

GHANA ALTERNATIVE MARKET (GAX) RULES



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SECTION A - INTRODUCTION

1. Description of GAX

(1) These **Ghana Alternative Market (GAX)** Rules are made by the Ghana Stock Exchange with the approval of the Securities and Exchange Commission (SEC) in accordance with SEC's powers under the Securities Industry Law, PNDC Law 333 as amended.

(2) The GAX is a parallel market to the Ghana Stock Exchange First Official List focussing on businesses with potential for growth. The GAX will accommodate companies at various stages of their development, including start-ups and existing enterprises, both small and medium.

(3) Listing on this market will afford companies the opportunity for securing long term capital, broaden their investor base and provide liquidity for their shareholders/investors. In addition to the above objects for listing, companies may enjoy other incentives including pre Initial Public Offer (IPO) financing, underwriting, access to a revolving fund to support the cost of raising capital and deferment of up-front fees.

(4) The GAX shall have an autonomous five (5) member committee with oversight responsibility over its activities. The responsibility shall include promotion of the GAX, recommending of listing to the GSE Council and enforcement of the rules.

(5) The composition of this Committee shall be: one (1) small and medium scale entrepreneur; two (2) representatives of the GSE Council; one (1) representative from Venture Capital Trust Fund; and one (1) investment advisor. This committee shall report to the GSE Council and as such shall act as a sub-committee of the Council in respect of the GAX.

(6) On the selection criteria: the SME representative shall be nominated by the GSE executive; the VCTF representative shall be elected by VCTF; one of the two GSE Council representatives shall be an executive of the GSE; and the investment advisor shall be proposed by the Ghana Securities industry Association (GSIA). All nominees shall be subject to the approval of the GSE Council.

(7) The day-to-day administrative running of the GAX shall be entrusted to an officer whose main duties shall be to: search for and promote the market to potential issuers; review application for funding under the listing support fund; and to bring recommendations in respect of listings and request for funds to the GAX committee.

2. General Coverage of GAX Rules

(1) The GAX rules set out the criteria for listing, continuing listing obligations and the enforcement of these obligations. In addition to these rules, the GSE trading, surveillance, clearing and settlement and depository rules shall apply, wherever appropriate.

(2) All relevant enforcement provisions in the main GSE listing rules shall also apply to the GAX.

3. Purpose of the GAX Rules

The GAX rules are designed to ensure that investors continuously have confidence in the market

and that:

- (1) the issue and marketing of securities is conducted in a fair, open and orderly manner;
- (2) potential investors and the public are given adequate information to make an informed evaluation of an applicant and of the securities for which admission is sought;
- (3) once admission has been granted, there is sufficient and timely disclosure of information to investors and the public to ensure that they are kept fully informed by GAX companies on any information which may reasonably be expected to have a material effect on market activity and the prices of their securities;
- (4) all holders of GAX securities are treated fairly and equally; and
- (5) directors of a GAX company act in the interest of its shareholders as a whole.

SECTION B - ADMISSION TO GAX

4. Basic Conditions to Be Fulfilled By an Applicant

- (1) The issuer shall be a public limited liability company duly incorporated under the Companies Act, 1963 (Act 179).
- (2) The issuer of securities shall accept the continuing obligations which apply after the admission of its securities to the market.
- (3) Listing shall be for all the shares of that class issued or to be issued by the prospective listed company.

5. Approval for Listing

- (1) The GAX Committee is responsible for recommending approval for listing on the GAX to the GSE Council.
- (2) The GAX shall generally process applications and deliver listing decisions within fifteen (15) business days of the submission of all the information and supporting documentation requested by the GAX.
- (3) The SEC shall be notified of new listings including introduction, public offers, private placement, bonus, rights and options.

6. Stated Capital

- (1) A company applying to list on the GAX must have a minimum stated capital of GH¢250,000 at the time of listing.
- (2) The stated capital for rural banks listing on the GAX shall be as required by the Bank of Ghana.

- (3) Where the surplus of the potential issuer is negative, the shareholder's funds of the company must be at least GH¢250,000.

7. Public Float

- (1) The public float of the applicant must constitute a minimum of twenty-five percent (25%) of the total number of issued shares.
- (2) The minimum number of public shareholders shall be twenty (20).

8. Period of Existence

- (1) For a company's securities to be eligible for admission to the GAX, the company must have operated for at least one year and have published or filed accounts in accordance with the Companies Act, 1963 (Act 179) for at least the latest financial year.
- (2) Admission may be granted to a start-up company, provided the applicant submits to the GAX a 3-year business plan, demonstrating clearly the sustained viability of the applicant.

9. Profitability

The company seeking admission to the GAX need not have recorded profits historically but must have the potential to make profit at least at the end of its third year of listing.

10. Transferability of Shares

- (1) The securities for which listing is sought must be freely transferable, subject only to restrictions imposed by the laws of Ghana.
- (2) A prospective GAX company's shares must be admitted to the GSE Securities Depository.
- (3) The company shall, prior to listing, appoint a registrar to handle corporate actions.

11. Listing of other transferable securities

Rights issues as well as other issues of the same class of securities as those already listed shall be also listed and traded on the GAX.

12. Directors

- (1) At least fifty per cent (50%) of the board shall be composed of non-executive directors and at least one (1) or approximately twenty-five per cent (25%) of the total shall be independent.
- (2) All executive and non-executive directors shall attend a directors' induction program which shall be approved by the GAX Committee.

- (3) The character and integrity of the directors of the company shall be taken into account by the GAX Committee in assessing the application for listing including the fact that such persons should not have against their names any: (i) bankruptcy petition; (ii) criminal conviction; or (iii) judgement or ruling preventing them from becoming directors of a body corporate.

13. Management

- (1) Management should have requisite expertise in the core business of the GAX company.
- (2) The character and integrity of the management of the company shall be taken into account by the Committee in assessing the application for listing on the GAX.

14. Sponsorship of Applicants for Listing

- (1) Licensed Dealing Members, Investment Advisors or Issuing Houses shall sponsor an application for listing on the GAX.
- (2) The sponsor shall:
 - (a) ensure that all information which should be brought to the attention of the GAX Committee is provided;
 - (b) be responsible for filing with the GAX, all the documents needed to support the application;
 - (c) satisfy itself, on the basis of available information, that the applicant is suitable for listing; and
 - (d) underwrite directly or indirectly the minimum offer to be raised by the issuer.

15. Corporate Advisor

- (1) An applicant shall appoint a corporate advisor which may be an individual or a corporate entity.
- (2) The corporate advisor shall have relevant experience in investment banking, law, accounting, finance or company secretarial practise or any other field as may be agreed to by the GAX.
- (3) The duties of the corporate advisor shall be to :
 - (a) advise and guide the directors of the GAX company about their continued listing obligations on an on-going basis;
 - (b) provide the GAX with any information, in such form and within such time limits as the GAX Committee may require;
 - (c) liaise with the GAX on behalf of the company for which it acts where requested to do so; and
 - (d) inform the GAX when it ceases to be the corporate advisor to a GAX company.

SECTION C –LISTING ON GAX

16. Methods for Listing

Securities may be brought to the market by the following methods:

(1) Introduction

An introduction is suitable where a company does not need to raise capital and has the minimum number of 20 shareholders. A pre-listing statement containing salient information about the company shall be required. The GAX shall provide the SEC with a copy of the pre-listing statement.

(2) Public Offer

An offer to the public may be an offer for subscription or an offer for sale. In an offer for subscription, members of the public are invited to subscribe for un-issued shares and the proceeds accrue to the company. In an offer for sale, existing shareholders invite subscribers to purchase their shares and therefore the proceeds accrue to the sellers. Public offers require the publication of a prospectus, which must be approved by the Securities and Exchange Commission and registered with the Registrar of Companies.

(3) Private Placement

A private placement is an offer of shares to selected parties where shares are “placed” or offered to subscribers by the company as the result of private negotiations.

17. Application Procedure

Once a company takes a decision to list, it shall proceed as follows:

(1) Appoint a sponsor

(2) Sponsor submits application documents to the GAX

(3) If listing is by Introduction, the

- (a) applicant company receives approval;
- (b) shares are credited in the GSD; and
- (c) shares are listed on the GAX.

(4) If listing is through an Offer or private placement,

- (a) applicant company completes offer;
- (b) upon successful offer, applicant company receives approval from the GAX Committee;
- (c) shares are credited in the GSD; and
- (d) shares are listed on the GAX.

SECTION D - CONTENTS OF A LISTING APPLICATION OR OFFER DOCUMENT

A company and its sponsor submitting a listing application to the GAX must ensure that the listing application or the offer document discloses the information specified in Section D of the GAX rules as follows:-

18. Mandatory Declaration

Statements to the following effect must be included in the listing application or offer document:

- (1) That the listing application or offer document has been approved by the board of directors of the company who accept responsibility for the accuracy and completeness of the information given and that to the best of their knowledge and belief, there are no facts the omission of which would make any statement in the document misleading.
- (2) The GAX and the SEC take no responsibility for the correctness of any of the statements made, opinions expressed and reports presented in the document.
- (3) These statements shall appear in a prominent place in the document.

19 Third Party Information

- (1) Names and addresses of the company's registered external auditors, company secretary, principal bankers, legal advisors and registrars.
- (2) The names and addresses of the applicant's advisors to the issue including sponsor, legal advisor, reporting accountant and any other expert to whom a statement or report included in the listing application has been attributed.
- (3) Interests of third party or experts in the offer.

20. Risk Factors

- (1) There must be prominent disclosure of risk factors that are specific to the company and/or its industry and that are material to the securities being offered and/or listed in order to assess the market risk associated with these securities in a section headed "Risk Factors".
- (2) The following paragraph should be inserted prominently and in bold on the first page:
"A prospective investor should be aware of the risks of investing and should make the decision to invest only after careful consideration and consultation with a professional financial advisor."

21. Information about the Company

- (1) Corporate information, objects, history and development of the company including the:
 - (a) legal and commercial name of the company;
 - (b) date and place of registration of the company and its registration number;
 - (c) principal place of business;
 - (d) particulars of directors, company secretary, legal advisors, external auditors, bankers, etc.
 - (e) list of all the objects of the company
 - (f) important events in the development of the company's business.
- (2) Organizational Structure
 - (a) If the company is part of a group, a brief description of the group and the company's position within the group.
 - (b) A list of all associated companies and companies in which the applicant has equity interest

- of 10% or more including the name, country of incorporation or residence, a brief statement of the nature of its business, proportion of ownership interest and, if different, proportion of voting power held and the extent of any profit or loss or both to the applicant arising from those companies.
- (c) A chart showing the key positions including those that are planned to be filled in the short term.
- (3) Research and Development, Patents and Licences
- (a) Where material, provide a description of the company's patents and licences, research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on company-sponsored research and development activities.
- (b) The above information should also be provided for their current financial year.
- (4) Management and Directors
- The following information relating to each director, each proposed director and executive management shall be provided:
- (a) the full name, previous names and age;
- (b) the names of all companies and partnerships of which the director has been a director or partner at any time in the previous five years, indicating whether or not the director is still a director or partner; and
- (c) summary of business experience
- (5) Employees
- The applicant shall provide:
- (a) either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the **admission document** (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the company employs a significant number of temporary employees, there shall be a disclosure of the number of temporary employees on average during the most recent financial year.
- (b) a description of any arrangements under employee share ownership plans.
- (6) Information on Shareholders
- (a) The name of any **person** who is known to the board of directors of the company to be interested directly or indirectly in 5% or more of its capital.
- (b) A list of the top 5 shareholders and their respective shareholding
- (7) Related Party Transactions
- Details of related party transactions that the company has entered into during the period covered by the historical financial information and up to the date of the **admission document**, must be disclosed.

22. Business Overview

(1) Principal Activities

- (a) A description of, and key factors relating to the nature of the company's operations and its principal activities, stating the principal products and/or services, and principal market for the products and/or services; and
- (b) An indication of any significant new products and/or services that have been introduced and, the status of development of new products/services, to the extent that the development has been publicly disclosed.

(2) A summary information regarding the extent to which the company is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes, if material to the company's business or profitability,

(3) An overview of the industry in which the applicant company operates including the key players, competition, patents and trademarks held.

(4) Trend Information

Information on any known trends, uncertainties, demands, commitments or events that are reasonably expected to have a material effect on the company's prospects for at least the current financial year must be made.

23. Operating and Financial Review

(1) Audited Historical Financials

All material information on the financial condition and operating results of the company must be disclosed in the application/offer document. In particular, the application must contain extracts from the audited historical financials of the company for up to the past three years where applicable including the following:-

- (a) Statement of Financial Position
- (b) Income statement
- (c) A statement on changes in equity
- (d) Cash flow statement
- (e) Accounting policies
- (f) Notes to the financials

(2) Interim (half yearly) and other financial information

If the listing application is dated more than six months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.

The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year end's balance sheet.

24. Profit Forecasts or Estimates

1. A profit forecast, estimate or projection for a period of three (3) years subsequent to that for which audited financial statements have been published, or an approximate figure for future profits or losses (even if no particular figure is mentioned and the words “profit” or “loss” are not used). the following statements shall be included:
2. A statement by its directors that such forecast, estimate or projection has been made after due and careful enquiry;
3. A statement of the principal assumptions for each factor which could have a material effect on the achievement of the forecast, estimate or projection. The assumptions must be readily understandable by investors and be specific and precise.

25. Reasons for the Offer and Use of Proceeds

- (1) The reason for the offer or listing must be provided and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses. Where the company is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, it must state the amount and sources of other funds needed.
- (2) The expected net proceeds and an estimate of the total expenses of the issue or offer must be stated.

26. Additional Information

(1) Material Contracts

(a) A brief description of the nature and amount of any material contract, direct or indirect, other than contracts entered into in the ordinary course of business to which management, officers, directors, shareholders with 30% or more of the voting power at general meetings of the company and their associates, is a party, for the two years immediately preceding publication of the listing application.

(b) Details of any management or technical consultancy contract between the applicant and any other person.

(2) Dividend Policy

A description of the company’s policy on dividend distributions and any restrictions thereon shall be stated in the document.

(3) Legal and arbitration proceedings

Information on any pending litigation and other claims of a material nature which the company, or any of its subsidiaries are involved and which are likely to affect its income including title to or possession of any of its properties or provide an appropriate negative statement.

(4) Information Concerning the Securities to be Offered/ Admitted to Trading

- (a) A description of the type and the class of the securities being offered and/or admitted to trading, including the Ticker symbol.
- (b) A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights. Such rights may include dividend rights, voting rights, pre-emptive rights in offers for subscription of securities of the same class, right to share in the company's profits, rights to share in any surplus in the event of liquidation, redemption provisions and conversion provisions.

(5) Terms And Conditions Of The Offer

The following shall be stated in respect of any proposed offer: conditions under the offer, offer statistics, expected timetable, application procedure, pricing and the treatment of rights not exercised (if it is a rights offer).

(6) Plan of distribution and allotment

The issuer must make available the basis of allotment including any preferential allotment policy.

(7) Underwriting

State the name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to underwrite the issue without a firm commitment or under "best efforts" arrangements. Indication of the material features of the agreements, including the quotas.

(8) Admission to Trading and Dealing Arrangements

An indication that the securities offered will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the admission to trading will necessarily be approved. If known, the earliest dates on which the securities will be admitted to trading.

(9) Holders Offering To Sell Securities

- (a) Name and business address of the person or entity offering to sell the securities.
- (b) The number and class of securities being offered by each of the selling security holders.
- (c) For lock-in agreements such as may be imposed by the SEC, the following must be specified:
 - (i) the individual or entities affected;
 - (ii) any exceptions; and
 - (iii) the period of the lock-in.

(10) Dilution

- (a) The amount and percentage of immediate dilution resulting from the offer.
- (b) In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.

(11) Supporting Documents

The applicant shall file the following documents in support of the listing application in hard and/or soft (electronic) format where applicable.

- (a) one (1) certified copy of: the regulations of the applicant; certificates of incorporation; and to commence business
- (b) the resolutions authorising the company to apply for listing
- (c) one (1) copy of the annual report of the applicant for at least the previous 12 months
- (d) one (1) copy of a tax clearance certificate and a social security clearance certificate or other document evidencing the due discharge of the applicant's tax and social security obligation
- (e) one (1) copy of the draft prospectus or offer document being submitted to the Securities & Exchange Commission
- (f) one (1) copy each of all subsisting material contracts other than those entered into in the ordinary course of business.
- (g) summary share valuation report
- (h) one (1) copy of a complete list of the shareholders and their respective holdings
- (i) an analysis of shareholding in the format below:

Category	No of holders	No of shares	Percentage holding
1 - 1,000			
1,001 – 5,000			
5,001 – 10,000			
10,001 – 50,000			
Over 50,000			

- (j) one (1) copy of an undertaking to conform to the rules of the GAX
- (k) sponsor's confirmation
- (l) legal advisor's confirmation or certificate
- (m) where any of the documents/information specified in this paragraph are not filed because they are not applicable, the applicant shall submit a separate paper explaining why those papers are not applicable.
- (n) any other factual information which it reasonably considers necessary to enable investors to form a full understanding of the matters contained in the listing application.

SECTION E –LISTING APPLICATION FOR ADDITIONAL ISSUES

27. Process for Listing Additional Issues

A GAX company is not permitted to offer and issue or authorise its registrars to register additional shares of the class listed until after it has filed and has received notification from the GAX authorising the issue. Listing of all additional issues shall be subject to the approval of the GAX Committee as well as receipt of regulatory approvals including that of the SEC.

(1) Rights issue

- (a) The additional listing application shall include the following:
 - (i) a formal application signed by a duly authorized officer of the issuer; and
 - (ii) one draft of the final proof of the admission document dated and signed by at least two directors on behalf of the board.

- (b) The additional listing application document shall disclose the following information:
 - (i) contents of a listing application – items 18,19, 20, 21(1 - 10), 22, 23, 24, 25 and 26
 - (ii) a statement as to the pro rata entitlement, how the securities rank for dividend, whether the securities rank pari passu with any GAX securities, and how fractions (if any) are to be treated; and
 - (iii) an offer timetable.

(2) Capitalisation issue:

An applicant shall only proceed with a capitalisation issue involving a payment up of securities out of reserves, after it has obtained the prior written confirmation of its external auditors that its reserves are sufficient for this purpose.

The listing application shall disclose the following items of information:

- (a) Contents of a listing application – Items 21(1)(a), 21(1)(b), 26(4)(a), 26(4)(b), 26(6);
- (b) A statement as to the pro rata entitlement, the qualifying date, how the securities rank for dividend and whether the securities rank pari passu with any GAX.
- (c) A schedule of the movements in the relevant reserve and stated capital accounts
- (d) Where any of the reserves are created following a revaluation of the assets of the company, submit a summarised copy of the necessary asset valuation report.
- (e) Confirmation from the company’s external auditors that the reserves at that point are sufficient to cover the capitalisation issue
- (f) Timetable

(3) Steps Required in the Additional Listing Process

A company seeking to list additional shares must take the following steps:

- (a) Submit listing application through an authorized sponsor to the GAX together with supporting papers.
- (b) Obtain approval in principle from the Exchange for the additional listing application;
- (c) Fix relevant entitlement dates and make public announcement through the GAX with respect to the dates;
- (d) Offer or issue the additional shares as appropriate;
- (e) Inform the GAX of the exact number issued and pay all remaining fees;
- (f) Ensure that the records in the depository are updated.

SECTION F – DISCLOSURE POLICY

28. Purpose and Obligation to Provide Information

A GAX company shall fully disclose to the public, any information necessary to make informed investment decisions and maintain high standards of disclosure.

29. Immediate Disclosure of Material Information

- (1) A GAX company shall immediately disclose information about its business or events or conditions in the market for the issuer's securities which is likely to:
 - (i) have a significant effect on the price of any of the issuer's securities, or
 - (ii) be considered important by a reasonable investor in determining his choice of action.

 - (2) The following will require an announcement:-
 - (i) a joint venture, merger, acquisition or take-over;
 - (ii) any decision to change the capital structure of the issuer including a Rights Issue or a Bonus Issue;
 - (iii) change of Directors, Company Secretary, Registrars or External auditors of the issuer;
 - (iv) a change in control of the business;
 - (v) change of address of the registered office of the company and/ or of any offices at which the register of the securities of the issuer is kept;
 - (vi) resignation, suspension or removal of an executive/senior manager;
 - (vii) occurrence of any event which would result in the winding up of the companies or any of its subsidiaries or the appointment of a receiver or liquidator of the company or any of its subsidiaries
 - (viii) penalties imposed on the company by a regulatory authority;
 - (ix) an event or occurrence which has the potential of materially affecting the business or revenue or profits of the company and efforts to minimise its effect;
 - (x) alteration or amendment of the rights and privileges of any unlisted securities issued by the company;
 - (xi) a tender offer for another company's securities;
 - (xii) a new product or discovery;
 - (xiii) the public or private sale of additional securities;
 - (xiv) a change in capital investment plans; and
 - (xv) a labour dispute or dispute with sub-contractors or suppliers

 - (3) The following information require immediate announcement if considered material by the Board of Directors:
 - (i) the acquisition or loss of a contract;
 - (ii) the borrowing of funds;
 - (iii) the purchase or sale of an asset;
 - (iv) any changes in the objects of the company and any material alterations in the issuer's activities or the initiation of new ones;
 - (v) any investment that will have a material impact on the issuer;
 - (vi) judicial or quasi-judicial actions of any nature initiated by or against the company;
 - (vii) any Licensing or Franchising Agreement or its cancellation which may affect the company's operations;
 - (viii) any occurrence of an event of default under the terms and conditions of any issue of debentures, promissory notes, bonds or any other security issued by the company;
 - (ix) any penalties if imposed by state authorities;
 - (x) any acquisition of voting rights which results in the issuer becoming the majority holder and
 - (xi) any other relevant information or event.
-

30. Disclosure of Acquisitions and Transfers of Securities

- (a) A person irrespective of nationality who purchases or sells shares in a GAX shall inform the market when his holdings attain, exceed, or fall below each five (5) per cent threshold, starting from 10% through 15%, 20% , etc. up to 50% plus one share.
- (b) The disclosure shall be made in a press release to the market not later than 2 business days after the transaction.
- (c) The disclosure shall show the size of the holding in terms of the percentage of the share capital and votes after the transaction and the number of shares purchased or sold should also be included.

31. Public dissemination

- (a) Public disclosure of material information shall be made by an announcement released to the GAX.
- (b) Disclosure of material corporate developments shall not be made on an individual or selective basis to analysts, shareholders or other persons unless the information has been previously disclosed and disseminated to the public

SECTION G – CONTINUING LISTING REQUIREMENTS

While a company remains listed on the GAX it is required to comply with the provisions in this Section and to provide information requested by the GAX.

32. Continued Existence of a Corporate Advisor

A GAX company shall while remain listed have a corporate advisor.

33. Immediate announcements to be made to the GAX for release

The following matters shall be immediately announced by a listed company which shall prepare the announcements for release by the GAX. Matters to be announced by a listed company shall include but not limited to the following: -

- (a) any recommendation or declaration of dividend (including bonus shares, if any), the amount per share, the qualifying date and date of payment and, where there is a figure for the previous year, final dividend for the corresponding period in the previous year;
- (b) any meeting at least 21 days before such meeting is held or such shorter notice period as is permitted by the company's regulations, specifying the place, date and hour of the meeting;
- (c) all special resolutions to be put to a general meeting of the company (as provided by the company's regulations) and immediately after such meeting whether, or not the resolutions were carried;
- (d) any call to be made upon any of the partly paid share capital of the company;
- (e) any proposed alteration of the regulations of the company;
- (f) any notice of substantial shareholdings or changes received by the company and details thereof;
- (g) any acquisition of shares resulting in the holding of 10 per cent or more of the stated capital of another listed company ; and
- (h) any sale of shares in another company resulting in a company: ceasing to be a

subsidiary; or holdings falling below 10 per cent of the issued capital of that company.

34. Announcement of Interim Results

- (a) A **GAX company** must prepare half yearly financial which must be filed with the **GAX** as soon as possible but not later than one month after the end of each relevant half year.
- (b) A **GAX company** must file both a soft copy (by e-mail) and a hard copy (signed) of its half yearly financial statements to the GAX at latest on the next day after its approval by or on behalf of the board.
- (c) Such half yearly results shall be submitted to the GAX no less than forty-eight (48) hours before they are published in a widely-circulated newspaper(s).
- (d) After the end of a company's financial year, no announcement shall be made of any dividend, bonus or rights issue, unless accompanied by preliminary or finalised full year results.

35. Annual Report of Listed Company

- (1) The audited accounts and annual report of GAX companies shall be prepared in accordance with IFRS.
- (2) The audited accounts shall be submitted to the GAX within three months of the end of the financial year.
- (3) The audited results shall also be circulated to shareholders in a manner that is acceptable or may be agreed to by the Exchange.
- (4) These shall be set out as separate items in every GAX company's annual report:
 - (a) the holdings of each director;.
 - (b) particulars of material contracts involving directors' interests, entered into since the end of the previous financial year, providing among others, in the case of a loan,
 - (i) the names of the lender and the borrower,
 - (ii) the relationship between the borrower and the director (if the director is not the borrower),
 - (iii) the amount of the loan,
 - (iv) the interest rate,
 - (v) the terms of payment of interest and re-payment of the principal, and
 - (vi) the security provided.
 - (c) the number of holders of each class of equity security and a summary of the voting rights attaching to each class;
 - (d) an analysis of shareholding as required under Rule 26(12)(i) of these Rules;
 - (e) the names of the 20 largest holders of each class of equity security and the number and percentage of equity securities of each class held;
 - (f) the name of the company's directors, company secretary, legal advisors, external auditors and share registrars; and
 - (g) the address and telephone number of the registered office and the registrars' address.

36. “Facts behind Figures” programme

Issuers listed on the GAX must attend/hold a “Facts behind the Figures” programme of the GAX at least once a year to explain and answer questions on the company’s performance.

SECTION H –COMPLIANCE AND ENFORCEMENT

Companies listed on the GAX are required to comply with the continued listing obligations, the GAX rules and guidelines that may be issued from time to time. Failure to do so will result in the actions specified in this section or in additional guidelines issued from time to time.

37. Suspension of Listing and Compulsory De-Listing

(1) The GAX may at any time and in such circumstances as it thinks fit, including non-observance of continuing listing obligations, suspend or cancel a listing and will not hesitate to do so to protect investors and to ensure an orderly market.

(2) Suspension may be either at or without the request of the issuer.

(3) Before any such suspension, the GAX will generally consult with the sponsor of the corporate advisor if it is at the request of the issuer, or with the advisors if the suspension is not at the request of the issuer, and take into consideration any representations made by or on behalf of the issuer.

38. Voluntary De-Listing

(1) A company listed on the GAX may voluntarily de-list by:-

(i) submitting a written application with reasons;

(ii) supporting the application with a special resolution of members duly passed at a meeting convened for shareholders; and

(iii) giving the Exchange at least three months’ notice.

(2) In an application for voluntary de-listing, a GAX company shall arrange for exit opportunities in which promoters or majority holders make arrangements to purchase securities from all existing holders who wish to sell.

(3) The purchase price in the exit arrangement shall be the average market price of the preceding 12 weeks or the market price on the day of the general meeting, whichever shall be the higher.

(4) An application for voluntary de-listing shall include a de-listing fee as may be prescribed by the GAX from time to time.

SECTION I – MIGRATION TO FIRST OFFICIAL LIST OF EXCHANGE

Companies listed on the GAX are permitted to move from the GAX to the First Official List of the Exchange. The GAX also reserves the right to migrate companies on it to the First Official List of the Exchange.

39. Procedure for Migration

- (1) The company shall apply to be de-listed from the GAX and to be listed on the First Official List of the GSE.
- (2) The GAX shall review the application for de-listing and decide thereon.
- (3) The GSE shall review the application in the context of its listing rules.

SECTION J –LISTING FEES

40. Listing Fees

Listing fees as may be determined from time to time shall apply to companies listed on the GAX. The listing fees applicable at the commencement of operation of the GAX are as follows:-

- | | |
|---------------------|----------|
| (i) Application Fee | Waived |
| (ii) Listing Fee | Waived |
| (iii) Annual Fees | GH¢2,000 |
| (iv) De-Listing Fee | GH¢5,000 |

SECTION K –MODIFICATION OF RULES

41. Power to Modify Rules

- (1) The GAX may by itself or through the Managing Director of the Exchange, waive the application of these Rules as it deems fit in any particular circumstance, and upon sufficient justification being provided.
- (2) The SEC shall in all cases be given prior notification of exemptions and waivers. Waivers and exemptions shall be granted upon receipt of acknowledgement and consent from the SEC.
- (3) Any amendment of these Listing Rules shall be made with the prior approval of SEC.

SECTION L – DEFINITION AND INTERPRETATIONS

42. Meanings

The following terms have the following meanings when used in these rules unless the context otherwise requires.

Term	Meaning
Act	The Companies Act 1963 (Act 179)
admission/admit/admitted	Admission/listing of a company on the GAX
Application/admission document	A listing application produced and submitted in accordance with these rules.
Applicant	A company that is applying to have its securities listed on the GAX.
Business day	Any day upon which the GAX is open for business.
Capitalization issue	An allotment of further securities to existing shareholders, credited as fully paid up out of the applicant's reserves or profits, in proportion to their existing holdings, or otherwise not involving any monetary payments.
Director	As defined by The Companies Act 1963 (as amended)
Ghana Alternative Market or GAX	An alternative market operated by the GSE.
GAX company	A company with a class of securities listed on the GAX.
GAX Committee	Body entrusted with oversight responsibility over the activities of the GAX. These shall include promotion of the GAX, approval of listing and enforcement of the rules
GAX securities	Securities of GAX companies, which have been listed.
GSE	The Ghana Stock Exchange
Holding	Any legal or beneficial interest, whether direct or indirect, in the GAX securities.
Independent Director	A director who is not an employee of the company and is not affiliated to key owners of the listed company
IFRS	International Financial Reporting Standards

Issuer	Any company or other legal person or undertaking, any of whose securities are or are proposed to be the subject of an application for listing or some of whose securities are already admitted on the GAX.
Listing fees	The fees charged by the GAX to GAX companies in respect of listing and annual fees as set out in
Majority shareholder	Any person who is (or in the case of a related party transaction only was within the 12 months preceding the date of that transaction) entitled to exercise, or control the exercise of, 20 per cent or more of the voting power at the meeting of shareholders of the GAX company or one which is in a position to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters.
Market	GAX
Material change	Change that has the potential of affecting the company's operations.
Notify/notified/notification	The delivery of an announcement to the GAX by the GAX company.
Person	An individual, corporation, partnership, association, trust or other entity as the context admits or requires.
Prospectus	A document providing investors with information of a share offer
Public float	In relation to shares mean shares being held by the public and shares will not be regarded as being held in public hands if they are held, directly by: <ul style="list-style-type: none"> (a) a director of the company or of any of its subsidiary undertakings; (b) a person who is a related party to a director of the applicant or of any of its subsidiary undertakings; (c) the trustees of any employees share scheme or pension fund established for the benefit of any directors and employees of the applicant and its subsidiary undertakings; (d) any person who by virtue of any agreement has a right to nominate a person onto the board of

directors of the applicant.

Qualifying date	The last date upon which investors must appear on the share register of the GAX company in order to receive a benefit from the company.
Related party	in relation to a company means a director, chief executive or controlling shareholder of the company or any of its subsidiaries or associates of any of them
SEC	The Securities and Exchange Commission of Ghana
Securities	As defined in the Securities industry Law, 1993 (PNDC Law 333) as amended by Securities Industry Law (amendment) Act, 2000 (Act 590)
Shareholder	A holder of any legal or beneficial interest, whether direct or indirect, in a GAX security.
Subsidiary	A company in which another company holds more than 50% of voting shares.
Registrars	A person or company appointed by the GAX company to maintain the books of the company and handle all corporate actions