

**CONSTITUTION OF
THE ASSOCIATION
OF
ISSUING HOUSES
OF NIGERIA**

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1) Name

The name of the Association shall be “Incorporated Trustees of The Association of Issuing Houses of Nigeria”

2) Long Title

A constitution to provide for the rules and regulations of the Association of Issuing Houses of Nigeria

3) Preamble and Enactment

- a) Whereas it expedient and in the interest of the Capital Market in Nigeria for there to be established a self-regulatory body for investment banks registered for Issuing Houses operations by the SEC to perform Issuing Houses functions.
- b) There is hereby an established body to be known as the association of Issuing House of Nigeria (hereinafter in this constitution referred to as the “Association”) which under that name shall be registered by the trustees with the corporate Affairs Commission in accordance with companies and Allied Matters Decree 1990”

4) Definitions

In these presents if not inconsistent with the subject matter or content the words set forth in the first column below shall be ascribed the meanings set apposite the said words respectively in the second column thereof:

Words

The Constitution

SEC

NSE

The Seal

The Board of Directors

Meanings

This constitution as now formed or as from time to time altered or modified by special resolution.

The Securities and Exchange Commission.

The Nigerian Stock Exchange.

The common Seal of the Association.

The Board of Directors of the Association or the Directors present at the duly convened meeting of Directors at which a quorum is present.

Member	Any financial institution or investment bank duly registered by the appropriate regulatory authority to act as an issuing house which has been admitted to membership of the Association.
Non-Resident Investment Banks	These are Foreign investment Banks/Issuing Houses that perform issuing house functions in Nigeria through a registered member of the Association.
Honorary Member	Any institution appointed an honorary member of the Association pursuant to the provision of this constitution.

5) Membership

- a) The Membership of the Association shall consist of all financial institutions or investment banks licensed to operate as issuing houses in Nigeria by the SEC and/or other appropriate regulatory bodies.
- b) There shall a Register of Members in which shall be recorded the names and addresses of members of the Association.
- c) A member of the Association shall be issued with a certificate confirming its membership of the Association

6) Membership Representation

- a) All employees of member firms shall be entitled to attend all General Meetings, Extra- Ordinary General Meetings and functions organized by the Association.
- b) Each member firm of the Association shall by instrument in writing signed on its behalf by duly authorized persons and delivered to the association appoint one (1) person and an alternate being officers of such Member to be member's representative to partake in the affairs of the Association and vote on its behalf and be voted for at General Meetings of the Association or hold any other position in the Association subject to such restrictions (if any) expressly stated in writing in a letter or other instrument addressed to the chairman of the Association by such member provided however that:
 - i. Each member firm shall only have one vote at any given time.
 - ii. No member shall have or occupy more than one seat on the Board at the time of election of any and/or all members of the Board excluding ex-officio members.

- c) A member may from time to time in the manner aforesaid revoke any appointment made pursuant to regulation 6 (c) above and make a fresh appointment in similar manner.
- d) The representative of each member shall be representative only of the member by whom he is appointed and shall have no power to commit the Association to any legal obligations or liabilities whatsoever except as may be duly authorized by the Association

7) Objective

The objects for which the association is established are:

- a) To set professional and ethical standards for practitioners and ensure compliance with set standards;
- b) To promote free interplay of market forces;
- c) To enable members interact with one another on issues concerning the capital market in general and issuing houses in particular;
- d) To promote and protect the interest of members of the Association in exercise of their duties as issuing houses;
- e) To enable members approach or collaborate with the Government, the SEC, the NSE, and other regulatory bodies as a single body in order to facilitate the formulation of policies affecting the capital market and other relate issues;
- f) To encourage the professional development of Issuing House Operators;
- g) To advance the knowledge of operators and their staff by organizing lecturers, seminars, workshops etc;
- h) To provide facilities for the free flow of information among members and to engage in research on capital market transaction/operations and related areas;
- i) To promote professional integrity and status of all persons engaged in Issuing Houses activities;
- j) To relate with other professional bodies with a view to building a strong Nigerian capital market;
- k) To do such things that are incidental or conducive to the attainment of the above objects; and
- l) The Association must act as a self- regulatory body.

8) **Subscription**

- a) Every member of the Association shall be obliged to make or contribute an Annual Subscription to the Association in addition to such other contributions as the members may upon the recommendation of Directors agree to make for particular or specific purposes as may be deemed necessary.
- b) The Directors for the time being shall make recommendation to the Association in General Meeting on the quantum or amount of Annual subscription to be paid by members and such quantum or amount shall be fixed by the Association in General Meeting by a simple majority of Members voting at a meeting properly convened.
 - i. The Notice convening the General Meeting at the resolution to increase the Annual Subscription is proposed to be passed shall state the intention to pass the resolution and the amount being proposed as the new Annual Subscription.
 - ii. If the Members are unable to agree as to the quantum or amount of the Annual Subscription then the amount recommended by the Director shall be applicable until the next Annual General Meeting.
- c) Every member shall forward to the Secretariat within ninety (90) days of the beginning of every financial year of the Association the said Annual Subscription failing which a defaulting Member may become liable as stipulated in clause (d) here of
- d) Any Member who fails to pay the agreed or applicable Annual Subscription
 - i. At the expiration of 90 days shall forfeit its voting rights;
 - ii. At the expiration of 180 days shall be liable to suspension of its membership; and the Association shall notify the SEC of the suspension.
 - iii. At the expiration of 270 days shall automatically cease to be a member and the SEC shall be notified, but without prejudice to its obligation for the debts and liabilities of the Association incurred before it ceases to be a member. A member who ceases to be Member under this clause shall be required to make fresh application for membership and no regard shall be had to the fact that it was once a Member of the Association.

9) **General Meetings**

- a) The Association shall have three (3) types of meetings namely:
 - Annual General Meeting
 - Extra Ordinary General Meeting
 - General Meeting

- b) The Association shall in each year hold a general meeting of its members as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices convening or calling it. And not more than 12 months shall elapse between the date of one Annual General Meeting of the Association and that of the next.
- c) Functions of the Annual General Meeting
 - i) To receive, discuss and approve the Annual Report and Accountants of the Association.
 - ii) To receive the Auditors report.
 - iii) To conduct elections and appointments.
 - iv) To consider and if thought fit to pass any special or ordinary resolution
 - v) To discuss any matter duly brought before the Meeting by a financial Member.
- d) The Directors may and on requisition by ten (10) or more Members convene an Extra- Ordinary General Meeting to deliberate on urgent matters which cannot be delayed till the next Annual General Meeting or General Meeting
- e) The Association shall hold a General Meeting once every quarter to deliberate on ordinary business of the Association
- f) The notice required for all General Meetings shall be fourteen (14) days except the Annual General Meeting which shall be 21 days from the date on which the notice was sent. The notice shall be sent by post to the registered office address furnished by each member and shall be deemed served 48 hours after posting. And/or advertised in the newspapers which shall be taken as adequate notice at the effective date of publication.

10) Proceeding at General Meetings

- a) No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. A quorum shall consist of fifteen (15) members for the time being of the Association.
- b) The Chairman or in his absence the Vice Chairman shall preside as a Chairman at every General Meeting of the Association, or if there is no such Chairman, or Vice Chairman, or if he is not present within thirty (30) minutes after the time appointed for the Holding of the Meeting or is unwilling to act, the Directors present shall select one of their members to be chairman of the Meeting.

- c) The Chairman of the Meeting may, with the consent of any Meeting at which quorum is present (and shall if so directed by the Meeting), adjourn the Meeting from time to time and from place to place but no business which might lawfully have been transacted at the Meeting from which the adjournment took place provided that any adjournment shall not be exceed 14 days from the date of the Meeting at which the adjournment is made.
- d) i. At General Meeting, a resolution put for the vote of the meeting shall be decided by a simple majority of members present and entitled to vote except as provided otherwise in these regulations, such voting to be on a show of hands by the representative of each member present at the meeting.
 ii In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

11) **Board of Directors**

- a) There shall be established by Members, a Board which shall consist of seven (7) members, who shall act in executive capacity and be known as directors
 There shall be ex-officio members of the Board consisting of not more than three (3) immediate proceeding ex- chairman and/or ex-vice chairman who shall act in advisory capacity only.
- b) The seven (7) executive Board Members shall comprise of the following officers:
 - a) The Chairman
 - b) The Vice Chairman
 - c) The Director of Administration
 - d) The Assistant Director of Administration
 - e) The Director of Finance
 - f) The Director of Treasury
 - g) The Director of Publicity
- c) A Director shall vacate and cease to hold office in any of the events following namely if:
 - i. He is not re-elected at the end of his term or in accordance with clause 13 hereof:
 - ii. He resigns his office and his resignation is accepted by the Association.
 - iii. He is no longer capable of carrying out his duties by reason of age incompetence, ill-health or other disabilities.
 - iv. He dies, becomes of unsound mind or insolvent or compounds with his creditors.

- v. He is convicted of a felony or any offence involving fraud or dishonesty
- vi. He be removed pursuant to the provisions of clause 15
- vii. He is recalled and replaced with another representative of the member

d) The general powers and duties of the various directors are as follows:

i. Chairman

He shall

- Be the chief executive officer of the association and in that capacity shall preside at every meeting of the association
- Preserve order and take such measures as are reasonably necessary to do so
- See that proceedings of meetings are conducted in a peaceful manner
- Ensure that the true intention of the meetings is carried out in resolving any issue that arises before it
- Act in the interest of the association
- Make periodic reports to the association

ii. Vice Chairman

The Vice Chairman shall assume duties delegated to him by the chairman and shall act as chairman in his absence.

iii. Director of Administration

- The director of administration shall be the secretary and shall administer the secretariat of the association including maintaining a register of members and undertaking all duties assigned to him
- The director of administration shall coordinate and take the minutes of all meetings, prepare notices and ensure circulation of same to all members
- He carries out these functions through the executive secretary of the association

iv. Asst. Director of Administration

- The Assistance director of administration shall assist the director of administration in all duties and shall act as the director of administration in his absence.

v. Director of Finance

- The Director of treasury shall be the banking officer of the association
- He shall be the custodian of the association's funds
- He shall collect all monies of the Association and bank same within 2 working days of receipt and shall effect approved disbursement on behalf of the association and pass on details of disbursement to the director of finance for recording.
- He shall keep the cheque book of the association and maintain a petty cash imprest account of amount as may be approved by the directors
- Placement of funds in banks by the director of treasury should be concurred to by the chairman and director of finance.
- He can delegate these functions to the executive secretary

vi Director of Treasury

- The Director of Treasury shall be the Banking Officer of the Association
- He shall be the custodian of the Association's Funds
- He shall collect all monies of the Association and bank same within 2 working days of receipts and shall effect approved disbursement on behalf of the Association and pass on details of disbursement to the Director of Finance for recording.
- He shall keep the cheque book of the Association and maintain a petty cash imprest account of amount as may be approved by the Directors.
- Placement of funds in banks by the Director of Treasury should be concurred to by the Chairman and Director of Finance.
- He can delegate these functions to the Executive Secretary.

vii Director of Publicity

- The Director of publicity shall be the public relations office and chief image maker of the association
- He shall organize all social and publicity Programmes of the Association and shall head Ad-hoc committees on publicity and social activities

12. **Powers and duties of the Board**

- a) The business of the Association shall be managed by the directors who may exercise, subject to any limitations of restrictions as may be prescribed by members of the associations in general meeting, all such acts as may be exercised or done by the

association subject nevertheless to any regulations of this constitution or any relevant legislation for the time being in force and no such regulations made by the association in general meeting shall invalidate or nullify any prior act of the directors which would have been valid if such regulations had not been made.

- b) The Directors shall have power to appoint ex- chairman or ex- vice chairmen who shall pursuant to clause 11(a) be ex-officio Members of the Board and notify members of the Associations at the next General Meeting.
- c) Appointment of Honorary Members shall be based on the criteria stipulated in clause 16(d) hereof.

13. Rotation of Directors

- a) The term of office of each Director shall be (2) years.
- b) Representation on the Board shall be rotational.
- c) The Association on the meeting at which a Director retires in the manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall if (provided he remains eligible to be a Director of the Association in accordance with provisions of the constitution) offering himself for re-election be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for re-election of such Director shall have been put to the meeting and lost.

14. Proceedings of the Board

- a) The board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of the Directors.
- b) The secretary shall in consultation with the Chairman or at the request of four (4) Directors at any time summon a Board meeting. Unless all the Directors shall otherwise agree at least five (5) working days' notice of all Board meeting shall be given to every Director. The notice shall be exclusive of the day on which it is served for deemed to be served and of the day for which it is given. Every such notice shall specify the general nature of the business to be transacted at the meeting.
- c) A quorum at all meetings of the Board for the transaction of business shall consist and shall require at least four (4) Directors throughout the meeting.
- d) The continuing Directors may act notwithstanding any vacancy in their body provided that a quorum is present.
- e) If at any meeting neither the Chairman nor the Vice- Chairman be present within thirty (30) minutes after the time appointed for the holding the same, the Directors present may select one of their members to Chairman of the meeting.

- f) A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
- g) The Board may delegate any of its powers to Committees, whether consisting of a member or members of its body or not, or to such person or persons pursuant to a written agreement, as it thinks it fit. Any Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
- h) The meetings and proceedings of any Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last proceeding clause.

15. Removal of Directors

- a) The Association may by resolution passed by a simple majority of members present and voting at a properly convened General Meeting remove a Director before the expiration of his period of Office, notwithstanding anything in this constitution, for reasons which may include but not limited to the following if:
 - i. He is guilty of serious misconduct relating to his duties as a Director.
 - ii. In the case of a person possessed of professional qualifications he is disqualified or suspended (other than at his own request) from practicing his profession in Nigeria by order of any competent authority made in respect of him.
 - iii. He is otherwise removed from office pursuant to the provisions of this clause.
- b) A Special notice given by members of constituting at least one third (1/3) of the number required to form a quorum for the time being under constitution and where such number is a fraction of the nearest whole number thereof, shall be required of any resolution to remove a director under the clause and on receipt of notice of any intended resolution to remove a director under this clause, the association shall forthwith send a copy of it to a director concerned, and the director shall be entitled to be heard on the resolution at the meeting.
- c) Where notice is given of the intended resolution to remove a director under this clause and the director concerned makes with respect to its representation in writing to the association (not exceeding a reasonable length) and request their notification to members the association shall, unless representations are received by it too late for it to do so:

- i. In any notice of the resolution given to members of the association state the fact of the representations having made; and
 - ii. Send a copy of the representations to every member of the association to whom notice of the meeting is sent (whether before or after receipts of the representations by the Associations) and if a copy of the representations is not sent as required in this clause because it is received too late or because of the Association's
- d) A vacancy created by the removal of a director under this clause may be filled at the meeting at which he is removed.
- e) A person appointed Director in place of a person removed under his clause shall treated, for the purpose of determining the time at which he or any other director is to retire, as if he had become director on the day on which the person in whose place he is appointed was appointed director was last appointed.

16. Honorary Members

- a) Honorary Members shall be advisers to Directors and the association and shall serve as pressure link with the regulatory authorities, government agencies and other external bodies
- b) They may attend meetings of the Directors and the association if deemed necessary as the case may be but shall neither have voting powers nor be counted for purpose of determining quorum.
- c) An honorary member shall serve for a term of two (2) years and may at the end of his term be reappointed for another term provided however that no person shall be appointed an honorary member for life.

17. Ex officio members

- a) He shall be chosen by the Board from the immediate preceding
 - i. Ex -chairmen
 - ii. Ex- vice chairmen

18. Retirement of Directors

- a. They are elected for a term of 2 years
- b. They can be re-elected for another term of 2 years
- c. Subject as herein provided, Directors retiring by rotation shall be eligible for re-election provided that no director shall serve the association for more than two (2) consecutive terms.

19. Change of Employment by a Director

- a) An elected Director's tenure is automatically determined and expires on leaving the employment of a member institution. It shall however subsist if the Director changes employment only i.e. into another institution where no elected position is being held.
- b) Where a Director is to be replaced sequel to 19(a), the Director shall be given the first right of refusal to produce the replacement.

20. Written Resolution

- i. A resolution in writing or approved or conveyed by letter, telegram, telex, or fax by majority of Directors for the time being shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.
- ii. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors.

21. Defect in Appointment of the Directors

All acts bonafide done or omitted to be done by any meeting of the Directors or by any person validity acting as Director shall, notwithstanding it being afterwards discovered that there was some defect (provided such defect was not fraudulent, malicious or intentional) in appointment of any such Directors or persons acting as aforesaid or that any of them was disqualified, be as valid as if every such person had been duly and properly elected or appointed and qualified to be Director.

22. Special Committees

The Association may appoint or constitute or direct to appoint or constitute Special Committees comprising such persons, officers or representatives of Members of such purpose and tenure and such terms and conditions as the Association may deem fit. When such a Committee is appointed or constituted and not specific provisions are made for the proceedings as near as possible in accordance with the provisions regulating the proceedings of Directors herein contained including the provisions of clause (2).

23. The Seal

The Directors shall provide for the safe custody of the seal which shall only be used by the authority of the Directors or of a Committee of the Association (if any) authorized by the Association in that behalf and every instrument to which the seal is affixed shall be signed by two (2) Directors.

24) Accounts

- a) The financial year of Association shall be January 01 to December 31 of each year.
- b) The Directors shall cause proper books of account of the Association to be kept and the provisions of any enactment or regulation for the time being having the force of law in respect therefore shall always be complied with.
- c) The books of account shall be kept in the Secretariat of the Association and shall at all times be open to inspection by members of the Association.
- d) The Directors shall from time to time in accordance with provisions of existing legislation cause to be prepared and to be laid before the Association in General Meeting such Income and Expenditure Accounts, Balance Sheets and Reports as may be required by members. A copy of every Balance Sheet (including every document required by law to be annexed thereto) which is to be laid before the Association in General Meeting and of the report of the Directors and Auditors shall be sent not less than twenty-one (21) days before the date of the Meeting entitled to receive notice of the Meeting.

25) Bank Account

Bank Accounts shall be maintained for the Association and shall have 5 signatories in two categories as follows:

Group A

- i. Chairman
- ii. Vice Chairman

Group B

- i. Directors of Administration
- ii. Directors of Treasury
- iii. Directors of Finance

Any two signatories with at least one from each group can sign the Association's cheque.

26) Secretariat

- i. The Association will maintain a Secretariat situate in Nigeria.
- ii. The Secretariat will be the primary office of the Director of Administration.

27) Power and Duties of the Executive Secretary

- i. The Executive Secretary shall be the Chief Executive of the Association's Secretariat and Principal Adviser in all matters relating to the policy of the Association as it relates to the terms and staff salaries and wages.
- ii. He shall have the right to attend and be heard at all meetings of the Association and of its Committees and Sub-committees.
- iii. He shall execute all the functions of the Director of Administration of Assistant Director of Administration delegated to him. He shall not vote at such meetings.
- iv. He shall draw up an annual budget to meet the cost of running the Secretariat.
- v. He shall ensure that records and accounts of the Secretariat are maintained and carry out its correspondences.
- vi. He shall be subject to any directions given by the Executive Committee through the director of Administration, determine the duties and powers of other officers of the Secretariat.

28) Amendment of the Constitution

- i. A General Meeting may, subject to the provision of this section, amend any of the sections of this constitution by the passing of a special resolution.
- ii. A special Notice shall be required of such a resolution. The resolution shall not be effective unless notice of the intention to move it has been given to the Association not less than twenty-one (21) days before the Meeting at which it is proposed to be moved, and the Association shall give its members Notice of any such resolution at the same time as it gives notice of the Meeting.
- iii. A special resolution to amend the Constitution shall be valid if and when passed by not less than two thirds (2/3) of members present and voting provided there is a quorum at the meeting.

29) Trustees

- a) The Trustees of the Association for the purpose of the Companies and Allied Matters Act No. 1 of 1990 shall be appointed at the General Meeting charged with the responsibility of selecting the Trustees.
- b) Such Trustees (herein after referred to as "The Trustees" shall be (at least three in number and shall be) known as "Incorporated Trustees of the Association of Issuing House of Nigeria".

- c) A Trustee shall cease to hold office if he:
 - i) Resigns his office;
 - ii) ceases to be member of the Association;
 - iii) becomes insane or of unsound mind;
 - iv) is officially declared bankrupt;
 - v) is convicted of a criminal offence involving dishonesty by a Court of competent jurisdiction;
 - vi) is recommended for removal from office by a majority vote of members present at any Annual General Meeting of which due notice was given;
 - vii) ceases to reside in Nigeria.
- d) Upon a vacancy occurring in the number of Trustees, a General Meeting will be held to appoint another eligible member to fill such vacancy.
- e) The Trustees shall apply to the Corporate Affairs Commission for a Certificate of Incorporation under the Companies and Allied Matters Act No. 1, 1990 part C and shall have power to accept and hold in trust all land belonging to the Association and to acquire land on behalf of the Association subject to such conditions as the Corporate Affairs Commission may impose.
- f) The powers and duties of the Trustees shall be carried out and performed by or through the Board of Directors for the time being elected in accordance with this Constitution.