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## RULEBOOK OF THE EXCHANGE (ISSUERS' RULES)

### AMENDMENTS TO THE PREAMBLE, DEFINITIONS AND REQUIREMENTS FOR ALL LISTINGS<sup>1</sup>

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**Legend:** Additions are underlined are **bolded**; Deletions are ~~Struck through~~

#### **LISTING REQUIREMENTS FOR EQUITIES**

##### **Section A – PREAMBLE**

1. ~~Companies wishing to be admitted to the official list of THE NIGERIAN STOCK EXCHANGE~~ **Nigerian Exchange Limited** must, in addition to complying with The Exchange's Rules Governing Listing, comply with the relevant provisions of the Companies and Allied Matters Act, Cap. C20, LFN 2004 (CAMA), the Investments and Securities Act, 2007 (ISA), Rules and Regulations made thereunder and other relevant statutory requirements.
2. ~~The detailed listings requirements of~~ **Nigerian Exchange Limited** ~~are contained in the these Rules.~~
3. ~~Listing of Securities on The Exchange shall be effected through the following means:~~
  - a) ~~**Offer for subscription**~~  
~~An invitation by or on behalf of a company or other authority to the public, for subscription of securities at a fixed price;~~

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#### <sup>1</sup> **Rule Making History**

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 8 February 2022, and approved for exposure to stakeholders for comments;
2. The proposed amendments were exposed for stakeholders' comments from 2 March to 23 March 2022;
3. The RNBC considered the proposed amendments and stakeholders' comments thereon at its meeting of 16 June 2022 and approved the amendments for submission to the Board of NGX RegCo;
4. The Board of NGX RegCo approved the proposed amendments at its meeting of 28 July 2022 for submission to the Securities and Exchange Commission (SEC);
5. The Board-approved Rules Amendments were submitted to the SEC for approval on 19 August 2022; and
6. The SEC approved the Rule Amendments on 6 May 2024.

- b) ~~Offer for sale~~  
An offer to the public by or on behalf of a shareholder, the proceeds which will go to the vendor(s);
- c) ~~Placing~~  
Sale by a broker to his clients, of securities, which have previously been purchased or subscribed for;
- d) ~~Rights offer/issue~~  
A privilege offer/issue to existing shareholders to acquire proportionately additional shares in the company usually at a special price;
- e) ~~Capitalization Issue~~  
A bonus/scrip issue to existing shareholders;
- f) ~~Tender~~  
An offer of specific quantity of shares and stock to the public by or on behalf of a company or other authority or a third party for bidding;
- g) ~~Introduction~~  
The Listing of securities already widely held;
- h) ~~Conversion~~  
An exchange for or conversion of securities into other classes of securities;
- i) ~~Options~~  
An offer to buy or sell some shares at an agreed price and time;
- j) ~~Any other method the Board may prescribe.~~

## INTRODUCTION

### Section A: Objectives

It is an integral function of Nigerian Exchange Limited (The Exchange) to provide facilities for the listing of securities, to provide The Exchange's users with a fair, orderly and efficient marketplace for trading in such securities and to regulate the market accordingly.

The Issuers' Rules set out the Listings Requirements and the Continuing Listings Obligations. The Listings Requirements spell out the rules and conditions governing applications by an Issuer seeking a listing of its securities for the first time, and/or any other subsequent listings. The Continuing Listings Obligations set out the rules applicable to Issuers of already listed securities.

The Issuers' Rules are designed to ensure that the business of The Exchange is carried on with due regard to the public interest.

The Issuers' Rules, including any modification thereto shall be interpreted, administered and enforced by The Exchange; and decisions of The Exchange in respect thereof shall be binding upon every Issuer that is listed on The Exchange.

## **Section B: General Principles**

The detailed Listings Requirements and Continuing Listing Obligations of The Exchange are contained in the Issuers' Rules. However, recognizing that it may be impracticable for The Exchange's Rules to attempt to govern all circumstances that may arise in commercial practice, The Exchange has developed Issuers' Rules that fall into two (2) categories as follows:

- (a) General Principles (the General Principles) which are set out below and which must be observed in all corporate actions and in all submissions pertaining to securities listed and sought to be listed on The Exchange; and
- (b) The main body of the Issuers' Rules (the main body) which consists of the chapters, and sections. The main body is derived from the application and interpretation of the General Principles by the Exchange.

Moreover, The Exchange may, in its discretion and in consideration of circumstances not expressly covered by the Issuers' Rules, apply the General Principles and/or the main body of these Rules.

The Exchange has discretion to modify the application of a requirement contained in the main body in exceptional circumstances, for example, where The Exchange considers that the strict application of the requirement would conflict with the General Principles.

If a user has any doubt, as to the interpretation or application of the Issuers' Rules, the user must consult The Exchange.

The General Principles on which these Rules are made are as follows:

- i. To ensure the existence of an orderly market for raising of capital in the primary market, an efficient mechanism for the trading of securities in the secondary market, and to protect investors;
- ii. To ensure that securities will be admitted to the Daily Official List only if The Exchange is satisfied that it is appropriate for those securities to be listed;
- iii. To ensure that full, equal and timely public disclosure of information is made to all holders of securities and the general public regarding the activities of an Issuer that are price sensitive;

- iv. To ensure that holders of relevant securities are given full information and are afforded adequate opportunity to consider in advance and vote upon any of the following:
  - 1) Substantial changes in an Issuer's business operations; and
  - 2) Other matters affecting a listed Issuer's constitution or the rights of holders of securities.
- v. To ensure that all parties involved in the dissemination of information into the market place, whether directly to holders of securities or to the public, observe the highest standards of care in doing so;
- vi. To ensure that all holders of the same class of securities of an Issuer are accorded fair and equal treatment in respect of their securities; and
- vii. To ensure that the Listings Requirements, and in particular of the continuing obligations, promote investor confidence in standards of disclosure and corporate governance in the conduct of Issuers' affairs and in the market as a whole.

## Section-B C: Definitions

The following terms used in these "Rules Governing Listing on Nigerian Exchange Limited" shall have the following meanings unless the context otherwise requires:

### Terminology

### Meaning

An Associated Company

is an investee company that is not a subsidiary and in respect of which:

- a) The investor's interest in the voting power of the investee is substantial, and
- b) The investor has the power to exercise significant influence over the financial and operating policies of the investee, and
- c) The investor intends to retain its interest as a long-term investment.

### Board

the Board of the Exchange and/or its Committee charged with the responsibility to approve listing applications, or such other person or entity charged with such responsibility.

### Boards

The Premium Board, Main Board, Growth Board of the Exchange, and any other board approved by The Exchange from time to time.

Capital	includes equity, and debt <u>and convertibles including mezzanine financing instruments.</u>
Commission	the Securities and Exchange Commission
Committee	means the <u>Quotations relevant</u> Committee of Council <u>the Board charged with the responsibility for overseeing listings on The Exchange.</u>
Company	a public company as defined by the Companies and Allied Matters Act, <u>2020 (CAMA)</u> , Cap. C20, LFN 2004, or any other legislation in force in Nigeria or elsewhere and includes Corporations.
<u>Completion Board Meeting</u>	<u>a formal meeting of all directors, and professional parties to an offer, where the directors and every party execute the offer documents.</u>
<u>Corporation</u>	<u>includes a Company, or any other legal entity incorporated under the CAMA, a Government, or a Government or Supranational corporation or agency, or its nominee, or any other entity approved by SEC to solicit funds or other assets from the public, including an economic Free Trade Zone entity.</u>
Dealing Member	<del>means a member of The Exchange that is licensed to deal in securities on any of the trading floors of The Exchange</del>
<u>Daily</u> Official List	the list of Securities which is maintained by The Exchange <u>and which lists the securities for the time being listed in accordance with the Issuers Rules.</u>
<u>Entry Segment</u>	<u>a Growth Board's platform for listing eligible entities, and financing start-ups, small, and medium enterprises with market capitalization between Fifty Million Naira (N50m) and Five Hundred Million Naira (N500m), or such other amount as may be approved by The Exchange from time to time.</u>
Free Float	<del>means the number of shares outstanding and available to be traded on a securities exchange.</del> <u>as defined in the Free Float Rules of The Exchange.</u>
<u>General Undertaking</u>	<u>the undertaking executed by Corporations upon admission to The Exchange's Daily Official List and any other agreement or undertaking made pursuant to the Issuers' Rules.</u>

<u>Growth Board</u>	<u>a board for listing eligible entities, start-ups, fast growing, small and medium enterprises on The Exchange.</u>
<u>High Net-worth Individual</u>	<u>(HNI) means an individual whose aggregate net-worth of investment assets is at least One Hundred Million Naira (N100m) Million; or as defined by the Securities and Exchange Commission (SEC or “Commission”) from time to time.</u>
<u>Information Memorandum</u>	<u>Has the same meaning as “Prospectus” as defined in the Rules and Regulations of the Commission.</u>
<u>Initial Listing</u>	<u>listing of security of an issuer part of which has not already been listed on The Exchange.</u>
Insider Information	<del>means information related to an Issuer or the Issuer’s securities, directly or indirectly, which is not published and the disclosure of which may have a substantial effect on the price of its listed or traded securities or derivative instruments connected to those securities. The information is of a precise nature which is specific to the Issuer and is likely to have a significant effect on the price of the shares if it were generally available.</del> <u>Means unpublished price sensitive information on an Issuer, its securities or related entities.</u>
Insider	<u>shall be as defined by the Investments and Securities Act, 2007 and the SEC Rules, from time to time.</u>
<u>ISA</u>	<u>Investments and Securities Act, 2007.</u>
Issuer	<del>means any entity, any class of whose securities has been admitted into listing by the Nigerian Stock Exchange.</del> <u>a legal entity, any class of whose Securities has been admitted to The Exchange’s Daily Official List and has agreed to comply with The Exchange’s Listing Requirements, the relevant provisions of the CAMA 2020, the Investments and Securities Act, 2007, or any other legislation that may be enacted from time to time.</u>
<u>Issuers’ Portal</u>	<u>the online Portal created by The Exchange, for issuers to submit information required to be submitted to The Exchange in accordance with the Issuers Rules.</u>
<u>Issuers’ Rules</u>	<u>Nigerian Exchange Limited’s Listings Requirements and Continuing Listings Obligations for Issuers.</u>

Listing	admission of Securities to the Official List
<b><u>Listing by Introduction</u></b>	<b><u>a method of listing where there is no offering of issuers' securities to investors at the time of listing and therefore no capital is raised.</u></b>
Material Circumstances	events or developments, which bring about any circumstance in which an insider becomes aware of material price sensitive information.
Material Information	<del>means information that is not generally available to the market; and if it were generally available to the market, it would have a material effect on the market price or value of the Issuer's listed products. Material information consists of both material facts and material changes relating to the business and affairs of an Issuer.</del> <b><u>Price sensitive information that is not generally available to the market; and if it were generally available to the market, it would have a material effect on the market price or value of the Issuer's listed Securities. Material information consists of both material facts and material changes relating to the business and affairs of an Issuer.</u></b>
<b><u>Offer for Sale</u></b>	<b><u>an offer to the public by or on behalf of a founder, early stage investor or shareholder, the proceeds of which will go to the shareholder or vendor(s) rather than to the Issuer."</u></b>
<b><u>Offer for Subscription</u></b>	<b><u>an offer to sell new (previously unissued) securities either directly to the public, or to the underwriter who will manage the sale of the securities to the public.</u></b>
Persons closely connected	include an individual's spouse, relative or the spouse of a relative and other close dependants <b><u>including persons in the same household as the individual.</u></b>
<b><u>Placing</u></b>	<b><u>Private Placement as defined by SEC Rules from time to time.</u></b>
Principal Officer	includes Directors, Company Secretary, Internal Auditor and other persons such as the Chief Executive Officer, Chief Finance Officer, Chief Compliance Officer, <b><u>Authorized Clerk</u></b> and Chief Risk Officer.
Prospectus	<del>includes circular, advertisement, explanatory memorandum, scheme of arrangement, rights offer document, or other equivalent document, published or circulated, relating to the</del>

	<del>products for which listing is sought.</del> <b><u>Has the meaning provided in the Rules and Regulations of the Commission.</u></b>
<u>Public</u>	<del>means persons other than the directors and employees of a company</del> <b><u>has the same meaning in the Free Float Rules.</u></b>
<u>Rights Circular</u>	<b><u>Has the same meaning provided in the Rules and Regulations of the Commission.</u></b>
<u>Scheme Document</u>	<b><u>Has the same meaning provided in the Rules and Regulations of the Commission.</u></b>
<u>Securities</u>	<del>include shares, stock units of a unit trust, debentures and bonds</del> <b><u>include shares/stocks, units of a unit trust, note, derivatives, debentures and bonds, and as may be defined in the ISA and SEC Rules from time to time.</u></b>
<u>Shares</u>	<b><u>mean the interests in a company's share capital of a member who is entitled to share in the capital or income of such company; and except where a distinction between stock and shares is expressed or implied, includes stock. For the avoidance of doubt, shares</u></b> include ordinary and preference shares and units of a unit trust.
<u>Signing Ceremony</u>	<b><u>an arrangement whereby the offer documents are executed.</u></b>
<u>Standard Segment</u>	<b><u>is the Growth Board's platform for listing eligible entities, and financing medium-size businesses with market capitalization between Five Hundred Million Naira (N500m) and Four Billion Naira (N4b) or such other amount as may be approved by The Exchange from time to time.</u></b>
<u>The Exchange</u>	<del>means The Nigerian Stock Exchange or NSE.</del> <b><u>is Nigerian Exchange Limited or NGX Limited.</u></b>
<u>Trading License Holder</u>	<b><u>(a) a Dealing Member as defined in the Investment and Securities Act 2007 and as amended from time to time;</u></b> <b><u>or</u></b> <b><u>(b) market participant who has been granted a market trading license by the Exchange to trade in Securities.</u></b>
<u>Technical Partner</u>	<b><u>an investor who is also involved in the management of the company and possesses a special skill in an area of the company's operations.</u></b>

Trust Deed	<b><u>Trust deed is as defined by the ISA, and</u></b> includes supplemental trust deed.
Underwriting	the act of agreeing to buy all or part of a new issue of Securities to be offered for public sale with a view to <del>resale</del> <b>resell</b> and not as a form of investment. There are two basic types of underwriting: <ul style="list-style-type: none"> <li>a) “Standby underwriting” is where the underwriter is legally bound to take and pay up to the underwritten percentage only if the issue is not fully subscribed.</li> <li>b) “Firm underwriting” is where the issuer sells the entire issue to the underwriters, who then attempt to resell it, the issuer receives the agreed upon amount and all the risks associated with selling the issue are transferred to the underwriters.</li> </ul>
Unit Trust	<b><u>means “Unit Trust Scheme” as defined by the Investments and Securities Act, 2007.</u></b> <del>means any vehicle or arrangement made for the purpose of providing investors facilities for participation as beneficiaries under a trust in profits and income arising from the acquisition, holding management or disposal of applicable products.</del>

### Section C – Requirements For All Listings

1. ~~Application for Listing will only be entertained if sponsored by a Dealing Member~~  
**Trading License Holder** of The Exchange.
2. ~~The company must be a public company, which will issue or has issued an invitation to the public to subscribe for its shares or has satisfied Council~~ **the Board** ~~that the public is sufficiently interested in the company’s shares to warrant Listing.~~
3. ~~All securities for which listing is sought shall first be registered with the Securities and~~  
~~Exchange Commission.~~
4. ~~All application and documents to be considered or approved by Council~~ **the Board** ~~should always be submitted to The Exchange at the earliest possible date. The final prospectus for approval must be forwarded to The Exchange at least seven (7) business days before the date for the completion board meeting.~~
5. ~~Before the grant of Listing, all applicant companies shall sign a General Undertaking that they will provide promptly certain information about their operations and that they will follow certain administrative procedures.~~

6. ~~Where it is desired to increase the authorized share capital, the directors shall state, in the explanatory circular or other documents accompanying the notice of meeting, whether or not they presently have any intention of issuing all or any part thereof.~~
7. ~~A company which applies for Listing shall comply with the minimum public float requirement prescribed by the Listing standard criteria chosen by the Issuer.~~
8. ~~Subscriptions list must remain open for a maximum period of twenty-eight (28) business days.~~
9. ~~A maximum of ten per-cent (10%) of an offering will be allowed to staff of a company (or its subsidiaries or associated companies) on special application forms. Such offerings may be placed in Trust for the employees.~~
10. ~~Where a proportion of the shares in a placement or public offer is reserved for employees, the company shall provide The Exchange along with the General Undertaking a list of members of staff who have been allotted shares, the number of such shares, the capacity in which they work for the company and the number of years of service with the company.~~
11. ~~All companies admitted to Listing on The Exchange shall pay a listing fee as laid down in Appendix IV. These fees are subject to review from time to time.~~
12. ~~All clauses in the company's Memorandum & Articles of Association that restrict the transfer of fully paid-up shares must be expunged.~~
13. ~~All Listed companies shall advertise the Notice of their annual general meetings in at least two widely read newspapers at least twenty-one (21) days before the annual general meeting. Such advertisement must be conspicuously placed to cover a reasonable portion of a page.~~
14. ~~The subscription monies pending allotment and return of funds to subscribers shall be deposited in a designated bank account appointed by the Issuing House and the company. All accrued interests in respect of cleared allotments shall be paid to the company to offset part of the cost of the Issue.~~
15. ~~Returned monies arising from an unsuccessful application or termination of an offer/issue shall attract interest at the rate determined by the Commission.~~
16. ~~These general requirements are not exhaustive and Council the Board may add thereto or subtract therefrom as considered necessary subject to the approval of the Securities and Exchange Commission.~~