

RULEBOOK OF NIGERIAN EXCHANGE LIMITED
(ISSUERS' RULES)

PROPOSED AMENDMENTS TO RULES ON SUSPENSION OF
TRADING IN LISTED SECURITIES¹

Legend: Additions are underlined and **bolded**; Deletions are ~~struck-through~~

1.0 Introduction

These Rules are designed to inform Issuers and their advisors on the procedure to be followed for the suspension of trading in securities and to remove any ambiguity about the qualification of a security for suspension.

2.0 Definition

For the purposes of these Rules, unless the context otherwise requires:

Acquisition	is the purchase of one business enterprise by another.
Capital Restructuring	is a business operational strategy employed to make changes to the capital structure of a company with the aim of enabling the company to operate more efficiently and move towards its stated goals.
Suspension of Trading	is the halt of trading activities in a listed security for a period.
Merger	has the same meaning assigned to it in the Investments and Securities Act, 2007, or in any amendments as may be made to the law from time to time.
Period of Reconstruction	Is the period within which the Registrar of the Issuer adjusts the units of holdings of its securities holders in line with the newly approved capital structure.

¹ Rule Making History

1. The draft Rules were presented to the Rules and Adjudication Committee of Council (RAC) at the RAC Meeting of 29 November 2016 and approved for exposure to stakeholders for comments;
2. The draft Rules were exposed for stakeholders' comments from 14 December 2016 to 16 January 2017;
3. The RAC considered the draft Rules, and stakeholders' comments thereon at its Meeting of 20 March 2017 and approved the draft Rules for submission to the National Council of The Exchange (Council);
4. The Council approved the draft Rules at its Meeting of 25 May 2017 for submission to the Securities and Exchange Commission (SEC);
5. The Council approved Rules were submitted to the SEC for approval on 16 June 2017; and
6. The SEC approved the Rules on 26 April 2018.

Qualification Date	is a date specified by an Issuer on which shareholders whose names appear in its Register of the Members shall be entitled to benefit from a corporate action of the Issuer.
Take-over	has the same meaning assigned to it in the Investments and Securities Act, 2007, or in any amendments as may be made to the law from time to time.
Take-over bid	means a bid made for the purpose of a take-over as provided in the Investments and Securities Act, 2007.
Technical Suspension	is the interruption of price movement in a listed security for a period so that any dealings in the securities which occur during the period of the suspension will not result in any change in price, which change may have occurred had the suspension not been implemented.
Tender Offer	is a broad solicitation by a company or a third party to purchase a substantial percentage of an Issuer's registered equity shares or units. The offer is at a fixed price, usually at a premium over the current market price, and is customarily contingent on shareholders tendering a fixed number of their shares or units for sale.
Voluntary Delisting	is the withdrawal of an Issuer's securities listed on The Exchange with the express approval of the requisite number of holders of the securities, after complying with relevant requirements stipulated by The Exchange in that regard.

3.0 Prohibition of Technical Suspension

No listed security shall be placed on Technical Suspension, except on the directive of the SEC.

4.0 Instances in which The Exchange will Consider an Application from an Issuer for Suspension of Trading in its Listed Securities

- 4.1 The Exchange may approve an application for suspension of trading in listed securities in the following instances:
- Capital restructuring involving subdivision of shares (share split), consolidation of shares (reverse split), or capital reduction, and capital restructuring transactions such as holding company arrangements, and spin offs;
 - Voluntary Delisting;

- c. Mergers and acquisitions that will result in the delisting of an Issuer;
- d. Such other transactions as The Exchange may approve from time to time.

5.0 ~~Application for~~ Requirements for Suspension of Trading at the Instance of the Issuer

5.1 Any application for suspension of trading in an Issuer's securities must be made to The Exchange in writing by the Issuer, through its ~~Stockbroker~~ **Trading License Holder** or its authorized representative **not later than five (5) business days before the suspension is expected to take effect.**

5.2 The application shall be supported by the specific reasons further to Paragraph 4.1 above which the Issuer expects The Exchange to take into account in determining whether or not trading in the Issuer's securities should be suspended.

5.3 The Issuer shall also comply with relevant provisions of the Companies and Allied Matters Act (CAMA), 2020 in addition to any other requirements set out in applicable laws and regulations, as well as the procedure set forth in 5.5 to 5.7 below.

~~5.43~~ The burden is on any Issuer that requests for suspension of trading in its securities to satisfy The Exchange that such suspension will be necessary.

~~6.0 Requirements for Suspension of Trading at the Instance of the Issuer~~

~~6.1 A written application by an Issuer through its Stockbroker Trading License Holder to suspend trading in its securities shall be made to The Exchange not later than ten (10) business days before the suspension is expected to take effect.~~

~~6.2 An Issuer that seeks suspension of trading in its securities under this Rule, shall comply with relevant provisions of the Companies and Allied Matters Act (CAMA), Cap. C20 LFN in addition to any other requirements set out in applicable laws and regulations, as well as the procedure set forth in 6.3 to 6.6 below:~~

~~6.3~~ **5.5 Alteration of Share Capital or Capital Restructuring Transactions**

In the above instances, the following shall apply:

~~6.3.1~~ **5.5.1 Upon receipt of application for suspension from** ~~The~~ **an Issuer shall through its** ~~authorized Dealing Member~~ **Trading License Holder** ~~submit to, The Exchange~~ **may an** ~~application, to embark upon the proposed transaction.~~ **place the entire listed security of the Issuer on suspension.**

~~6.3.2~~ The Exchange shall place the entire listed shares of the Issuer on Suspension:

- ~~a.~~ Upon receipt of the application from the Issuer, together with a Corporate Affairs Commission (CAC) Certified True Copy of the relevant Court Sanction in respect of the transaction, a copy of a letter from the SEC approving the transaction, and such

~~other documents that The Exchange may require, depending on the circumstances of the specific case.~~

- b. ~~On the Qualification Date provided by the Issuer, the shares shall remain suspended for the Period of Reconstruction of the shares and shall not exceed ten (10) business days.~~

~~6.3.3 The Suspension shall be lifted upon approval by The Exchange, and shall be communicated to the Issuer and the market in writing.~~

~~6.3.4~~ **5.5.2** The reorganized **securities** shares of the Issuer shall be re-listed on The Exchange upon receipt of advice from the Issuer, through its authorized Dealing Member **Trading License Holder and the suspension shall be lifted.**

~~6.4~~ **5.6 Voluntary Delisting**

The entire listed shares of the Issuer shall be placed on full suspension upon receipt of documents prescribed in The Exchange's rules on voluntary delisting.

~~The Exchange's Rules on Delisting shall guide applications for suspension associated with a Voluntary Delisting.~~

~~6.5~~ **5.7 Mergers and Acquisitions**

~~The Issuer shall comply with relevant provisions of the Investments and Securities Act, CAMA and any other relevant statutory requirements, where the merger or acquisition will result in the delisting of the securities of a listed entity. The Issuer shall also comply with the following:~~

- ~~6.5.1 The surviving entity, through its authorized Dealing Member Trading License Holder, shall submit to The Exchange, a notification for the merger or acquisition, with all relevant documents, indicating that the securities of the absorbed or acquired entity (ies) are to be delisted as a result of the transaction.~~

~~6.5.2~~ **5.7.1** The Exchange may suspend trading in the securities of the absorbed or acquired entity (ies) **in a merger or acquisition transaction** upon submission **of the required documents** by the surviving entity, of a CAC Certified True Copy of a Court's Sanction, where applicable.

~~6.5.3~~ **5.7.2** The securities of the absorbed or acquired entity (ies) shall remain suspended until the entity's entire securities are delisted from the Daily Official List.

~~7.0~~ **General**

~~Notwithstanding any of the foregoing provisions, The Exchange, may in accordance with any of its Rules, place the trading of any security on Suspension. It may also do so if it is of the view that such suspension will be in the interest of the investing public and in accordance with the SEC Rules.~~

8. 6. Suspension of Trading in Securities at the Instance of The Exchange

8.1 6.1 If the directors issue and/or offer to issue any shares in the original or any increase capital of the company, in exchange for consideration other than cash, dealings in all the shares of the company on The Exchange may be suspended for such period as may be determined by the ~~Council~~ **Board**, and the SEC.

8.2 6.2 **As provided in Paragraph 14(b) Appendix III (General Undertaking), Rulebook of The Exchange, 2015 (Issuers' Rules),** going to press or otherwise allowing a leak in financial results without informing The Exchange may attract a suspension from trading **on the relevant issuers' listed security** for such period as may be determined by The Exchange, and **The Exchange** shall impose a fine **of an amount not less than** equivalent to fifty per-cent (50%) of the annual listing fees.

6.3 Where an Issuer has obtained shareholders' approval to voluntarily wind up the company, such Issuer shall immediately notify The Exchange and The Exchange shall suspend all listed securities of the Issuer from trading.

6.4 Where an Issuer has been placed into liquidation or winding up, by a creditor or court, The Exchange shall suspend all listed securities of the Issuer from trading.

6.5 In the event of a proposed receivership, liquidation or winding up whether voluntary or compulsory, the Issuer shall immediately notify The Exchange of this fact.

8.3 6.6 **As provided in Rule 15.45: Suspension on Trading of Securities, Rulebook of The Exchange, 2015 (Dealing Members' Trading License Holders' Rules):**

- (a) The Chief Executive Officer of The Exchange or in his absence, his authorized designee, may:
- (1) halt or suspend trading in one, some or all securities traded on The Exchange,
 - (2) close some or all Exchange facilities, and/or
 - (3) determine the duration of any such halt, suspension or closing.

He shall implement such a halt, suspension or closing only when he deems such action to be necessary or appropriate to the maintenance of a fair and orderly market or for the protection of investors, or otherwise in the public interest, such as in the case of actual or threatened physical danger, civil unrest, terrorism, acts of war, or the loss or interruption of facilities used by The Exchange.

- (b) The Chief Executive Officer or his authorized designee shall notify the ~~Council~~ **Board** and the SEC of actions taken pursuant to this Rule, immediately or not later than twenty four (24) hours after the occurrence of the event and shall describe the factors

contributing to the decision to halt or suspend trading and/or close The Exchange's facilities.

- (c) The Chief Executive Officer, or in his absence his authorized designee may close The Exchange's facilities upon the direction of a governmental agency in a force majeure situation and shall notify the SEC immediately or not later than 24 hours of such closure.

7.0 General

Notwithstanding any of the foregoing provisions, The Exchange, may in accordance with any of its Rules, place the trading of any security on suspension. It may also do so if it is of the view that such suspension will be in the interest of the investing public and in accordance with the SEC Rules.

8.0 Continuing Obligations of Issuers in Relation to Suspensions

Where an Issuer's securities are suspended, it shall, unless exempted from doing so by The Exchange:

- (a) **Continue to comply with all the listing obligations applicable to it; and**
- (b) **Submit to The Exchange monthly report pertaining to the prevailing state of affairs of the Issuer.**