

RULEBOOK OF THE NIGERIAN STOCK EXCHANGE, 2015
PROPOSED AMENDMENTS TO ISSUERS' RULES

CHAPTER 19 - RULES RELATING TO BOARD MEETINGS AND GENERAL MEETINGS OF ISSUERS

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

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 **the following items would be considered:**
- (1) **interim or audited financials,**
 - (2) recommendation of dividends,
 - (3) bonus or issuance of rights,
 - (4) **capital restructuring; or**
 - (5) **any price sensitive information,**

at least ~~fourteen~~ **seven (147) business** days in advance.

Rule 19.3: General Meetings of Members

- (a) Every Issuer shall hold sessions of the general meetings of shareholders or holders of other securities in accordance with the relevant provisions in the Companies and Allied Matters Act Cap C20 LFN (CAMA) and any other relevant legislation, these Rules and the Issuer's Articles of Association. The Issuer shall also ensure that shareholders or holders of other securities are allowed to lawfully exercise their rights at the meetings.
- (b) The Annual General Meeting ("AGM") provides shareholders or holders of other securities with the opportunity of questioning the Directors and Management on the accounts and reports, which are presented at the meeting and matters relating to the Issuer in general. Such questions shall -
- (1) be relevant to the Issuer or its business,
 - (2) not result in the release of commercially or price sensitive information, or
 - (3) not be obnoxious or vexatious.
- (c) Every Issuer shall notify The Exchange within twenty-four (24) hours after the relevant general meeting, of the resolutions passed and/or the outcome of the business transacted at the general meeting.**

Rule 19.4: Responsibility of the Directors / Trustees in Relation to General Meetings

- (a) The Board of an Issuer or the Trustees of a Bond shall perform their duties practically, and shall convene and hold the general meetings in a businesslike manner and within the periods stipulated in the relevant Rules and Regulations. All the Directors of an Issuer or the Trustees of a Bond shall at such meetings be diligent and responsible so as to ensure that general meetings are held in an orderly manner.

- (b) A majority of the Directors or their duly appointed alternates, the Company Secretary and where applicable supervisors of an Issuer shall attend all its general meetings; and where its managers and any other employees are in attendance, they shall attend the meeting as non-voting delegates. Provided that any of the foregoing persons:
 - (1) may exercise their voting rights where they hold shares which are fully paid; or
 - (2) only attend the meeting as proxies with specific voting instructions.
- (c) At each annual general meeting the Board of Directors shall present to the shareholders or holders of other securities a Report of the Company's activity detailing a fair view of the development of the business of the Issuer and its subsidiaries during the year and the position at the end of it; and any other matters required by law to be reported. In addition, a report shall be presented by the Audit Committee and the External Auditors.
- ~~(d) If an Issuer fails to hold its annual general meeting within nine (9) months from the end of its financial year end or within such extended period as may be approved by the Corporate Affairs Commission; or the Trustees of a Bond fail to hold the annual general meeting within this period, the Issuer or Trustees of the Bond shall file a report with The Exchange within ten (10) business days of the end of the stipulated period explaining the reasons for their default; and they shall make an announcement in that regard in at least two (2) national daily newspapers within five (5) business days of receiving The Exchange's approval to make the announcement.~~
- ~~(e) If an Issuer or Trustees of a Bond fail to hold an annual general meeting of shareholders or holders of other securities within the term prescribed by these Rules without justifiable cause, The Exchange shall suspend the listing of the securities, and shall require the Board of Directors or Trustees of the Bond to give explanations and make an announcement in that regard within five (5) business days of receiving The Exchange's approval to make the announcement.~~
- (~~f~~d) The Directors shall endeavour to be adequately prepared to respond to shareholders or holders of other securities' questions at the meeting and shall do so in a businesslike and respectful manner.
- (g) ~~Directors shall endeavor to utilize in the best way possible any pre-general meeting sessions with shareholders or holders of other securities to iron out legitimate and reasonable issues that are likely to arouse high levels of interest and controversy at the general meetings.~~

Rule 19.6: Submission of Notice and other Information Documentation to The Exchange

- (a) Every Issuer shall submit to The Exchange for review, a draft copy of the Notice of Meeting, circulars and annual reports and other notices that will be issued to the

holders of listed securities. Copies of all supporting documentation that will be considered at the meeting must accompany the Notice of the Meeting. In the case of an Annual General Meeting, the Annual Report and Audited Accounts shall be submitted as well.

- (b) Each director of an Issuer shall accept responsibility for the accuracy of the information in any circular that is sent by the board of directors to holders of listed securities and a statement to that effect, shall be incorporated in the circular.
- (c) No circular or Notice of Meeting to be submitted to The Exchange for its review shall be circulated or made available publicly until the Issuer receives an approval to publish from The Exchange. Barring any unforeseen circumstances, The Exchange shall complete its review within one day from the date of submission.

Rule 19.8: Notice to be Displayed on the Website

- (a) Upon receiving the approval of The Exchange every Issuer shall immediately publish on its website and The Exchange's Issuers' Portal, the Notice of Meeting, circulars, annual reports, scheme document and other information memorandum that will be considered at the general meeting.
- (b) Upon request by a shareholders or holders of other securities and where practicable, Issuers shall forward to the email addresses of shareholders or holders of other securities the soft copies of the approved documentation in addition to the hard copies which will be sent by post. Copies of such documentation shall also be published on the Issuer's website.
- (b) Issuers shall ensure that the Notice of Meeting and the full copy of the Annual Reports or any other relevant documentation are dispatched to shareholders or holders of other securities and the relevant Regulatory authorities at least twenty-one (21) days before the date of the meeting and evidence of postage shall be ~~made available for inspection by the Regulators at the meeting sent to The Exchange before the date of the meeting.~~ Where the notice is personally delivered, evidence of such delivery shall be ~~produced sent to The Exchange before the date of the meeting.~~ Issuers shall allow at least five (5) business days for delivery of the Notice of Meeting and Annual Report if sent out by post from the day the letter containing same is posted.

Rule 19.16: Sanctions

- ~~(a) —Where an Issuer or any of its directors or any of the Trustees of a Bond contravene or fail to adhere to any of these provisions, The Exchange may censure the Issuer and/or the Issuer's director(s) or the Trustees individually or jointly, either privately or in public.~~

~~(b) In the event of breach of any of these Rules, The Exchange~~ shall impose the following penalties:

- (1) A form of censure which it determines to be appropriate; and
- (2) A fine not exceeding fifty per-cent (50%) of the listing fees of the Issuer.

Rule 19.18: Failure to Hold General Meetings

- (a) If an Issuer fails to hold its annual general meeting within nine (9) months from the end of its financial year end or within such extended period as may be approved by the Corporate Affairs Commission; or the Trustees of a Bond fail to hold the annual general meeting within this period, the Issuer or Trustees of the Bond shall file a report with The Exchange within ten (10) business days of the end of the stipulated period explaining the reasons for their default; and they shall make an announcement in that regard in at least two (2) national daily newspapers within five (5) business days of receiving The Exchange's approval to make the announcement.
- (b) If an Issuer or Trustees of a Bond fail to hold an annual general meeting of shareholders or holders of other securities within the term prescribed by these Rules without justifiable cause, The Exchange shall suspend the listing of the securities, and shall require the Board of Directors or Trustees of the Bond to give explanations and make an announcement in that regard within five (5) business days of receiving The Exchange's approval to make the announcement.