



RULEBOOK OF THE NIGERIAN STOCK EXCHANGE
(DEALING MEMBERS' RULES)

AMENDMENTS TO
CHAPTER 10: THE INVESTORS' PROTECTION FUND RULES, 2013¹

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

Rule 26.3: Governance and Management of the Fund

- (a) The Board shall consist of a maximum of nine (9) members to be drawn as follows:
- (1) a representative from the Dealing Member Firms;
 - (2) a representative from The Exchange;
 - (3) a representative from the Central Securities Clearing System Plc.;
 - (4) a representative from the Securities and Exchange Commission;
 - (5) one person representing the Institutional Investors;
 - (6) a representative of the Institute of Capital Market Registrars;
 - (7) one (1) person with proven integrity and knowledgeable in the capital market matters;
 - (8) one (1) person representing registered shareholders association; and
 - (9) one (1) person who shall be a legal practitioner knowledgeable in capital market matters.
- (b) Members of the Board shall be appointed by The Exchange, subject to the approval of the Securities and Exchange Commission (SEC). The appointment shall be for an initial term of four (4) years.
- (c) Subject to The Exchange's discretion and on the approval of the SEC, a Member may be re-appointed for a further term of four (4) years and no more.
- (d) A member of the Board shall cease to be a member if-
1. his/her term of office expires;
 2. He/she resigns from his/her office by a written notice addressed to the Chairperson or Secretary of the Fund;

¹ **Rule Making History**

1. The proposed Amendments were presented to the Rules and Adjudication Committee of Council (RAC) at the RAC Meeting of 10 November 2017, and approved for exposure to stakeholders for comments;
2. The proposed Amendments were exposed for stakeholders' comments from 17 November to 18 December 2017;
3. The RAC at its Meeting of 28 February 2018, approved the proposed Amendments for submission to the National Council of The Exchange (Council);
4. The Council approved the proposed Amendments at its Meeting of 28 March 2018 for submission to the Securities and Exchange Commission (SEC);
5. The SEC approved the Rules on 5 December 2018.

3. before the expiration of his tenure, he ceases to be a member of the body he represents on the board of trustees;
4. his membership on the board of trustees is withdrawn by the body he represents;
5. he is guilty of any crime involving dishonesty or sanctioned for misconduct by any professional body or association; or convicted of a criminal offence involving dishonesty by a Court of competent jurisdiction;
6. on a resolution of the other members of the board of trustees supported by at least two-thirds of its membership, is adjudged to be engaged in activities prejudicial to or inconsistent with his position as a member of the board of trustees;
7. He/she becomes insane or of unsound mind or incapable of carrying out his/her duties as a result of any illness; or
8. He/she is an undischarged bankrupt.

~~(a)~~ (e) The Board shall be responsible for the management of the Investors' Protection Fund established pursuant to the ISA (the "Fund") and shall hold, manage and apply the Fund in accordance with the provisions of these Rules and the provisions of the ISA.

~~(b)~~ (f) For the purpose of managing the Fund, the Board may by resolution:

- (1) engage such number of staff as it may deem necessary for the efficient performance of its functions ;
- (2) set up sub-committees to assist in the discharge of its functions, in particular for the purpose of determining the eligibility of an investor to receive compensation and the amount payable; and
- (3) appoint a management sub-committee of not less than three (3) and not more than five (5) persons.

~~(c)~~ (g) The Board may by resolution delegate to any sub-committee appointed under sub-rule (f) above all or any of its powers.

~~(d)~~ (h) Any power, authority or discretion so delegated by the Board shall be exercised by members forming a majority of the sub-committee as if that power, authority or discretion had been conferred on a majority of the members of the sub-committee.

~~(e)~~ (i) Any such delegation by the Board may at any time in like manner be rescinded or varied.

~~(f)~~ (j) The Board may at any time remove any member of a sub-committee appointed by it under this rule and may fill any vacancy in the sub-committee howsoever arising.

~~(g)~~ (k) A decision of the sub-committee of the Board shall be of no effect until it is confirmed or ratified by the Board.