



RULEBOOK OF THE NIGERIAN STOCK EXCHANGE (ISSUERS' RULES)

PROPOSED AMENDMENTS TO THE RULES FOR LISTING ON THE PREMIUM BOARD

Legend: *deletions struck through; additions underlined*

Rule 12.1: Preamble

- (a) These Rules are designed to be a practical guide to listing on the Premium Board of The Nigerian Stock Exchange (“the Premium Board”). The Rules provide Issuers and their advisors with important information about listing standards, disclosure and notification requirements.
- (b) The Exchange through the Premium Board aims to provide a platform for greater global visibility for eligible Nigerian entities, which will make it easier for them to attract global capital flows and reduce the cost of borrowing.
- (c) The approval granted by The Exchange for the listing of an entity’s securities on the Premium Board does not indicate any opinion by The Exchange on that Issuer’s standing. The Issuer’s directors shall be accountable for the veracity of any information provided to The Exchange as well as the authenticity of any supporting documents.

Rule 12.2: Eligibility Criteria for Admission

- (a) Every Issuer that seeks admittance to the Premium Board shall make a written request to The Exchange and execute the General Undertaking for listing on the Premium Board.
- (b) The National Council of The Exchange (“Council”) may authorize the listing of an Issuer’s securities on the Premium Board if the Issuer:
 - (1) Is already listed on the Main Board of The Exchange or is seeking to list on the Premium Board of The Exchange; and
 - (2) Has submitted itself for evaluation under The Exchange’s Corporate Governance Rating System (CGRS) and scores a minimum rating of seventy per-cent (70%); and
 - (3) Achieves a market capitalization that is equal to or in excess of ~~N~~200 billion on the date The Exchange receives the Issuer’s application to list on the Premium Board; and
 - (4) Has any of the following:
 - (a) a minimum free float requirement of twenty per-cent (20%) of its issued share capital; or
 - (b) the value of its free float is equal to or above ~~N~~40 billion on the date The Exchange receives the Issuer’s application to list.

Provided that The Exchange may from time to time determine the market capitalization and free float requirements.

- (c) The Exchange may request additional clarification or information from the applicant; and the applicant shall provide the additional clarification or information to The Exchange within such time frame as stipulated by The Exchange. In the event that the applicant fails to provide such clarification or information within the stipulated period, such failure may result in the application being denied.

Rule 12.3: Eligibility to Remain on the Premium Board and Continuing Obligations

- (a) The Exchange shall evaluate an Issuer's eligibility to remain on the Premium Board, at regular intervals as may be determined by The Exchange. Such evaluation shall be based on the Issuer's compliance with stipulated Corporate Governance requirements ~~the criteria set forth in Rule 12.2 above~~; as well as such additional requirements as may from time to time be prescribed by The Exchange. Provided that each Issuer shall comply with all other continuing listing obligations as specified under the Listings Rules of The Exchange.
- (b) Council may grant an extension of time for an Issuer to comply with the requirements set forth in these rules or such other additional requirements as may from time to time be prescribed by The Exchange; provided that the Issuer submits a reasoned written request setting forth why it could not meet the said requirements and how it proposes to satisfy the requirements within the time granted.
- (c) Every decision to grant an extension of time as set forth in sub-rule (b) above shall be published on The Exchange's website.

Rule 12.4: Corporate Governance and Additional Disclosure Requirements

- (a) Every Issuer on the Premium Board shall comply with the Securities and Exchange Commission's Code of Corporate Governance, or such applicable Codes of Corporate Governance in force, and shall disclose in its annual report a list of the codes of corporate governance to which it is subject.
- (b) For each code of corporate governance to which an Issuer on the Premium Board is subject, it shall include in its annual report, a statement signed by the Chairperson of its Board and its Company Secretary, disclosing whether it is fully compliant with the provisions of the code and if not, providing a detailed statement of the facts of its non-compliance and an explanation thereof.



- (c) In addition to specific requirements of the International Financial Reporting Standards (IFRS), every Issuer listed on the Premium Board shall include information on related party transactions in the notes to its quarterly financial statements.
- (d) Annual Corporate Events Calendar: Every Issuer listed on the Premium Board shall submit to The Exchange by the third (3rd) quarter of the current year but not later than 31 December, the Annual Corporate Events Calendar for the subsequent year, which shall provide in chronological order, brief descriptions and the dates of all the corporate actions events, public meetings with analysts and other interested parties, and the expected dates of release of financial information scheduled for the next calendar year. Each Company shall also publish its Annual Corporate Events Calendar on its website.
- (e) Subsequent changes to any events, or to the times or dates of events indicated in any Company's already released Annual Corporate Events Calendar, shall also be promptly communicated to The Exchange, and disclosed to the market at least five (5) calendar days prior to the date of the relevant event. Where the Issuer does not, or is unable to disclose the changes within the time specified above, the Company shall release a notice to the market, prior to the relevant event, stating the reasons for such changes.
- (f) A Company newly listed on the Premium Board shall submit its Annual Corporate Events Calendar for the current year to The Exchange, and release it to the market, at least three (3) business days prior to the date on which its securities are set to begin trading on the Premium Board.
- (g) Public Meeting with Analysts and Other Stakeholders: Every Issuer listed on the Premium Board shall be required to hold at least once in every year, a public meeting with analysts and other stakeholders, in order to disclose, and provide clarifications where required, on information concerning the Company's economic and financial position, projects and business prospects.
- (h) Sustainability Reporting: Every Issuer listed on the Premium Board shall be required to publish its sustainability report through The Exchange's X-Issuer and publish same on its official website on an annual basis, and shall ensure that the information remains on its corporate website for a period of at least three (3) years from the date it is posted.

Rule 12.5: Fees Financial Requirements

Issuers listed on the Premium Board shall adhere to the following financial and liquidity criteria and shall meet at least one of any of the following four (4) standards:

- (a) Profit Criteria: the Issuer shall in the current financial year post a profit before tax of not less than ₦45 billion and an earnings yield of not less than 10% (Earnings Per Share divided by Price); or



- (b) Cash Flow Criteria: the Issuer shall in the current financial year post a cash flow of not less than ₦50 billion and revenue of not less than ₦250 billion; or
- (c) Market Capitalization Criteria: the Issuer shall in the current financial year achieve market capitalization of not less than ₦200 billion, and revenue of not less than ₦250 billion; or
- (d) Asset Criteria: Total assets of not less than ₦150 billion and shareholders' equity of ₦360 billion.

Rule 12.6: ~~Transfer of Listing Upon Successful Application~~ Treatment for Non-Compliance with the Minimum Financial Requirements

12.6.1 Any Issuer that fails to meet any of the minimum financial requirements shall apply for and obtain The Exchange's approval for extension of time to comply with the minimum financial requirements within 5 (five) business days of its falling below the minimum financial requirements.

12.6.2 Any Issuer that fails to apply for and obtain The Exchange's approval for extension of time as indicated above shall:

(a) receive a "Deficiency Notification" from The Exchange within 2 (two) business days after the deadline for the application period has passed. The affected Issuer's name shall be published in The Exchange's X-Compliance report as operating "Below Listing Standards" (BLS) and shall remain published for as long as the Issuer does not comply.

(b) be required to take all of the following steps within 3(three) business days of the date of the Deficiency Notification:

(i) Issue a press release, of not less than half a page, in at least 2(two) national daily newspapers and posted on the Issuer's website, with the web address indicated in the press release, disclosing the following:

(1) that the company is operating below listing standard;

(2) that the company is taking necessary steps to ensure compliance; and

(3) that the Company is seeking The Exchange's approval of time to comply with the minimum requirements.

12.6.3 An electronic copy of the publication shall be filed with The Exchange on the same day as the publication.

12.6.4 Where the Issuer does not comply fully with the above provisions within five (5) business days of the date of the Deficiency Notification, The Exchange will issue a press release stating that:



- (a) a Deficiency Notification has been issued against the Issuer, and providing details of the deficiency;
- (b) investors are to trade with caution on the Company's securities
- (c) The Exchange may take additional steps against the Issuer, including but not limited to migrating to another board should it persist in its failure to comply.

Rule 12.7: Sanctions Fees

The Exchange shall from time to time exercise its powers to fix and publish applicable fees which shall be subject to the approval of the Commission, for admitting an Issuer's securities for listing on the Premium Board and maintaining such listing.

Rule 12.8: Transfer of Listing upon Successful Application

Where the application of a company listed on the Main Board, to list on the Premium Board is successful, its listing shall be transferred from the Main Board to the Premium Board within 5 business days.

Rule 12.9: Sanctions

Any Issuer that breaches any of these Rules shall be subject to sanctions, including but not limited to fines, suspension from trading, delisting from The Exchange or transfer to another board of The Exchange or public reprimand.