

**RULEBOOK OF THE NIGERIAN STOCK EXCHANGE**  
**PROPOSED AMENDMENTS TO THE ISSUERS' RULES**

**Legend:** additions underlined, deletions ~~struck through~~

**A. CHAPTER 17 - INFORMATION DISCLOSURE**

**Rule 17.3: Disclosure of Material Circumstances**

Every Issuer shall disclose on an immediate basis **to The Exchange all price sensitive information and** all information on any material circumstance likely to affect its financial condition. **The Issuer shall obtain The Exchange's prior approval before publishing such information.**

**Rule 17.5: Price Sensitive Information**

Price sensitive information **which shall be disclosed to The Exchange on an immediate basis** includes:

- (a) Changes in the Directorate of the Issuer;
- (b) The death, resignation, dismissal or appointment of a principal officer;
- (c) Change in the Accounting year end;
- (d) Annual and Interim Results or any recommendation or decision that dividends or scrip issues will or will not be made;
- (e) Profit warnings or a change in the financial forecast or expectation **or financial liquidity issues;**
- (f) Proposed capital raising or restructuring exercise or changes in the capital structure;
- (g) Giving or receiving a notice of intention to make a takeover or mergers, or acquisitions or tender offers or divestments;
- (h) Any proposed change in the business model or general character or nature of the business of the company or of the group;
- (i) Major new developments in the issuer's sphere of activities including major new products, contract awards and expansion plans;
- (j) Any change in voting control or in beneficial ownership of the securities carrying voting control;
- (k) items of unusual or non-recurrent nature;
- (l) Any proposed alteration of the Memorandum or Articles of Association;
- (m) Any restatement of a previously published financial statement;**
- (n) Any issues with any regulator or government agency regarding any regulatory infractions resulting in any penalty, monetary or otherwise that may affect the company's license or operations;**
- (o) Litigation/dispute with a material impact such as winding up of the company;**
- (p) Any other information necessary to enable shareholders to appraise the **true** position of the company and to avoid the establishment of a false market in the shares of the company.

### **Rule 17.7: Confidentiality Requirements**

- (a) An Issuer may give information in strict confidence to its advisers and to persons with whom it is negotiating with a view to effecting a transaction or raising finance. In such cases, the Issuer must advise, in writing, the recipients of such information that it is confidential and constitutes inside information as defined in the Investments and Securities Act, and that the recipients should not **release the information to a third party, or** deal in the Issuer's securities before the information has been made available to the public **through The Exchange's Issuers' portal.**
- (b) Notwithstanding any provisions of these Rules, no confidentiality agreement shall prevent an Issuer from complying with its obligations under the Listings Rules.
- (c) Where an Issuer is obliged (by statute or otherwise) to impart information to a third party or regulator and if such information thereby enters the public domain and is of a price-sensitive nature, it should be simultaneously released to the market.

Provided that an Issuer shall not be obliged to disclose any impending developments that could be jeopardized by premature disclosure.

### **Rule 17.15: Disclosure of Dealings in Issuers' Shares**

#### Securities Trading Policy

- (a) Every Issuer shall establish a securities trading policy which shall apply to all employees and Directors and shall be circulated to all employees that may at any time possess any inside or material information about the Issuer. The trading policy shall include the need to enforce confidentiality against external advisers.
- (b) Every Issuer shall publicize its securities trading policy in its internal communications, on a regular basis, and place it on its website.
- (c) All directors, persons discharging managerial responsibility and persons closely connected to them as well as all insiders of the Issuer shall **immediately** notify the Issuer in writing through the Company Secretary of the occurrence of all transactions conducted on their own account in the shares of the Issuer on the day on which the transaction occurred and the Issuer shall maintain a record of such transactions. ~~which shall be provided to The Exchange within two (2) business days of The Exchange making a request in that regard.~~
- (d) In relation to securities transactions by directors, an Issuer shall disclose in its interim reports (and summary interim reports, if any) and the Corporate Governance Report contained in its annual reports (and summary financial reports, if any):
  - (1) whether the Company has adopted a code of conduct regarding securities transactions by its directors on terms no less exacting than the required standard set out in these Rules;

- (2) having made specific enquiry of all directors, whether its directors have complied with, or whether there has been any non-compliance with, the required standard set out in the listings rules and in the Issuer's code of conduct regarding securities transactions by directors; and
- (3) in the event of any non-compliance with the required standard set out in the Listings Rules, the details of such non-compliance and an explanation of the remedial steps taken by the Company to address such non-compliance.

**(e) Directors' Dealing:**

**In the event of directors' dealing in their own shares in the company, or engage in any purchase of shares of the company, the Issuer shall file the following information in that regard via The Exchange's Issuers' Portal:**

- (i) Details of all transactions in the Issuer's securities whether directly or indirectly;**
- (ii) the name of the director and/or any related entities, as well as the counterparties;**
- (iii) the date on which the transaction was effected.**

**Rule 17.20: Financial Reporting and Periodic Disclosure**

The following Rules apply to financial information or financial statements given to The Exchange under the Listing Rules.

- (a) All Issuers shall publish on their website all documents requiring publication on The Exchange's website, including announcements, circulars, annual and interim financial and other reports, listing documents etc.

(b) Accounting Standard

The financial statements submitted with an Application for listing and future periodic financial reports shall be prepared using the accounting policies and methods that comply with International Financial Reporting Standards and other accounting standards/Rules set forth by the Financial Reporting Council of Nigeria and shall contain the information required by the provisions of the Rules and the instructions established by The Exchange.

## B. CHAPTER 18 - RULES GOVERNING THE USE OF THE ISSUERS' PORTAL

### **Rule 18.2: Mandatory Use of Issuers' Portal by all Issuers**

- (a) Every Issuer shall utilize the Issuers' Portal for the online submission to The Exchange of all information intended for release to the market in compliance with the Listings Rules, unless such information falls within an excluded category as The Exchange may in its sole discretion prescribe from time to time.
- (b) The Issuers' Portal shall be the single gateway for filing all Periodic/Structured and Continuous disclosures.
- (c) Periodic/Structured Disclosures are all financial notifications including:
  - (1) Financial Statements (Both Audited and Unaudited);
  - (2) Earnings Forecast; and
  - (3) Corporate Actions.
- (d) Continuous Disclosures are notifications of material information including:
  - (1) Notice of Annual General Meeting,
  - (2) Notice of Board Meeting,
  - (3) Notice of Change of Auditors,
  - (4) Notice of Change of Company Secretary,
  - (5) Notice of Change of Name and Registered Address,
  - (6) Notice of Change of Registrars,
  - (7) Notice of Completion Board Meeting,
  - (8) Notice of Court Ordered Meeting,
  - (9) Notice of Directors Dealings,
  - (10) Notice of Extra-Ordinary General Meeting, and
  - (11) Notice of Resignation and Appointment of Directors.

### **Rule 18.3: Accounting Standard**

All Periodic/Structured Disclosure as set forth in Rule 18.2(c) above submitted via the Issuers' Portal shall be prepared using the accounting policies and methods that comply with International Financial Reporting Standards (IFRS) and other accounting standards/rules set forth by the Financial Reporting Council of Nigeria and contain the information required by The Exchange.

### **Rule 18.4: Notification and Communication with The Exchange via the Issuers' Portal**

- (a) The only representatives of an Issuer authorized to use the Issuers' Portal to submit

information to The Exchange are the Company Secretary (and his or her designee) and the Chief Financial Officer of the Issuer.

- (b) Issuers that outsource the company secretarial function to a separate entity distinct from the Issuer shall designate one representative of such separate entity to The Exchange, which person shall act as the Company Secretary for the purposes of this rule no later than five (5) business days before the designee uses the Issuers' Portal for the first time.

**Rule 18.5: Issuer to Exercise Reasonable Care in Relation to any Submission**

An Issuer is required to exercise all reasonable care to ensure that any information it submits via the Issuers' Portal is accurate, not misleading, false or deceptive and does not omit any material facts likely to affect the import of such information.

**Rule 18.6: Liability of the Issuer**

An Issuer shall indemnify The Exchange for all damages or loss it may suffer as a result of any inaccurate, misleading, false or deceptive statement contained in the information it submits to The Exchange via the Issuers' Portal.

**Rule 18.7: Malfunctioning of the Issuers' Portal**

- (a) Where an Issuer fails to submit information via the Issuers' Portal within the stipulated timelines due to the malfunctioning of the Issuers' Portal, the Issuer shall immediately notify The Exchange of the reason for such failure and The Exchange may in its sole discretion vary, reduce or waive any sanction that may otherwise have been imposed on the Issuer due to such failure.
- (b) An Issuer shall not be penalized for any delay in filing of any required information via the Issuers' Portal where it has submitted such information within the stipulated time frame but The Exchange did not receive the same due to the malfunctioning of the Issuers' Portal.

**Rule 18.8: Requirements for Information Submitted via the Issuers' Portal**

All information submitted to The Exchange via the Issuers' Portal must meet the following requirements:

- (a) The contents of the documents must comply with the minimum disclosures as set forth in the Appendix to this Chapter or as may be prescribed by The Exchange from time to time;
- (b) The portal will be available to Issuers to submit their documents at any time. However a document to be submitted by a specific date would be considered late if submitted after midnight. A document submitted during the official business hours of The Exchange which is 08.00 hours and 17.00 hours may be viewed by staff of The Exchange before it is released to the market; and

- (c) The information must be duly authenticated electronically by the authorized representatives of the Issuer.

**Rule 18.9: Financial Reporting (Periodic/Structured Disclosure)**

No later than the close of business on the day after an Issuer submits any Periodic/Structured Disclosure as set forth in Rule 18.2(c) above to The Exchange via the Issuers' Portal, it shall publish the same information on its corporate website and shall ensure that the information remains on its corporate website for a period of three (3) years from the date it is posted thereon.

**Rule 18.10: Sanctions for Breach of Issuers' Portal Rules**

- (a) In the event of any breach of the Issuers' Portal Rules set forth in Rules **18.3**, 18.4 and 18.5 above, the Issuer shall:
- (i) for a first violation, be liable to pay a fine of twenty-five per-cent (25%) of its annual listing fee, in addition to a mandatory regulatory training with The Exchange;**
  - (ii) for a second and each subsequent violation, be liable to pay a fine of fifty per-cent (50%) of its annual listing fee.**
- (b) In the event of any breach of the Issuers' Portal Rules set forth in Rules 18.8 and 18.9 above, the Issuer shall be liable to pay a fine of fifty per-cent (50%) of its annual listing fee.
- (c) If an Issuer fails to submit the information set forth in Rules 18.2(c) and 18.2(d) above via the Issuers' Portal, the Issuer shall be liable to pay a fine of fifty per-cent (50%) of its annual listing fee.
- (d) The sanctions set forth in Paragraph 14 of Appendix III (General Undertaking) to the Listings Rules (Green Book) shall apply in regard to an Issuers' use of the Issuers' Portal.

## **C. CHAPTER 19 - RULES RELATING TO BOARD MEETINGS AND GENERAL MEETINGS OF ISSUERS**

### **Rule 19.1 Preamble**

Directors or Trustees are responsible, collectively and individually, for ensuring that listed Issuers comply with The Exchange's Rules relating to their Board Meetings and General Meetings. The Exchange expects Directors and Trustees to fulfill fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standards established by law.

Directors or Trustees shall be held responsible for ensuring that The Exchange is promptly notified of the foregoing matters.

### **Rule 19.2: Board Meetings**

- (a) Every Issuer shall notify The Exchange within twenty four (24) hours after the relevant board meeting or after receipt of any required approval from its primary regulator(s) of:
- (1) Its decision to make a drawing or redemption of any securities, intimating at the same time the date of the drawing, and in the case of a registered security, the period of the closing of the transfer books (or the date of the striking of the balance) for the drawing;
  - (2) The amount of the security outstanding after any purchase or drawing has been made;
  - (3) Any preliminary results for any year, half-year, quarter and the comparative figures in respect of profits before taxation and after taxation, including instances where it becomes necessary for qualification that the figures are provisional or unaudited;
  - (4) Any dividend or bonus recommendation and other distributions to members including approvals for payment of declared dividends, Bonus issuance and or, Rights or scrip issues;
  - (5) Short particulars of any proposed change in the capital structure, or redemption of securities;
  - (6) Any price sensitive information.**
- (b) Every Issuer shall notify The Exchange in writing of the date and time of its Board of Directors' meeting at which **interim or audited financials will be considered, recommendation of dividends, bonus or issuance of rights or any price sensitive information will be discussed**, at least ~~fourteen~~ **seven (17) business** days in advance.