

**NOTIFICATION OF ADDITIONS TO THE RULEBOOK OF THE EXCHANGE
(ISSUERS' RULES) & INVITATION FOR COMMENTS**

I. Introduction

The Exchange is proposing additions to the Rulebook of The Exchange (“Rulebook”) (Issuers’ Rules) by introducing the following draft Issuers’ Rules:

- (a) Rules on Suspension of Trading in Listed Securities,
- (b) Rules for Filing of Financial Returns by Companies Listed on the Alternative Securities Market Board (ASeM) and Treatment of Default Filing, and
- (c) Sustainability Disclosure Guidelines.

II. Summary of the Proposed Rules

(a) Rules on Suspension of Trading in Listed Securities

Further to the Securities and Exchange Commission (SEC)’s directives on the suspension of Rule 21.2: Request for Suspension at the Instance of The Issuer, Rulebook of The Exchange, 2015 (Issuers’ Rules), as well as the Quotation Committee of the National Council of The Exchange’s directive to strengthen and clarify our Rules around full suspension and technical suspension of trading in listed securities, The Exchange has developed the above mentioned Rules.

The Rules are to address instances where a listed security will be suspended from trading on The Exchange. The Rules define, and reiterate the SEC’s prohibition of technical suspension; instances where The Exchange will consider an application by an Issuer for full suspension of trading in its listed securities; requirements for full suspension at the instance of the Issuer; as well as special requirements during alteration of share capital or capital restructuring transactions, voluntary delisting, mergers and acquisitions, take-over bid.

The Rules also contain provisions on the suspension of trading in listed securities at the instance of The Exchange, and the requirements for exercising such powers. In addition, the 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.

(b) Rules for Filing of Financial Returns by Companies Listed on the Alternative Securities Market Board (ASeM) and Treatment of Default Filing

The disclosure of high quality information to the market by Issuers is crucial, and periodic disclosure is a major requirement that listed companies are mandated to adhere to. This obligation supports the continuous disclosure obligations of listed companies, to ensure the maintenance of a fair and orderly securities market, and that all market users have simultaneous access to the same information.

The Issuers' Rules as at date, are yet to make a distinction between the Main Board, and the ASeM Board, which caters for the small to medium scale companies with potential for growth. Presently, companies that are listed on the ASeM Board are required to adhere to the same high disclosure standards which are prescribed in the Rulebook of The Exchange, in spite of their relatively smaller scales of operations.

Currently, Rule 17.20: Financial Reporting and Periodic Disclosure, Rulebook of The Exchange 2015, (Issuers' Rules), prescribes the same filing requirements for companies listed on the Main Board and ASeM Board. In addition, under the newly approved "Rules for Filing of Accounts and Treatment of Default Filing", Rule 1.1.1 states that *"Every Issuer shall file with The Exchange its unaudited or audited quarterly accounts, that is, first quarter, half-year, and nine-month accounts, approved by its board of directors"*.

Therefore, the proposed Rules are developed to provide a less stringent reporting obligation and penalty regime on companies listed on the ASeM Board.

(c) Sustainability Disclosure Guidelines

The proposed Guidelines aim to draw the attention of Issuers listed on The Exchange to the important governance, economic, social and environmental issues around doing business today; and address the values to be gained from doing business in a sustainable manner. The Guidelines also provide a step by step approach on integrating sustainability in organisations, and detail indicators that should be considered when providing annual disclosures to The Exchange. Essentially, the Guidelines aim to drive sustainability disclosure through the following nine (9) globally accepted principles and standards:

- **Governance**
 - Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
 - Principle 2: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

- **Economic**
 - Principle 3: Businesses should provide products and services that are safe and contribute to sustainability throughout their life cycle.
 - Principle 4: Businesses should engage with and provide value to their customers and consumers in a responsible manner.
- **Social**
 - Principle 5: Businesses should promote the wellbeing of all employees.
 - Principle 6: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
 - Principle 7: Businesses should respect and promote human rights.
 - Principle 8: Businesses should support inclusive growth and equitable development.
- **Environment**
 - Principle 9: Business should respect, protect, and make efforts to restore the environment.

The proposed Guidelines have been developed, while recognizing that Issuers may be at varying levels of understanding, and ability to sustain the requirements for the disclosure of information relating to Environmental, Social and Governance issues. The proposed Guidelines are also aligned with some of the Sustainable Development Goals (SDG) of the United Nations (UN).

III. Invitation for Comments

The Exchange is pleased to invite you to participate in its rule making process. Your participation is required by way of reviewing the draft Rules and Guidelines; and providing your comments thereon. A set of the proposed Rule amendments and Guidelines may be viewed through the links provided here:

- a. [Rules on Suspension of Trading in Listed Securities](#),
- b. [Rules for Filing of Financial Returns by Companies Listed on the Alternative Securities Market Board \(ASeM\) and Treatment of Default Filing](#), and
- c. [Sustainability Disclosure Guidelines](#).

The Exchange views your participation as important for the following reasons:

- To create public awareness and solicit the public's feedback on the draft Rules and Guidelines; and
- To improve the quality of the Rules and Guidelines and thereby have a robust, well written set of Rules.

We are involving as many stakeholders as possible in this rule making process in order to achieve the aforementioned goals. Please be assured that your comments will be considered in arriving at the final text of the Rules.

IV. Response and Timeline

We will be grateful to receive your comments not later than the close of business on Monday, 16 January 2017. Your comments should be set forth in a WORD document attached to an electronic mail to Mr. Oluwatoyin Adenugba of the Rules and Interpretation Department of The Exchange at oadenugba@nse.com.ng.

V. Approvals

Please note that the draft Rules are subject to the approval of the National Council of The Exchange, and the Securities and Exchange Commission.



Tinuade T. Awe,
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