

CIRCULAR

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3 February 2020

Circular on CGRS Incentives and Use of the CGRS Rated Badge

This is to notify all Issuers that The Nigerian Stock Exchange (The Exchange) in conjunction with the Convention on Business Integrity (CBI), has developed certain incentives to promote the Corporate Governance Rating System (CGRS), and to further encourage the institutionalization of corporate governance practices in companies listed on The Exchange.

The CGRS is designed to strengthen the governance structures of listed companies and provide a valid basis for discerning investors to differentiate between listed companies on the basis of their compliance with acceptable standards of corporate governance. In our view, corporate governance promotes ethical business practices, transparency and fair competition.

These incentives are as follows:

- (i) a **“CGRS RATED”** badge, which is a brand-mark created for listed companies that have successfully undergone and passed the CGRS exercise, and have been awarded the CGRS certification. The use of the **“CGRS RATED”** badge will showcase the corporate governance rating status of these companies, as they have created a niche for themselves in the corporate governance space. The mark will differentiate the status of companies that have passed the CGRS exercise from companies that have not undertaken the exercise. CGRS rated companies may display the **“CGRS RATED”** badge on their websites, or other communication materials where the companies’ names appear, in order to promote their CGRS rating. To standardize the usage of the **“CGRS RATED”** badge, a User Guide which provides instructions on usage of the **“CGRS RATED”** badge will be provided to CGRS rated companies. CGRS rated companies are enjoined to peruse the User Guide to gain understanding of the requirements for use of the **“CGRS RATED”** badge, and ensure compliance thereto.

Please note that a CGRS rated company is required to immediately stop using the **“CGRS RATED”** badge once its CGRS rating is suspended or withdrawn. Companies are expected to establish an internal process to ensure that the removal is immediately effected, and are therefore required to sign an undertaking that it will comply with the terms of use prior to the issuance of the **“CGRS RATED”** badge.

- (ii) an appendage of the special character combination **“CG+”**, which is a CGRS compliance status indicator beside the names of all CGRS rated companies, to reflect their CGRS status which will be reflected on The Exchange’s website and trading engine. This indicator will be attached to a listed company’s name upon the approval of their CGRS rating by the CGRS Steering Board, and removed upon the suspension or revocation of the company’s CGRS rating.

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- (iii) a Corporate Governance Wall of Fame, which is a display of CGRS rated companies' logos for visibility of CGRS rated companies.
- (iv) dedication of a page in The Exchange's yearly FactBook to list the names of CGRS rated companies that maintained their ratings during the prior year up to the time of publication.

CGRS rated companies (whose ratings are not suspended) are to contact Mausi Owolabani at mowolabani@nse.com.ng to obtain a high resolution version of the "CGRS RATED" badge, for their use.

Companies who are yet to participate in the CGRS exercise should kindly contact Bonaventure Onwuji at bonwuji@nse.com.ng or Kitan Babalola at kitan.babalola@cbinigeria.com to enroll for the CGRS, or visit www.cgrsng.com for additional information.

We thank you for your attention to the foregoing.

Godstime Iwenekhai
Head, Listings Regulation Department

