

RULEBOOK OF THE NIGERIAN STOCK EXCHANGE
(ISSUERS' RULES)

PROPOSED AMENDMENTS TO LISTING REQUIREMENTS

Legend: Additions underlined
 ~~Deletions struck through~~

LISTING REQUIREMENTS

Section A - PREAMBLE

1. Companies wishing to be admitted to the official list of THE NIGERIAN STOCK EXCHANGE 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, the Investments and Securities Act, 2007, Rules and Regulations made thereunder and other relevant statutory requirements.
2. The detailed listings requirements of The Nigerian Stock Exchange are contained in the Nigerian Stock Exchange Listings Requirements.
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;
 - 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**
A method of initial listing of an Issuers' existing securities on The Exchange where there is no offering of the Issuers' securities to investors and no additional capital is raised from the market at the time of listing. 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 Council may prescribe.

Section B - DEFINITIONS

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

- "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.
- "Capital" includes shares and loan capital.
- "Commission" means the Securities and Exchange Commission.
- "Committee" **means the relevant Committee of Council responsible for approving listings on The Exchange. ~~Quotations Committee of Council.~~**



- “Company” means a public company as defined by the Companies and Allied Matters Act, Cap. C20, LFN 2004 and includes Corporations.
- “Council” means the Council of The Exchange and/or any Committee set up by Council.
- “Dealing Member” means a member of The Exchange that is licensed to deal in securities on any of the trading floors of The Exchange.
- “Free Float” means the number of shares outstanding and available to be traded on a securities exchange.
- “Inside Information” 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.
- “Insider” means an individual:
- a: who is connected with the company during the preceding six months in one of the following capacities:
 - i. a director of the company or a related company
 - ii. an officer of the company or a related company
 - iii. an employee of the company or a related company
 - iv. a person involved in a professional or business relationship with the company as above
 - v. a shareholder who owns five per-cent (5%) or more of any class of securities or any person who can be deemed to be an agent of any of the above listed persons; and
 - vi. members of the audit committee.
 - b. who by virtue of having been connected with the company as mentioned in paragraph “a” has obtained unpublished price sensitive information in relation to the securities of the company.
- “Issuer” means any entity, any class of whose securities has been admitted into listing by the Nigerian Stock Exchange.
- “Listing” means admission of securities to the Official List.

“Material Circumstances” means events or developments which bring about any circumstance in which an insider becomes aware of material price sensitive information.

“Material Information” 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 securities. Material information consists of both material facts and material changes relating to the business and affairs of an Issuer.

“Official List” **a document that states all securities admitted for listing on The Exchange from time to time.**

“Persons closely connected” include an individual’s spouse, relative or the spouse of a relative and other close dependants.

“Principal Officer” includes Directors, Company Secretary, Internal Auditor and other persons such as the Chief Executive Officer, Chief Finance Officer, Chief Compliance Officer and Chief Risk Officer.

“Prospectus” includes circular, advertisement, explanatory memorandum, scheme of arrangement, rights offer document, or other equivalent document, published or circulated, relating to the Securities for which listing is sought.

“Public” means persons other than the directors and employees of a company.

“Securities” **Securities has the same meaning as is assigned to it in the Investments and Securities Act, 2007 as may be amended, however to the extent that they are under the purview of The Exchange from time to time, as well as other products that may be listed on The Exchange from time to time.**
~~include shares, stock units of a unit trust, debentures and bonds.~~

“Shares” include ordinary and preference shares and units of a unit trust.

“The Exchange” means The Nigerian Stock Exchange or NSE.

“Trust Deed” 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 resale and not as a form of investment. There are two basic types of underwriting:

- 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.
- 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.

“Unit Trust” 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 securities.

Section C – REQUIREMENTS FOR ALL LISTINGS

- a) Application for Listing will only be entertained if sponsored by a Dealing Member of The Exchange.
- b) 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 that the public is sufficiently interested in the company’s shares to warrant Listing.
- c) All securities for which listing is sought shall first be registered with the Securities and Exchange Commission.
- d) All application and documents to be considered or approved by Council 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.
- e) 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.
- f) 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.
- g) A company which applies for Listing shall comply with the minimum public float requirement prescribed by the Listing standard criteria chosen by the Issuer.

- h) Subscriptions list must remain open for a maximum period of twenty-eight (28) business days.
- i) 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.
- 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.
- j) 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.
- k) All clauses in the company's Memorandum & Articles of Association that restrict the transfer of fully paid-up shares must be expunged.
- l) 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.
- m) 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.
- n) Returned monies arising from an unsuccessful application or termination of an offer/issue shall attract interest at the rate determined by the Commission.
- o) On the day of listing of equity securities excluding public offerings, the Issuer shall make available for trading a sufficient amount, but not less than ten (10) million units or one (1) percent of its outstanding shares, whichever is greater, or such volume or value of shares as may be determined by The Exchange from time to time.**
- p) Each Company seeking to list its securities on The Exchange shall publish the approved Information Memorandum or Commission approved Prospectus for the listing as well as its latest audited and/or unaudited financial statements, which shall not be more than nine (9) months old:**

- i. on the Company's website not later than forty-eight (48) hours before the listing date; and
 - ii. via The Exchange's Issuers' Portal not later than forty-eight (48) hours after being listed on The Exchange.
- g) ⇒ These general requirements are not exhaustive and Council may add thereto or subtract therefrom as considered necessary subject to the approval of the Securities and Exchange Commission.

EXPOSURE DRAFT