall be published in The Exchange's periodic "X-Compliance Report" and the Issuer's securities' symbol published on any of The Exchange's systems or media shall be annotated with the compliance status indicator, "Below Listing Standard" (BLS)" or any other **appropriate** compliance status indicator to indicate that it has failed to comply with the f Free f Float requirements, and such annotation shall remain for as long as the Issuer fails to rectify its f Free f Float deficiency. **In addition the enforcement actions as provided for in 3.0 above will become applicable.**

4.2 Where the Issuer fails to achieve the required minimum f Free f Float requirement by the expiration of the timeframe granted by The Exchange which should not be more than three (3) extensions, The Exchange may commence the process of delisting the securities of the Issuer where the deficiency subsists; except it obtains a further extension of time to cure the f Free f Float deficiency within a specified period, provided that the cumulative total extension of time granted shall not exceed five (5) years or any other period of time as maybe determined by The Exchange.

4.3 The Exchange may commence the process of delisting an Issuer's shares if the Issuer fails



to comply with The Exchange's directives, take the required steps, or it is unable to return to a state of compliance with NGX's Free Float requirements within a stipulated period of time not exceeding five (5) years in total or any other period of time as may be determined by The Exchange.

4.2 The Exchange will commence the process **of delisting** an Issuer's shares if:

4.2.1 Within three (3) months of suspension of its securities from trading, the Issuer fails to request for additional extension of time or take necessary action to initiate a conversation with The Exchange on steps to be taken to resolve its free float deficiency; or

~~4.2.1 The Issuer fails to respond to The Exchange within ten (10) business days of receiving the notification referenced in Rule 3.1 of these Free Float Rules; or~~

~~4.2.2 The Issuer fails to produce and submit an acceptable compliance plan to The Exchange within three (3) months of **receiving** The Exchange's **notification or** publication of its name on The Exchange's periodic "X-Compliance Report" as operating "Below Listing Standard"; or~~

~~4.2.3 The compliance plan submitted by the Issuer is not acceptable to The Exchange, and the Issuer fails to produce and submit an acceptable alternative plan within twenty-one (21) business days of The Exchange's rejection of the initial plan;~~

~~4.2.4 The Issuer is unable to return to a state of full compliance with The Exchange's Listing Standards **Free Float requirements** within such period of extension or any additional extension of time granted by as is reflected in the Issuer's compliance plan approved by The Exchange.~~

5.0 Applicability of the Rules

These Rules shall supersede all other rules on ~~f~~**Free f**loat requirements for Issuers listed on The Exchange.