



**TAMELA JSE LISTINGS REQUIREMENTS
AND RELATED REGULATORY
GUIDELINE AND NOTES
SIXTH EDITION**

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FOREWORD

Tamela Holdings Proprietary Limited ("Tamela"), founded in 2008, is a financial services group with activities in corporate finance, fund management and principal investments. We thank all our clients who have supported us over the past 16 years.

Understanding the JSE Listings Requirements and related regulations is a key building block of corporate activity for listed entities and those that interact with such companies. Transactions are often delayed by unanticipated regulatory hurdles.

It pleases us to present this sixth edition of the Tamela JSE Listings Requirements and Related Regulatory Guideline and Notes ("Tamela JSE Guide"). This edition is based on JSE Listings Requirements Issue 31 and the Market Segmentation and BEE Segment sections which have recently been promulgated and are effective at the date of issue of this edition. The Tamela JSE Guide is intended to be a supporting and quick reference tool for market participants, company executives and corporate finance practitioners. However, it is not a substitute for the entire JSE Listings Requirements as published by Lexis Nexis South Africa. The Tamela JSE Guide summarises the most important aspects of the JSE Listings Requirements and related regulations applicable to equity issuers.

We hope that the Tamela JSE Guide will be a useful tool in understanding the regulatory regime for listed companies and anyone considering a listing on the JSE. In a climate of ever-increasing regulatory compliance, we hope this Tamela JSE Guide will assist executives navigate the regulatory landscape.

We would welcome any feedback (jseguide@tamela.co.za) on improvements we can make in subsequent editions of the Tamela JSE Guide. The Tamela JSE Guide is also available online (www.tamela.co.za) or through the QR Code below. We thank KAR Presentations for the collaboration on the content of this publication and our publishing partner, Bastion.

Yours faithfully

Tamela Corporate Finance team



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Tamela is an authorised financial services provider, FSP 42038 and a JSE sponsor.

About Tamela

Tamela, founded in 2008, is a leading black-owned and managed corporate finance advisory and JSE equity sponsor company. Tamela has built a niche corporate finance advisory capability over the last 16 years with transactions that have ranged from R100 million to over R20 billion. Tamela's advisory activities include providing corporate finance advice to selected clients on Listings, Rights Issues, Balance sheet restructuring, Debt Capital Markets ("DCM"), Equity Capital Markets ("ECM"), Black economic empowerment, M&A transactions, Valuations and JSE equity sponsor services.

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DISCLAIMER

Whilst KAR Presentations, KA Rayner and Tamela are satisfied with the content of this Tamela JSE Guide, no person should take any action based on the content of this Tamela JSE Guide unless such person has reviewed the underlying JSE Listings Requirements and other regulatory documents referred to herein and obtained appropriate professional advice in respect of the matter concerned.

1. INTRODUCTION

This Tamela JSE Listings Requirements and Related Regulatory Guideline and Notes (“Tamela JSE Guide”) summarises the most important aspects of the JSE Listings Requirements (“JSE LR”) applicable to equity issuers. This Tamela JSE Guide does not deal with the JSE Debt and Specialist Securities Listings Requirements.

The content is arranged in sequential topical format with reference to the relevant section(s), schedules, guidance letters and practice notes of the JSE LR. The references provided are to the paragraph numbers in a particular section of the JSE LR. Reference to “ListCo” effecting any action requires such action to be effected by ListCo’s directors.

[bracketed italicised words which are either underlined or struck through] indicate(s) proposed amendments not finalised at date of printing this edition.

2. AUTHORITY OF THE JSE

2.1 Narrative summary

The JSE is given wide powers from Section 1 of the JSE LR, subject to the provisions of the Financial Markets Act, 2012 (“FMA”) to:

- Grant, defer, refuse, suspend or remove a listing of securities (equity, debt and specialist securities) from the JSE list;
- Prescribe, enforce and amend (subject to public consultation) the JSE LR with which ListCos, ListCo group directors, sponsors, various experts and audit persons *(being audit firms, audit individuals, reporting accountant specialists (“RAS”)) must comply.

The JSE is required to review all listed securities annually and does so by requiring all ListCos to submit an annual compliance certificate evidencing annual compliance with the relevant JSE LR on the date of issue of ListCo’s annual report (“AR”) together with the annual report. Non-compliance will eventually result in suspension of trading of ListCo securities.

ListCos, ListCo group directors, sponsors and designated advisers may object to a JSE decision via a formal “objection” procedure. However, only two matters are “appealable” in the JSE LR – a JSE initiated delisting (termination) and deregistration of a sponsor.

The JSE has a general power to suspend trading of ListCo shares (“suspension”) at its instance when ListCo is in breach of the JSE LR or it is considered in the public interest to do so. Prior to effecting such suspension, the JSE will consult with and receive representations from ListCo’s board (“consultation”). If, however, the JSE is unable to contact a ListCo director it has the power to suspend trading without consultation. The JSE LR also provide for non-consultative automatic suspension if ListCo is in breach of certain JSE LR, namely: financial reporting, submission of annual compliance certificate and cash company requirements.

* *The auditor accreditation model contained in the JSE LR was deleted with effect from 4 December 2023. The effect is that audit persons are no longer subject to JSE authority. The Independent Regulatory Board for Auditors (“IRBA”) is (now) the sole regulator with authority over auditor persons. However, the JSE LR are unchanged regarding prescribed attest function work to be performed and effected by audit persons regarding periodic financial reporting and reporting on certain corporate action required financial reports.*

ListCo's board can voluntarily request the JSE to suspend trading of its shares when ListCo:

- Is in financial difficulties, including provisional liquidation, business rescue, cessation of business, CIPC issue of a cease trading compliance notice or CIPC deregistration; or
- There is a false market, being two levels of information in the market as a result of a leak of confidential information which is unable to be cured by announcement.

When a ListCo's securities are suspended, the ListCo must continue to comply with the JSE LR and must report the status of "curing" the suspension problem monthly to the JSE and quarterly to ListCo securities holders via the Stock Exchange News Services ("SENS").

The JSE has the power to terminate a listing, subject to consultation with ListCo, and will do so after a ListCo has been suspended for a lengthy period of time, has been unable to cure a suspension problem during this period and all shareholder value has been "lost".

A voluntary termination of a listing is fairly complex and is dealt with in the corporate action tables.

Subject to consultation, the JSE is empowered to publicly or privately censure a ListCo and ListCo group directors in the event of a contravention of the JSE LR and may also impose a fine on such persons not exceeding the limit imposed by the FMA (being R7.5 million per person escalated by CPI annually, commencing in June 2013). All or part of any fines imposed and received by the JSE will be used to settle external costs incurred and any project costs initiated for research and analysis. In the event of non-payment of a fine, the JSE may approach a competent court to obtain a civil judgment against the person concerned. The JSE may disqualify any person from holding the office of a director of a ListCo for any period of time. Notwithstanding the deletion of the auditor accreditation model, the JSE may refer an audit person to the IRBA for disciplinary procedures when considered necessary.

The JSE is empowered to require disclosure of information from ListCos and to convene investigations and hearings if necessary.

The JSE has an absolute discretion to publish information or require ListCos to publish information in relation to any of the abovementioned actions taken.

2.2 Tabular summary

Listings requirement	Summary of provision
Section 1	Authority of the JSE
1.1 – 1.5	General powers of the JSE
1.1	The JSE has the power to grant, refuse, suspend or remove listings and to prescribe and amend the JSE Listings Requirements ("JSE LR") applicable to JSE listed companies ("ListCos"), ListCo group directors, sponsors, designated advisers, depositories and audit persons (audit firms, audit individuals and reporting accountant specialists)
1.2	All listings on the JSE are granted subject to compliance by ListCo and its directors with the JSE LR and any additional conditions imposed by the JSE
1.3	Subject to judicial review and appeal provisions in the FMA, JSE rulings are final
1.4	Objection procedure against a JSE decision available to ListCos, ListCo group directors, sponsors, designated advisers and/or depositories

Listings requirement	Summary of provision
1.5	Appeal procedure against a JSE termination decision available to ListCos (NB! only two matters are appealable in the entire JSE LR)
1.6 – 1.16	Suspension and removal of securities
1.6 – 1.9	The JSE may suspend a listing if ListCo is in breach of the JSE LR and it is in the public interest to do so, including suspension if directors have not acted timeously to remedy a leak of price sensitive information
1.10	Voluntary application for suspension by ListCo directors when ListCo is in financial difficulty or there has been a leak of price sensitive information that is unable to be remedied by an announcement
1.11	Continuing obligations by ListCo during suspension – all JSE LR continue to apply, JSE and shareholder notifications required regarding status of remedy
1.12 – 1.13	The JSE may remove a listing if ListCo is in breach of the JSE LR and it is in the public interest to do so after taking note of ListCo representations
1.14 – 1.17	<p>Voluntary application for removal of securities requires 75% independent shareholder approval of an ordinary resolution (excludes the offeror, offeror associates and offeror concert parties) plus an offer must be made to shareholders that is opined on as being “fair” by the ListCo independent board and an independent professional expert (“IPE”)</p> <p>A successful takeover corporate action resulting in ListCo no longer qualifying for listing will result in termination of listing</p>
1.18 – 1.19	Redemption of listed redeemable securities
	Application to the JSE for the removal of redeemable securities from the List must be effected in accordance with the terms of the redeemable securities and in compliance with the relevant CA timetable
1.20	All listings are reviewed/ revised by the JSE annually after receipt of the annual compliance certificate, together with ListCo’s annual report, confirming compliance with the JSE LR by both ListCo and by ListCo’s directors during the prior financial year/period ended

Listings requirement	Summary of provision
1.21 – 1.30	Censure and penalties, information and publication
	<p>Subject to consultation, the JSE is empowered to publicly or privately censure a ListCo and ListCo group directors in the event of a contravention of the JSE LR and may also impose a fine on such persons not exceeding the limit imposed by the FMA (being R7.5m per person escalated by CPI annually, commencing in June 2013). Fines imposed and received by the JSE will be used to settle costs incurred and project costs for research and/or analysis</p> <p>The JSE may disqualify any person from holding the office of a director of a ListCo for any period of time.</p> <p>In the event of non-payment of a fine the JSE may approach a competent court to obtain a civil judgement against the person concerned</p> <p>The JSE is empowered to require disclosure of information from ListCos and to convene investigations and hearings if necessary</p> <p>The JSE has an absolute discretion to publish information or require ListCos to publish information in relation to any of the abovementioned actions taken</p>
1.31 – 1.32	Amendments to the JSE LR
	Subject to the FMA, the JSE is empowered to amend the JSE LR through a public consultation process

3. MEMORANDUM OF INCORPORATION (“MOI”)

3.1 Narrative summary

Every ListCo is required to have a MOI that is in compliance with Schedule 10 of the JSE LR that has been approved by the JSE. SubCos of ListCo are not required to submit their MOI to the JSE for approval, but such MOI must not contain any provisions frustrating the application of the JSE LR on a group-wide basis by ListCo. The MOI requires continual compliance by a ListCo with the JSE LR. The MOI provides for alterations to various Companies Act requirements as provided for, *inter alia*, in Section 15 of the Companies Act.

Creating value through partnerships

Building on from the relationship established during Barloworld's Khula Sizwe B-BBEE transaction and other advisory roles, Tamela acted as joint Financial Advisor and Transaction Sponsor to Barloworld in the recent disposal of its logistics division.



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**Tamela is an authorised Financial Services Provider and JSE
Sponsor**

4. SPONSORS

4.1 Narrative summary

Sponsors are JSE registered persons, being companies, sole proprietors or partnerships, which advise ListCos regarding the application of and compliance with the JSE LR. Sponsors are usually required to have at least three individual Approved Executives in their employ that are registered with the JSE who have expert knowledge of the JSE LR.

All ListCos are required to have a continually appointed sponsor. Sponsors are usually independent of ListCo but in some instances may not be independent, which then limits the advisory services able to be provided to such ListCo in respect of the less important corporate actions ("Lesser CAs"), being amendments/approvals of MOIs, Schedule 14 share incentive schemes, general issues of shares for cash (approval and issue(s)), general repurchases (approval and repurchase(s)), increase in share capital (and conversion of par to no par value shares) and change of name. The appointment of an independent sponsor is required for the more important corporate actions, being corporate actions ("CAs") requiring shareholder approval (excluding the Lesser CAs), unbundlings not requiring shareholder approval, related party transactions, removal of listings and rulings in relation to these CAs. There are complex rules contained in Schedule 16 that are applied in determining whether a sponsor is independent.

Sponsors have quite onerous responsibilities and are required to have an answer to every/any question asked of them by a ListCo. They are required to approve and release all ListCo announcements on SENS and effect the listing of all ListCo shares onto the JSE List. They must check and submit all ListCo documentation requiring approval to the JSE.

Sponsors are required to compile a procedures manual and must implement and act in conformity therewith when advising ListCos.

If sponsors are ever in breach of their responsibilities, they may be censured and fined up to R1 million by the JSE. The JSE may deregister a sponsor in extreme circumstances. The JSE has broad powers of investigation and publication of information regarding sponsors.

Sponsors and designated advisers are entitled to object to a JSE decision of censure/penalty/publication of action taken and reasons therefor or take a decision of removal from the register on appeal.

Sponsors have a specific right of appeal regarding a deregistration process initiated by the JSE.

Sponsors may act as company secretary to any ListCo. Such appointment would require a segregation of duties within a sponsor organisation to ensure no conflicts of interests between sponsor responsibilities/advice and company secretary responsibilities/advice.

4.2 Tabular summary

Listings requirement	Summary of provision
Section 1	Authority of the JSE
2.1	Sponsors must be qualified to be registered by the JSE
2.2 – 2.7A	Appointment and termination
	<ul style="list-style-type: none"> • ListCos require a continually appointed sponsor but may use other sponsors for corporate actions • ListCos may terminate and appoint sponsors as required, which requires board approval, JSE notification and announcement on SENS
2.8 – 2.12	Responsibilities
	Sponsors are required to have expert knowledge of the JSE LR and must continually advise ListCos on the application and compliance of the JSE LR
2.13 – 2.16	Direct access
	<p>All communication by ListCo to and from the JSE must go via the sponsor</p> <p>Sponsors must approve and effect the SENS release of all ListCo announcements</p>
2.17 – 2.18	Disciplinary action
	<ul style="list-style-type: none"> • If a sponsor is in breach of the JSE LR the JSE is empowered to effect a public or private censure and a penalty up to R1 million • Sponsors and designated advisers have a right of objection in terms of Section 1.4 and have a right of appeal if the JSE proposes/proceeds with a deregistration process
Schedule 16 and 17	<ul style="list-style-type: none"> • Complex rules dealing with sponsor independence • Disclosures that are made when documents are submitted to the JSE for approval

5. CONTINUING OBLIGATIONS (INCLUDING TRADING STATEMENTS)

5.1 Sections 3.1, 3.2 and 3.3 and Sections 3.4 to 3.10

5.1.1 *Narrative summary*

Continuing obligations

A ListCo must comply with the JSE LR on a continual basis even if there is an overlap with another law. Such overlap often involves the South African Companies Act and may require two separate approvals for the same CA.

A ListCo must have an appointed sponsor at all times. Refer to “Sponsor Section 2” in table above for commentary.

General obligation of disclosure

ListCo must draft an information policy dealing with all principles concerning measurement, classification and disclosure of information (“Information Policy”).

Price sensitive information (“PSI”) is unpublished information, that is known with reasonable certainty and is deemed to have a material effect on ListCo’s traded security price (“security price”) when published on SENS. Information arising from CA and unusual in the ordinary course of business (“ITOCOB”) events (“Events”) must be determined as being PSI or not.

Information will pre-qualify as PSI if it is deemed (by ListCo) to have a material effect on ListCo’s security price. “Material effect” does not rely upon the definition of “material” in the JSE LR, which as a rule of thumb is 10%. A reasonable measurement level for a material effect is any deemed increase or decrease in ListCo’s share price of 5% or more, determined using the measurement metrics of size and importance. Assuming a material effect of 5%, the size measurement metric will deem any information to pre-qualify with respect to a CA or ITOCOB event if the monetary size of the subject matter concerned is equal to or greater than 5% of ListCo’s market capitalisation. Any information that does not pre-qualify as PSI in terms of size (i.e. monetary size is less than 5% of ListCo’s market capitalisation) will pre-qualify if it is decided by ListCo that market perception and reaction to such information disclosure would have a material effect on ListCo’s security price.

Pre-qualified PSI will (finally) qualify as PSI when the probability of success of a CA or Event achieves “reasonable certainty”. Reasonable certainty is achieved when the probability of success is greater than 50% with no other competing probable outcomes of any material size.

There are therefore two steps required to qualify information as being PSI, firstly it must be deemed to have a material effect on ListCo’s security price and then, secondly, it must become reasonably certain that the CA or event will occur. When ListCo is in possession of PSI it is in a price sensitive period.

5.1.2 Tabular summary

Listings requirement	Summary of provision
Section 3	Continuing obligations
3.1 – 3.3	Compliance with the JSE LR
	<ul style="list-style-type: none"> ListCo must comply with the JSE LR on a continual basis even if there is a conflict ListCo must continue to comply with the “control over assets” rule that applied at date of first listing ListCo must continually have an appointed sponsor – for most ListCos the sponsor is also independent
3.4 – 3.10	General obligation of disclosure
3.4(a)	<ul style="list-style-type: none"> ListCo must determine whether information arising from any CA or any “not in the ordinary course of business” event qualifies as being PSI Practice Note 2/2015 must be applied in determining whether information qualifies as being PSI – this involves applying the metrics of size, importance and reasonable certainty PSI must be announced on SENS without delay (and usually in the press) unless it can be kept confidential

5.2 Inside information and the linkage to PSI – FMA Sections 77 to 82

5.2.1 Narrative summary

The FMA defines inside information as information concerning ListCo which, if it were made public, would be likely to have a material effect on ListCo’s security price, or on any JSE-listed derivative security in respect of any of ListCo’s shares. Because there is no definition of “material” in the FMA, inside information is deemed to be the same as PSI.

Any price sensitive period is therefore deemed to also be an inside period and all principles with respect to PSI apply, *mutatis mutandis*, to inside information.

Any person who receives inside information concerning ListCo becomes an Insider and if it/they commit an insider trading offence they are liable to up to a maximum civil liability of four times the profit made (or loss avoided) plus a R1 million penalty increased by the rate of CPI from June 2013 (roughly 6% per annum compounded).

Separately – criminal sanction for, *inter alia*, insider trading carries up to 10 years in jail and/or up to a R50 million fine.

5.3 Insider trading

The insider trading offences and defences are summarised as follows:

<p>Offence 1</p>	<ul style="list-style-type: none"> • An Insider (being a person in possession of inside information concerning ListCo) dealing (including buying, subscribing or selling listed securities) directly or indirectly for his/her/ its own benefit in ListCo securities: – Defence 1 – the instruction to deal was given to a stockbroker before the person became an Insider; or – Defence 2 – all dealing parties were in possession of the same inside information
<p>Offence 2</p>	<ul style="list-style-type: none"> • A stockbroker or other person (agent) (stockbroker), already an Insider, dealing in listed securities for a client: – Defence 1 – the stockbroker is unaware that the client is an Insider; or – Defence 2 – the instruction to deal was given to a stockbroker before the client became an Insider; or – Defence 3 – all dealing parties – including the stockbroker – were in possession of the same inside information
<p>Offence 3</p>	<ul style="list-style-type: none"> • A stockbroker or other person (agent) (stockbroker), not an Insider, dealing in listed securities for a client that is an Insider and is aware that the client is an Insider: – Defence 1 – the instruction to deal was given to the stockbroker before the client became an Insider; or – Defence 2 – all dealing parties – including the stockbroker – were in possession of the same inside information
<p>Offence 4</p>	<ul style="list-style-type: none"> • An Insider discloses inside information to any other person; – Defence – disclosure was required in terms of employment or profession and not related to dealing in listed securities, e.g. auditing, legal agreement drafting, etc.
<p>Offence 5</p>	<ul style="list-style-type: none"> • An Insider encouraging or discouraging any person to deal or not deal: – Defence – none

5.4 Confidentiality and announcements – Sections 3.5 to 3.10

5.4.1 Narrative summary

Confidentiality of PSI (and inside information) is a myth. It will almost always be breached due to the ever-increasing number of persons becoming aware of such information over time who are not formally recorded as Insiders.

However, in order to maintain a manageable existence, ListCo will presume confidentiality is maintained provided ListCo is unaware of any overt PSI disclosures having been made to non-insiders (“disclosure breach”) and if ListCo’s traded share volumes and share prices do not deviate by an amount that is deemed to be indicative of a breach. Share volume and price movements of 5% or more from 20-day moving average volumes or prior day closing prices are reasonable pre-indicators of a breach of confidentiality.

Any pre-indicated disclosure breach must be immediately investigated and a determination made whether any volume or price move(s) can be explained by, or attributed to, general market forces such as a general market increase or decline, increase or decline of peer group ListCo’s volumes and/or prices, increase or decrease in Rand exchange rates, commodity price movements, etc. – and if no such explanation or attribution appears to be reasonable then a disclosure breach must be assumed to have occurred.

After any overt or assumed disclosure breach has occurred, ListCo must immediately contact (within minutes) any involved counterparty/ies (“counterparties”) and inform such counterparties of the disclosure breach and of ListCo’s obligation to immediately announce (probably within an hour) all known facts, including naming the counterparties, concerning the ITOCOB event or CA on SENS. Provided the counterparties agree, ListCo must then proceed to contact its sponsor and brief the sponsor to draft and release a detailed cautionary announcement on SENS and in the press. If the counterparties do not agree then ListCo must either: (i) terminate negotiations with the counterparties and brief the sponsor to draft an explanatory announcement on SENS and in the press stating that ListCo is not involved in any PSI negotiations, or (ii) agree with counterparties that negotiations will not be terminated and must immediately apply to the JSE for a suspension of ListCo securities trading. In the event of a suspension of ListCo securities trading, negotiations must be concluded within days and ListCo must then announce either a detailed cautionary announcement or explanatory announcement on SENS and in the press and apply for a resumption of share trading.

Cautionary announcements require further cautionary announcements to be published every 30 business days in order to apprise the market of progress concerning the CA.

Cautionary announcements will disclose all material facts that are known with reasonable certainty at such time. The JSE strongly discourages “bland” cautionary announcements. General Principle V requires compliance with Section 81 of the FMA, which precludes the publication of any announcement unless it contains all material facts.

It is important to note that confidentiality overrides reasonable certainty, but that certainty (100%) overrides confidentiality – which is why PSI does not need to be announced in a cautionary announcement when confidentiality is maintained and why “terms” must be announced immediately when agreement is reached.

5.4.2 Tabular summary

Listings requirement	Summary of provision
3.5 – 3.10	Confidentiality and announcements
3.5	PSI may not be released other than on SENS during JSE trading hours
3.6	PSI also qualifies as inside information in terms of the FMA and, in disseminating such information, ListCo must not commit the insider trading offence contained in Section 78(4)
3.7 and 3.9	<ul style="list-style-type: none"> • If confidentiality of PSI cannot be maintained or is breached an announcement is required immediately • An announcement of PSI must be effected as either a cautionary announcement or “terms” announcement (a terms announcement will contain all relevant information) if confidentiality is breached
3.8	All information that is price sensitive or required to be disclosed in terms of the JSE LR that is going to be released in any meeting or presentation must be announced on SENS prior to commencement of such meeting or presentation
3.10	Application for exemption from publishing PSI may be made to the JSE – this is never done as ListCo is given the power to determine when to publish anyway

5.5 Publication of trading statements – Section 3.4(b)

5.5.1 Narrative summary

Trading statements apply to two separate financial periods: firstly, to the interim period ending/ended with respect to the six-month interim period results and secondly, to the full financial year ending/ended with respect to the 12-month financial year results. Each trading statement is mutually exclusive of the other.

ListCo's consolidated earnings per share (“eps”) and headline earnings per share (“heps”) must be calculated on a monthly basis. Alternatively, if ListCo is a property entity it may use distribution per share (“dps”) after announcing such base line information usage via SENS.

ListCo's monthly consolidated eps and heps (or dps) must be used as a basis to internally forecast eps and heps (or dps) for two separate financial periods:

- Firstly, with respect to the interim period ending/ended – to the end of such interim period (“interim forecast”); and
- Secondly, with respect to the second half of the financial year – to the end of the financial year ending/ended for the full financial year (“financial year forecast”).

The respective interim forecast and financial year forecast must be compared either:

- To the respective prior year's interim or financial year's historical eps and heps (or dps) in cents; or
- To forecast eps and heps (or dps) in cents that have been published for the current interim period or current financial year (“base line information”).

When the respective interim forecast or financial year forecast is expected, with reasonable certainty, to be greater than or less than the relevant base line information by 20% or more with respect to eps or heps or 15% or more with respect to dps, a trading statement is required to be published on SENS.

The trading statement must disclose either:

- If range based – the relevant base line information, the forecast range of eps and heps (or dps) in cents and the percentage range increase or decrease (if equal to or less than 100%) compared to the base line information, and such range may not exceed 20% of the base line information [Guidance Letter 20 September 2018 indicates that range must be as specific as possible and not simply rely on 20%]; or
- If minimum based – the relevant base line information, the forecast minimum eps and heps (or dps) expected and the minimum percentage increase or decrease (if equal to or less than 100%) compared to the base line information. Where such minimum percentage trading statement is disclosed, further “minimum” trading statements are required until finally a trading statement is published with a range followed by publication of the financial results.

ListCo must determine from historical publication of results what eps and/or heps (or dps) percentage increase or decrease level(s) resulted in a material effect on ListCo’s security price. When such reasonably certain forecast of eps and/or heps (or dps) is reached in a relevant trading statement period, ListCo is in a price sensitive period and must apply all PSI principles.

The publication of a trading statement provides the market with an update of all financial PSI and therefore automatically results in the cessation of a price sensitive period that arose from ITOCOB trading conditions. The publication of a trading statement does not give rise to a cautionary period or a financial closed period.

ListCo may voluntarily publish a trading statement at a lower forecast eps and/or heps (or dps) threshold than the 20% (or 15%) level in order to terminate a price sensitive period.

The above applies to new ListCos post-initial listing, irrespective of whether prior year financial results were published in the PLS/prospectus.

5.5.2 *Tabular summary*

Listings requirement	Summary of provision
3.4(b) and 3.5 – 3.10	Confidentiality and announcements
3.4(b)	Trading statements apply to two separate financial periods: the interim period and the financial year/period, on a mutually exclusive basis (period ending/ed). Excluding Property ListCos, when ListCo is reasonably certain that forecast eps and/or heps for the relevant current period ending/ed will be greater than or less than – either the comparative historical prior (financial year) period eps and/or heps or forecast eps and/or heps for the current period ending/ed that were previously published as a specific forecast – then a trading statement must be announced on SENS.

Listings requirement	Summary of provision
	Trading statements may be ranged based, with a maximum range of 20% of comparative historical eps and/or heps or forecast eps and/or heps. Alternatively, trading statements may be based on a minimum stated increase or decrease for eps and/or heps. A minimum-based trading statement requires a range-based trading statement to (eventually) be published prior to the period ended financial results being published.
	When forecast eps and/or heps fall outside the range of a published range-based trading statement or move materially "away" from a published minimum-based trading statement, a new trading statement must be published. The principles concerning PSI apply to the trading statement regime.

6. FORECAST FINANCIAL INFORMATION

6.1 Narrative summaries

Forecast financial information is "triggered" by any statement or announcement referring directly or indirectly (i.e. financial data requiring interpretation and calculation – so-called "mosaic theory") to any future period profits or losses and which contains eps or heps (or dps) disclosure or from which eps or heps (or dps) can be reasonably expected to be calculated.

There are two different types of forecasts, a specific profit forecast and a general profit forecast. Any disclosed forecast financial information must have been properly compiled in accordance with IFRS principles.

6.1.1 Specific profit forecast

A specific profit forecast is a forecast that discloses eps and heps as a number, percentage, range of numbers or percentages, or a minimum or maximum for a future period ending or for a period ended but not yet reported upon.

Trading statements are classified as specific profit forecasts.

A specific profit forecast, excluding trading statements, is usually published on a voluntary basis and may be included in a periodic financial information report or separately on SENS. Certain corporate actions require publication on SENS and in a circular, pre-listing statement ("PLS"), revised listing particulars ("RLP") or in a prospectus.

If a specific profit forecast is included in an announcement only, usually in an interim report – or post financial year end in a Results Announcement (and then in the annual report/integrated report ("AR/IR") but not in the annual financial statements), it requires only ListCo directors' approval. Inclusion in that part of the AR/IR or AFS that is not covered by the auditor scope paragraph does not require auditor review.

If a specific profit forecast is published in the AFS (which is covered by the auditor scope paragraph), a circular, PLS, RLP or prospectus, it requires ListCo directors' approval and must be auditor-reviewed by an audit firm and engagement partner/RAS ("Audit Persons").

6.1.2 General profit forecast

A general profit forecast is a forecast that implies an eps and heps (or dps) level for a future period ending, or for a period ended but not yet reported upon, in comparison to a prior financial period ended, e.g. eps and heps (or dps) are expected to be greater than, less than or in line with last year's eps and heps (or dps).

If a general profit forecast is included in an announcement only, usually in an interim report – or post financial year end in a Results Announcement (and then in the AR/IR but not in the annual financial statements), it requires only ListCo directors' approval.

A general profit forecast will not usually be published in the AFS, a circular, PLS, RLP or prospectus.

Any general or specific profit forecast publication requires the material assumptions and basis used in the forecast compilation to be disclosed in such publication.

Any "financial guidance" regarding future profits or losses relating to the current financial year or next financial year may only be disclosed in the form of a specific or general profit forecast.

Any guidance regarding future profits or losses relating to the third future financial year ending, measured from the current (first) financial year ending, may be made providing the information disclosed does not "trigger" a specific or general profit forecast, i.e. revenue without expenses, expenses without revenue, etc.

6.2 Tabular summary

Listings requirement	Summary of provision
Section 8	Financial information
8.1 – 8.56	<p>These JSE LR deal with the requirements to issue reports of historical financial information ("RHFI"), reports of <i>pro forma</i> financial information ("PFFI") and profit forecasts/estimates reports ("PFE") in respect of corporate actions and the issuance of PFE in the ordinary course of business.</p> <p>RHFI include historical financial information disclosures for the last three financial years for main board ListCos and one or two financial years for AltX ListCos and are only ever issued as part of a circular, PLS or prospectus with Audit Persons review sign off (long form).</p> <p>PFFI reports show the effect of corporate action financial effects on RHFI and are able to be issued in long form or as part of an announcement only, which does not require RA sign off (short form). PFE includes all forecasts and estimates and can be issued in long or short form. PFE includes trading statements, general forecasts and specific forecasts. PFE in short form is typically included in the results paragraph of a periodic financial announcement.</p>

7. LISTCO PRESENTATIONS, INTERVIEWS AND BRIEFINGS

7.1 Presentations and interviews

7.1.1 *Narrative summary*

ListCo presentations concerning periodic financial information, Corporate Action(s) or ITOCOB events (“presentations”) and/or separate meetings with shareholders, the media or analysts (“meetings”) must be dealt with in the Information Policy.

Presentations and meetings must only be effected by authorised persons.

ListCo must ensure that authorised persons attend training concerning PSI/inside information principles contained in the JSE LR and FMA.

Authorised persons must be determined by ListCo.

Authorised persons must be briefed by ListCo prior to any presentation or meeting to ensure that no PSI is disclosed in the presentation or meeting.

Any meeting must be attended by at least two authorised persons.

Authorised persons must ensure that disclosure of PSI is not effected by body language actions.

Minutes of such meetings must be taken by one of the authorised persons.

Post a presentation or meeting, a review of the minutes is required by the ListCo to determine whether any PSI was inadvertently disclosed and, if so, immediate disclosure of same is required on SENS, and all policy principles applicable to PSI apply.

If any disclosure triggered a forecast, immediate compliance with the forecast JSE LR is required, resulting in communication with the JSE and announcement of the PSI and forecast information on SENS.

No expansion of previously disclosed information may be effected if it results in new PSI disclosures.

No corrections of analysts’ reports are allowed unless they are corrections of errors arising from previously published PSI.

All presentations of interim and financial year results (and any other periodic financial information presentations) require the relevant Results Announcement to be published on SENS and referred to the JSE Cloud and ListCo’s website (“Public Disclosure”) before the presentation commences.

The actual presentation itself, which may contain PSI that is not included in the Results Announcement, including forecast information, must comply with Public Disclosure.

No PSI may be given out or discussed in any presentation that is not contained in Public Disclosure.

Any unplanned PSI disclosures that are made during any presentation (such as answering questions, etc.) require immediate compliance with Public Disclosure and if a forecast has been triggered, compliance with the JSE LR forecast requirements (detailed above) is required.

No “financial guidance” may be given to any person in a meeting or presentation regarding consensus analyst forecasts unless such “guidance” is supported by relevant PSI and/or forecast information already compliant with Public Disclosure.

So-called “industry guidance” may only be given out if it does not “trigger” a profit forecast or new PSI and deals only with already known industry issues.

Any SENS announcement, whether voluntary or required by the JSE LR, must contain all known material facts concerning the subject matter of the announcement.

7.2 Internal briefings of employees and social media

7.2.1 Narrative summary

Internal briefings of employees should only contain public information unless the intention is to make such persons Insiders.

Any employees that are made Insiders must sign the insider register and comply with all PSI requirements.

ListCo must formulate a social media policy for ListCo and include same in its Information Policy.

If ListCo has its own social media platforms and disseminates information thereon, ListCo must appoint authorised persons to effect such disclosures in compliance with all principles contained in the Information Policy, noting that no social media platform is the equivalent of Public Disclosure.

A social media policy can be formulated to be very restrictive or less so. A very restrictive social media policy prohibits all access during working hours by employees to the various social media platforms such as Twitter, Facebook, Instagram, LinkedIn, etc.

Notwithstanding the general restrictiveness of the social media policy, the social media policy must prohibit any comment on any social media platform concerning any information relating to ListCo at any time i.e. inside or outside working hours.

8. ACQUISITIONS AND DISPOSALS OF LISTCO SECURITIES

8.1 Narrative summary

In terms of Section 122 of the Companies Act, any beneficial acquisition or disposal of ListCo securities that transits a 5% multiple of ListCo's securities requires notification to ListCo by such shareholder on Form TRP 121.1 within three business days of acquisition/dealing.

Such disclosed information in turn requires immediate disclosure by ListCo on Form TRP 121.2 to the Takeover Regulation Panel.

Any beneficial acquisition transiting upward through a 5% multiple requires disclosure to the public and shareholders in the form of a SENS announcement within 48 hours of receipt of such information.

Any beneficial disposal transiting downward through a 5% multiple that includes a disposal of equal to or greater than 1% of ListCo securities requires disclosure to the public and shareholders in the form of a SENS announcement within 48 hours of receipt of such information.

Any beneficial disposal transiting downward through a 5% multiple that includes a disposal of less than 1% of ListCo securities does not require disclosure to the public and shareholders in the form of a SENS announcement. If ListCo considers this to be a problematic exemption and would like to effect SENS disclosure, then, the MOI should be amended requiring same.

ListCo must obtain a share register each month from the transfer secretaries/agent in excel format which will list all "certificated" shareholders and all "dematerialised" shareholders down to one level below the nominee company. Beneficial ownership requires identification and action in terms of the Companies Act.

A comparison of each monthly share register to the prior month must be effected to determine movements in beneficial share ownership.

Any 5% multiple that appears to have been transited and not notified to ListCo must result in immediate contact by the ListCo with such shareholder/person to immediately obtain the relevant transiting information and then effect relevant disclosures.

In the event of non-compliance by a shareholder with a request for transiting information, immediate notification of such fact must be made to the Takeover Regulation Panel resulting in a formal investigation.

9. DIRECTORS' DEALINGS AND BOARD AND COMPANY SECRETARY DISCLOSURES

9.1 Narrative summaries

9.1.1 *Prohibited periods*

Prohibited periods comprise both price sensitive periods and closed periods.

Price sensitive periods are discussed above.

Closed periods are either cautionary closed periods or financial closed periods.

Cautionary closed periods commence when a cautionary announcement is published on SENS (and press) by ListCo – cautionary announcements are discussed above. Cautionary closed periods cease when a Terms Announcement is published, or a withdrawal of cautionary announcement is published on SENS (and press) by ListCo, i.e. success or failure.

Financial closed periods commence at ListCo's interim period end and financial year end. Such periods cease upon publication by ListCo on SENS of a Results Announcement post interim period end and financial year end. If ListCo reports quarterly, then each financial quarter ended will also give rise to a financial closed period which will cease upon publication of the quarterly results.

9.1.2 *Directors' Dealings*

Directors Dealings apply to ListCo directors, ListCo company secretary and ListCo prescribed officers (which includes employees with perpetual significant executive power and employees with periodic material executive power) and to directors and the company secretary of ListCo's major subsidiary companies ("SubCos") ("Affected Directors"). Major SubCos are SubCos that account for 25% or more of ListCo's consolidated revenue or consolidated gross assets.

Directors' Dealings are widely defined and include all (actual) beneficial purchases, sales or subscriptions of ListCo's securities, (excluding following partial/full rights in a renounceable rights offer (excess applications permitted), capitalisation issue, scrip dividend and/or dividend reinvestment – which require detailed disclosure in the circular/SENS/press), any agreement to beneficially purchase, sell or subscribe for ListCo's securities in future, any (actual) beneficial purchases, sales or subscriptions of any derivative over ListCo's securities (including in terms of ListCo's share incentive scheme), any agreement to beneficially purchase, sell or subscribe for any derivative over ListCo's securities in future (including in terms of ListCo's share incentive scheme) and any pledge or similar security arrangement (which requires further disclosure at various stages of such arrangement) of ListCo's securities or derivative instruments that are held beneficially.

Beneficial holdings are holdings over securities that either provide the holder with any (or all) rights over the security concerned (being any dividend right, voting right, conversion right, redemption right or final winding-up return of capital right) or the power to dispose of the security or its dividends (scopes in asset managers and nominee companies).

Affected Directors are only allowed to effect Directors' Dealings in "open periods". Directors' Dealings are prohibited during prohibited periods, i.e. non-open periods. Application may be made to the JSE by an Affected Director for permission to deal in a prohibited period if there is no discretion involved in the dealing, i.e. the director

concerned has no alternative but to deal, must deal in terms of law or if a loss will be incurred in terms of an in the money option expiring, or similar circumstances.

Affected Directors are (therefore) required to obtain approval to deal from ListCo's Chairman or Dealing Approval Committee (if ListCo has constituted such a committee). There is no prescribed JSE LR time limitation in which dealing must occur after receiving approval, but market practice dictates a reasonable period which varies from immediately to a couple of days.

After dealing, an Affected Director must notify ListCo within three business days and ListCo must announce the dealing details (quite detailed – refer to JSE LR 3.63(b)) on SENS within 24 business hours.

Each Affected Director must instruct his/her asset manager in writing that such asset manager may not effect ListCo Share Dealings on behalf of the Affected Director unless the Affected Director concerned has instructed such asset manager in writing to effect ListCo Share Dealings. The Affected Director concerned must interrupt any discretionary mandate given by the Affected Director to the asset manager with respect to ListCo Share Dealings, i.e. a discretionary mandate cannot override this rule.

Each Affected Director must formally notify his/her Associates of the fact that the Affected Director is a director of ListCo ("Associate Notification"). If any Directors' Dealing is effected by an Associate but no notification of such Directors' Dealing is made to the Affected Director concerned – and the Affected Director had effected the Associate Notification – there is no breach of the Directors' Dealings requirements by the Affected Director concerned. If, however, there was no Associate Notification effected and an Associate deals and does not inform the Affected Director, who then in turn does not inform ListCo, which in turn does not announce on SENS – this constitutes a breach of the Directors Dealings requirements by the Affected Director.

If any Directors' Dealing is effected by an Affected Director in breach of the Directors' Dealings requirements, notification of such Directors' Dealing is required on SENS, and the JSE must be notified of the breach via ListCo's sponsor at the same time.

Associates

Associates of Affected Directors include:

- Spouse(s) and minor children of such Affected Director ("Immediate Family");
- Any trust (including trustees) that has declared or discretionary beneficiaries that include an Affected Director and/or Immediate Family;
- Any trust (including trustees) that is "controlled" (control in this instance is defined as being able to change 35% or more of the voting power of the trustees, the number of trustees and/or beneficiaries) by an Affected Director and/or Immediate Family;
- Any company that is controlled by an Affected Director and/or Immediate Family and/or by any trust or trustees detailed above ("controlled company");
- Any controlled company's holding company, SubCos, fellow SubCos or other company whose directors take instruction from the controlled company;
- Any other company that is itself controlled by the controlled company (measured at 35% plus share voting power control or board voting power control).

If company C is an associate of company B, and company B is an associate of company A, and company A is an associate of an individual, then Companies A, B and C are all associates of the individual.

Interesting examples of beneficial holdings include the following:

Example 1
 If a director of ListCo (“Affected Director”) is the 100% shareholder of a private company (therefore it is an Associate of such Affected Director) and is also the sole director of such private company – and the private company holds ListCo securities – the private company is a direct beneficial holder of ListCo securities and the Affected Director is an indirect beneficial holder of ListCo securities – therefore the Directors’ Dealings requirements apply to both the Affected Director and the Associate, respectively

Example 2
 If the structure in Example 1 did not include the Affected Director as a director of the private company – then the private company is the direct beneficial holder of ListCo securities, but the Affected Director is not an indirect beneficial holder – therefore the Directors’ Dealings requirements only apply to the Associate

Example 3
 If an Affected Director is one of three trustees of a trust – and such trust is such Affected Director’s associate – and the trust holds ListCo shares – the trust is a direct beneficial holder, but the Affected Director is not an indirect beneficial holder

Example 4
 If the Affected Director in the above trust structure was the sole trustee or one of two trustees, but with *de jure* control over trust decisions – then the Affected Director would be an indirect beneficial holder and the Directors’ Dealings requirements would apply to both the Associate and Affected Director, respectively

Associates of Affected Directors (“Associates”) are not subject to the same dealing prohibition as Affected Directors and may (therefore) effect Directors’ Dealings at any time without seeking approval from ListCo. Associates must therefore NEVER ask for clearance to deal from ListCo. However, if an Affected Director and an Associate are both beneficial holders of the (same) ListCo securities, then the Associate cannot deal without approval – not because the Associate requires approval but because the involved Affected Director requires approval.

Within 24 business hours of effecting Directors’ Dealing, an Associate must notify the Affected Director concerned of all pertinent dealing details (refer to Section 3.63(b)); and the Affected Director concerned will then, within a further 72 business hours, in turn, notify the ListCo of such information, who will then ensure publication on SENS within the next 24 business hours.

9.1.3 Board and Company Secretary Disclosures

Disclosure on SENS is required of any change in important functions, change in executive responsibilities, appointments, resignations, removals, retirements, and deaths of directors or the company secretary.

A New director appointment requires completion and submission by the director concerned of a “fit and proper” Schedule 13 to ListCo’s Sponsor and to the JSE. Any previous problematic events such as criminal offences, dishonesty offences, insolvent circumstances and similar offences or events (“Problematic Events” detailed in paragraphs 13 and 15 to 23) may give rise to the JSE preventing the appointment of such director.

Thereafter, any change to the status of the “fit and proper” Schedule 13 involving any Problematic Event(s) must be notified by the director by way of an updated Schedule 13 to ListCo within three business days of becoming aware of such change. ListCo must then announce such change on SENS within one business day and submit the updated Schedule 13 to the JSE, via the Sponsor, within seven business days.

A change of company secretary requires notification of details of to the JSE within 14 days.

9.2 Tabular summary

Listings requirement	Summary of provision
3.59 – 3.62	Directors and Company Secretary disclosures of changes
	<ul style="list-style-type: none">• Appointment, resignation, removal, retirement, death, change of important functions and change of executive responsibilities require SENS disclosure within 24 hours of knowledge• Schedule 13 requires completion and submission by newly appointed directors to ListCo, the Sponsor and the JSE• Continual monitoring and disclosure of Problematic Events is required to be effected by directors by submission to ListCo of an updated Schedule 13 within three business days of becoming aware of a Problematic Event (ListCo “Receipt”). ListCo must then, within one business day of Receipt, announce such change on SENS and, within seven business days of Receipt, submit the updated Schedule 13 to the JSE via the Sponsor• Schedule 2 Form D must be submitted to the JSE within 14 days of appointment regarding a new Company Secretary appointment

Listings requirement	Summary of provision
3.63 – 3.74	Directors' Dealings in securities
	<ul style="list-style-type: none"> • Directors, prescribed officers and the company secretary of ListCo and the directors and company secretary of major SubCos of ListCo (SubCos that account for 25% of group revenue or group gross assets) are subject to compliance with Directors' Dealings ("Affected Director") • Dealings are broadly defined and include actual or agreed future purchases, sales, pledges or similar security arrangements (which requires further disclosure at various stages of such arrangement) and subscriptions of ListCo's listed securities or derivatives in respect thereof (including share incentive schemes that are equity settled) ("Directors' Dealings") • Affected Directors may not effect Directors' Dealings in prohibited periods (being price sensitive and/or closed periods) • Directors Dealings by Affected Directors require approval from ListCo's chairperson (or a committee). After dealing, notification is required by the Affected Director to ListCo within three business days with all relevant details • ListCo must announce all Directors' Dealings on SENS within 24 hours of receiving notification from the Affected Director • Associates of Affected Directors are free to effect Directors Dealings in any period but must notify the Affected Director concerned of the dealing within 24 hours of dealing. Affected Directors then have three business days to subsequently notify ListCo and ListCo then has 24 hours to announce on SENS. Affected Directors are required to pre-notify their associates that they are Affected Directors • Breaches in respect of not obtaining approval or effecting required notifications result in a JSE censure and penalty against the Affected Director

10. SHARE INCENTIVE SCHEMES

10.1 Narrative summary

Share Incentive Schemes ("Schemes") most commonly adopted and used by ListCos are of three general types: dilutionary equity settled schemes ("DES Schemes"), non-dilutionary equity settled schemes ("NDES Schemes") and share appreciation rights schemes ("SAR Schemes"). *[DES Schemes are proposed to be amended by the deletion of Schedule 14 share incentive schemes from the JSE LR, with the simultaneous inclusion of all principles and requirements into the Specific Issues of Shares for Cash JSE LR. Notwithstanding the proposed amendment to the JSE LR, DES Schemes principles are not affected and unchanged in this section.]*

The Schemes employ different principles.

A DES Scheme involves the issue of ListCo securities by ListCo (or vending out from a SubCo of ListCo any ListCo treasury securities), via the DES Scheme (which may incorporate a trust) to participants upon settlement of moneys owing by such participants within the vesting period(s), and subsequent sale by participants, usually via the DES Scheme, into the secondary market and ultimate receipt of cash proceeds by such participants.

An NDES Scheme does not include the ability of ListCo to issue ListCo securities or vend out ListCo treasury securities. Instead, it involves the NDES Scheme purchasing ListCo securities from the secondary market for participants and then the same mechanics of vesting, payment, sale into the secondary market and receipt of proceeds by participants.

A SAR Scheme is a cash-settled scheme that does not involve the issue, vending out or purchase of ListCo securities at all. It is therefore a remuneration scheme. However, the structure of the scheme is identical to a DES Scheme or NDES Scheme regarding the pre-tax cash amount payable to participants. The only difference is that the ultimate cash payment to participants is effected by ListCo and not from the secondary market. If ListCo is concerned by such state of affairs it will need to borrow moneys, issue securities for cash or adopt a DES Scheme or NDES Scheme.

If the structure of a DES Scheme or NDES Scheme employs a sale on loan account to participants, a contract of sale is required between participants and the Scheme, which then involves performance compliance, i.e. payment of the issue price per security, irrespective of whether the value of ListCo securities is “in the money” or not at the final vesting performance date. This is obviously problematic if security prices fall below the settlement price and has generally resulted in such Schemes becoming less popular in the market.

Schemes involving options or rights, be they DES Schemes, NDES Schemes or SAR Schemes have tended to evolve over time into having a zero-strike price as part of the option or rights characteristics, i.e. there is no consideration payable by participants per security or right and all/some securities or moneys are awarded upon satisfaction of all/some vesting conditions. The advantage of a zero-strike price is that any securities or “cash” rights always have value which satisfies the most important Scheme purpose of “locking in” valuable participants by having them receive some value for vested securities even if the ListCo security price has fallen over the vesting period(s) from inception date. Such Schemes also involve fewer ListCo securities or rights based on a number of ListCo securities due to their full “in the money” nature compared to an incremental benefit which excludes settlement of the cost of the security or right.

Both DES Schemes and NDES Schemes are subject to the Directors’ Dealings requirements, subject to non-Affected Director participants, i.e. participants who are not directors of ListCo or major SubCos of ListCo, being able to sell vested securities during prohibited periods. This exemption solves only half of the problem. The problems not solved are firstly, Affected Directors cannot sell vested ListCo securities through the Scheme, and secondly, neither Affected Directors nor non-Affected Directors may be issued new securities or rights during prohibited periods.

SAR Schemes are not subject to compliance with the Directors’ Dealings requirements and therefore do not suffer the problem detailed above. For this reason, SAR Schemes are gaining in popularity.

Any purchases of ListCo shares from the market by any DES Schemes or NDES Schemes are subject to the “PP Prohibition or Programme Exemption Compliance Required” detailed in the repurchase of securities tables in the corporate action tables in this document.

10.2 Tabular summary

Listings requirement	Summary of provision
3.92	Equity settled share incentive schemes
	The Directors' Dealings requirements apply <i>mutatis mutandis</i> to any equity settled share incentive scheme subject to non-Affected Director persons ("participants") being able to deal in vested securities during prohibited periods. The effect of this rule is that new/fresh issues of options, rights or securities may not be made to any participants or Affected Directors during a prohibited period.

11. AUDITOR ACCREDITATION

11.1 Narrative summary

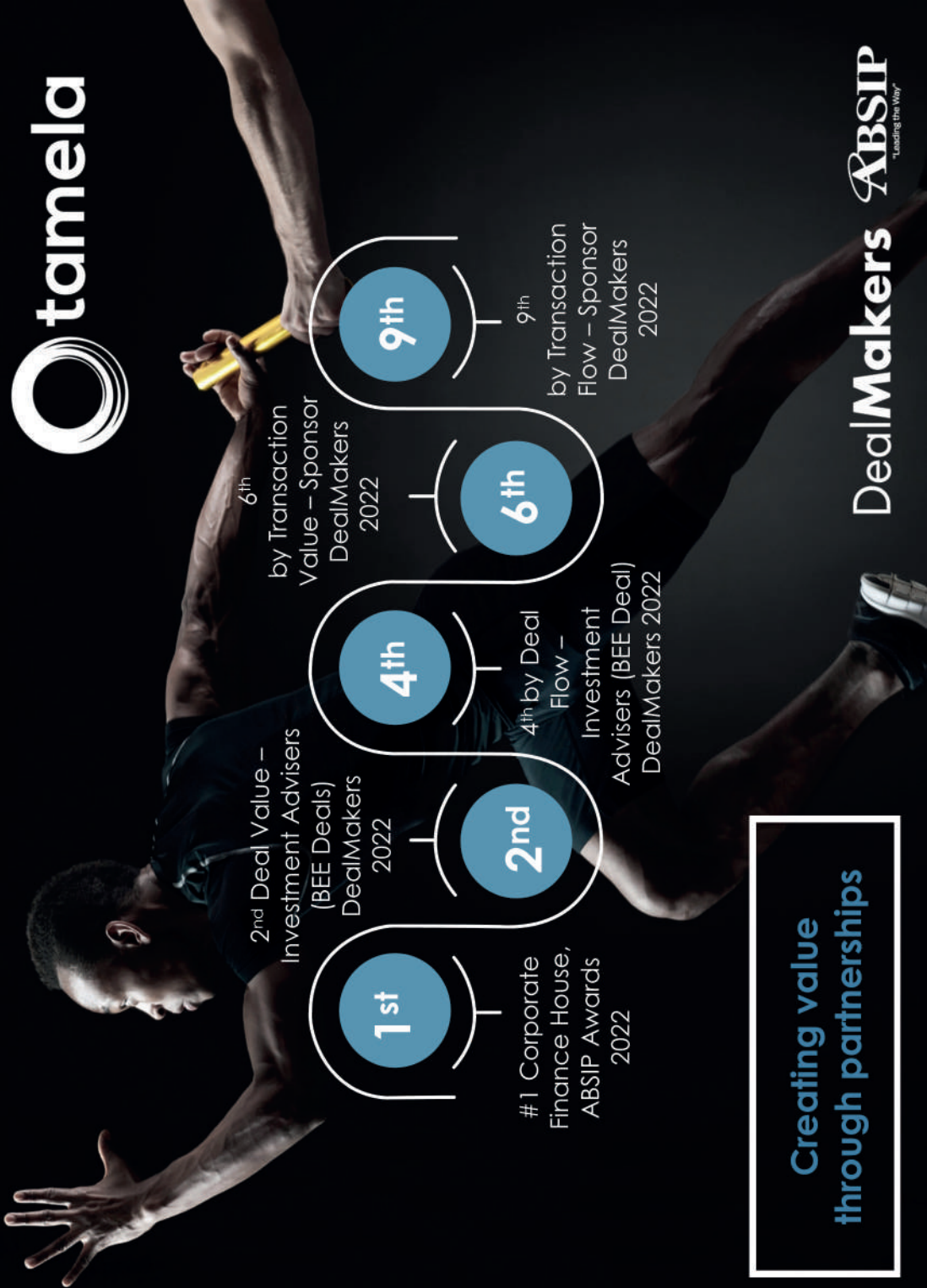
Audit firms and audit individuals ("auditors") require registration with the IRBA, and to be in good standing. Initial auditors "accreditation" review is performed by ListCo's Audit Committee as a corporate governance requirement (refer to Corporate Governance section). A successful review will result in a referral by the Audit Committee to ListCo's Board for the auditors' appointment. Thereafter, on an annual basis, ListCo's Audit Committee will review the auditors and, if satisfied, will then recommend the re-appointment of the auditors by way of an ordinary resolution shareholder vote of >50% in the AGM.

Audit individuals and reporting accountant specialist persons ("RASPs") require initial accreditation by the JSE in order to provide assurance reports in respect of ListCo approved and issued financial reports required in terms of certain corporate actions contained in a circular, PLS, RLP or prospectus. Initial accreditation requires attendance of JSE approved training and passing an examination in respect thereof. Thereafter, Audit individuals and RASPs will be accredited by the JSE on a 12 month rolling annual basis if a single financial report is signed (without problematic issues identified by the JSE) or, alternatively, training and the examination are re-effected.

Any change of auditors by ListCo requires notification to the JSE by both ListCo and the audit firm. A change of audit firm, including termination and non-reappointment, requires a SENS announcement, within two business days of notification, detailing (a) who initiated the change, (b) the reasons for the change, (c) effective date of the change, and (d) the name of the new audit firm/partner or a statement that ListCo is in the process of identifying a new audit firm/partner. The newly appointed audit firm must be registered with the IRBA and in good standing and be "accredited" by ListCo's Audit Committee.

11.2 Tabular summary

Listings requirement	Summary of provision
3.75 – 3.79	Notification to the JSE and SENS announcement, within two business days of notification, of change of auditor details including (a) who initiated the change, (b) the reasons for the change, (c) effective date of the change, and (d) the name of the new audit firm/partner or a statement that ListCo is in the process of identifying a new audit firm.
3.84 and 3.86 – 3.93	<p data-bbox="337 370 804 395">Auditor and reporting accountant accreditation</p> <ul data-bbox="337 437 994 713" style="list-style-type: none"> <li data-bbox="337 437 994 536">• Appointment of auditors and reporting accountant specialist persons by ListCo requires such persons to be registered with IRBA and in good standing and to have been “accredited” by ListCo’s Audit Committee <li data-bbox="337 539 994 587">• Any auditor or reporting accountant that loses IRBA registration must be replaced by ListCo within 90 days <li data-bbox="337 590 994 638">• SubCos of ListCo are not required to be audited unless so required in terms of the Companies Act or ListCo’s MOI <li data-bbox="337 641 994 713">• The JSE LR apply to foreign domiciled primary listed ListCos and to foreign domiciled auditors, subject to any exemptions provided by the JSE



1st

#1 Corporate Finance House, ABSIP Awards 2022

2nd Deal Value – Investment Advisers (BEE Deals) DealMakers 2022

4th

4th by Deal Flow – Investment Advisers (BEE Deal) DealMakers 2022

6th by Transaction Value – Sponsor DealMakers 2022

6th

9th by Transaction Flow – Sponsor DealMakers 2022

9th

Creating value through partnerships

12. PERIODIC FINANCIAL INFORMATION

12.1 Narrative summaries

All ListCos must issue periodic financial disclosure results (“Results”) that are compliant with IFRS, Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides, the Companies Act and any required JSE accounting disclosures (“JSE GAAP”) (“collectively “All GAAP” and “All GAAP Compliant/AGC”).

The following Results are dealt with in the JSE LR periodic financial reporting model:

- AFS, being Consolidated AFS (“Cons AFS”) and Company AFS (“Co AFS” in respect of South African incorporated/registered ListCos) that are AGC and have been audited;
- Condensed AFS, being IAS 34 and JSE GAAP compliant auditor reviewed Cons AFS;
- Summary AFS, being IAS 34 compliant Cons AFS, disclosing that its content is extracted from audited information (but not audited itself), directors’ responsibility, the name of the audit firm and type of audit opinion with any modifications disclosed in full, statement that the AFS are available on request and contact person;
- Annual Reports, being AFS plus Specific Corporate Governance and other disclosures;
- Interim Results, being interim financial statements covering the first six months of the financial year that are IAS 34 compliant and AGC (or 12-month period if the year end was extended); and
- Quarterly Results, being voluntary quarterly reports with undefined format.

Any Results that are non-compliant with All GAAP will give rise to a JSE censure, a possible fine and a restatement in respect of material non-compliant disclosures.

The JSE may investigate issues of known/suspected non-compliance itself or may refer matters for investigation to the Financial Reporting Investigation Panel (“FRIP”) for a recommendation to the JSE with respect to such suspected non-compliance. With regard thereto, the JSE may refer CA(SA)s to IRBA (if the person is a Registered Auditor (“RA”) employed by an audit firm) or to SAICA (if the person is a CA(SA) employed by ListCo or other entity) for disciplinary purposes where considered necessary by the JSE.

ListCo’s AFS are subject to annual external independent audit but its SubCos’ AFS are not, unless required by the Companies Act or MOI. This is not problematic as auditors will audit all SubCos’ financial information in the audit of the consolidated group. Auditors’ reports will either be audit opinions or audit review conclusions issued in compliance with the relevant IAS. Results may not be released without issue of the required auditor’s report.

All ListCos must issue Cons AFS, unless the JSE otherwise agrees, and Co AFS. The Cons AFS may be issued in advance of the Co AFS (refer below).

All Results require a Results Announcement on SENS, which announcement must contain the Short Form Press Announcement Details (as a minimum), a statement regarding investment decisions and two URLs – one being to the JSE cloudlink and the other being to the issuer’s weblink – both referencing the full Results details.

Results Announcements for AR must contain the date, time and venue of the AGM and note that the AFS are available on the JSE cloudlink but that the JSE Governance Disclosures (see AR below) are only available on the issuer’s weblink.

Interim Results and Condensed AFS require a Short Form Press Announcement in the press (in one widely circulated daily newspaper, in any official language), disclosing the Short Form Press Announcement Details, being headlines in a prominent position, directors responsibility, full announcement available on SENS and issuers' website, investment decisions to be based on full information, increases/decreases in revenue/profit, heps, eps, dividend/distribution, nav (if relevant) compared to the previous period and, if an auditor report is issued, the name of the audit firm and type of opinion/conclusion reached (including any modifications disclosed in full). In the case of a voluntary Short Form Press Announcement, it is recommended that the same information is provided.

Interim results

Interim Results must be released within three months after the end of:

- the first six months of a financial year ("first interim results"); and
- the old financial year-end, if the old financial year-end is extended ("second interim results")

through a Results Announcement and a Short Form Press Announcement.

Failure to publish the interim results within three months of the interim period ended will result in the JSE taking action on day 14, being the annotation of the listing with "RE" and a JSE issued SENS announcement warning of a suspension of trading (if publication is not effected by the end of month four). Failure to publish the interim results by the end of month four will result in suspension of trading in ListCo securities on the first trading day of month five. It is expected that the lifting of the suspension will occur only once the interim results are released and the JSE is satisfied that there are no other problematic matters that must be resolved.

First interim results do not require an audit or auditor review. Second Interim Results require an audit review conclusion.

JSE GAAP requires disclosure that accounting policies are consistent with previous AFS, heps, diluted heps and heps reconciled to eps, statement confirming compliance with IAS 34 and (if relevant) any material changes to contingent acquisition/disposal consideration, in respect of mineral ListCos, any material changes to mineral resources and reserves and other disclosures in the prior year AR and in respect of property entities, a report on any forecast made to the interim period ended.

The Audit Committee and board must determine whether ListCo wishes to forecast in the prospects paragraph and if so, ensure compliance with the forecast JSE LR.

Financial year-end results

The JSE periodic financial reporting model focuses on disclosures firstly, within three months of financial year end and, secondly, within four months of financial year end.

Within three months of financial year end ListCo must:¹

- issue Condensed AFS and effect a Results Announcement and Short Form Press Announcement; or
- issue AFS, being both Cons AFS and Co AFS, or only Cons AFS and effect a Results Announcement (but not a Short Form Press Announcement); or
- issue the AR including the AFS, being Cons AFS and Co AFS, and effect a Results Announcement (but not a Short Form Press Announcement); or
- issue AFS, being both Cons AFS and Co AFS, or Cons AFS and effect a Results Announcement (but not a Short Form Press Announcement) and issue the Notice of AGM accompanied by the AFS, Cons AFS or Summary AFS; or
- issue the AR including the AFS, being Cons AFS and Co AFS, and effect a Results Announcement (but not a Short Form Press Announcement) and issue a Notice of AGM accompanied by the AFS, Cons AFS or Summary AFS.

Condensed AFS must be released through a Results Announcement and a Short Form Press Announcement. JSE GAAP requires disclosure in Condensed AFS that accounting policies are consistent with previous AFS and disclosure of heps, diluted heps and heps reconciled to eps.

Failure to release the Condensed AFS within three months of the year end will result in, 14 days after failure to comply, the annotation of the listing with “RE”, a JSE SENS announcement cautioning suspension and, at the beginning of month five, suspension of trading in List-Co securities. It is expected that the lifting of the suspension will only occur once the Condensed AFS, AFS, Cons AFS or AR are released and the JSE is satisfied that there are no other problematic matters that must be resolved.

Within four months of financial year end ListCo must:

- issue the AR if it was not issued within three months including the AFS, being Cons AFS and Co AFS and effect a Results Announcement (but not a Short Form Press Announcement), if (only) Condensed AFS were issued within three months; or
- issue the AR if it was not issued within three months and effect a Results Announcement (but not a Short Form Press Announcement), if the AFS, being Cons AFS and Co AFS, were issued within three months; or
- issue the AR if it was not issued within three months together with the Co AFS, if only the Cons AFS were issued within three months (it appears that the Co AFS may not be issued in isolation within four months if the AR has been previously issued) and effect a Results Announcement (but not a Short Form Press Announcement); or
- effect one of the above scenarios and issue the Notice of AGM accompanied by the AFS, Cons AFS or Summary AFS

Failure to publish both the AR and Notice of AGM within four months of the year end will result in the annotation of the listing with “RE”, a JSE SENS announcement caution and suspension of trading in ListCo securities at the beginning of the sixth month. It is expected that the lifting of the suspension will only occur once the AR and Notice of AGM are released and the JSE is satisfied that there are no other problematic matters that must be resolved.

Financial year-end results require the issue of Co AFS and Cons AFS (unless the JSE agrees otherwise). Usually both Co AFS and Cons AFS are included in one document, being the AFS. However, the Cons AFS may be issued in advance of the Co AFS (refer below).

¹ Does not apply to the general segment

JSE GAAP requires disclosure in the Cons AFS of the CEO and CFO attestation statement, unlisted securities information, heps, diluted heps and heps reconciled to eps, ListCo's directors beneficial interest in ListCo securities (including securities subject to pledge or similar security arrangement), major shareholder disclosure, public shareholder disclosure comprising public and non-public interests (in accordance with JSE LR 4.25 but excluding the extended family of a director of ListCo) in ListCo securities, share incentive scheme options and shares balances, remuneration of ListCo directors (and prescribed officers in terms of the Companies Act), material changes to contingent acquisition/disposal consideration, issues of shares for cash details, repurchased equity securities details, restrictive funding arrangement details (if applicable), for Property Entities, segmental and individual property information and for investment trust entities, investment portfolio information.

The AFS usually form part of the Integrated Annual Report ("IAR") in full or as Summary AFS. Integrated reporting for ListCos is voluntary. The other parts of the IAR are the Annual Report ("AR" which is required in terms of the JSE LR) and the notice of Annual General Meeting ("AGM"). The AR is often referred to as the "front end" of the IAR. The AR contains all disclosures not included in the AFS or notice of AGM.

The AR requires JSE Governance Disclosures detailing the general adoption and application of the King Code, prior year results of the non-binding remuneration resolutions and the results of any required engagements with shareholders, base line trading statement information being eps and heps and (if relevant) NAVps, specific corporate governance disclosures, a weighted voting share structure (where applicable), a statement confirming compliance with both relevant laws of establishment (usually the Companies Act for SA domiciled public companies) and ListCo's MOI, disclosure of material risks (which risks may be incorporated via a weblink to the website of ListCo), report on any material differences compared to a forecast made for the year ended, for mineral ListCos, mineral resources and reserves and other disclosures, for Property Entities, disclosure of a JSE or IFRS valuation (whichever is relevant) and confirmation of compliance with a specific risk management policy and Co AFS (if not issued prior to the issue of the AR). Various other non-GAAP disclosures (such as a chairman's report, CEO's report, CFO's report, sustainable reporting, and so on) will also be included as required by each ListCo.

If the Cons AFS or the AR (being the Cons AFS contained therein) is/are issued after publication of the Condensed AFS and the content of the Cons AFS or AR (being the Cons AFS contained therein) has not changed from the previously published content of the Condensed AFS, then a No Change Report statement must be included in the Result Announcement. If the content of the Cons AFS or the AR (being the Cons AFS contained therein) has changed from the previously published content of the Condensed AFS, then a Change Statement must be included in the Results Announcement detailing and disclosing each Cons AFS line item change, individually and cumulatively.

If the AR (being the Cons AFS contained therein) is issued after publication of the Cons AFS (includes Summary AFS) and the content of the AR (being the Cons AFS contained therein) has changed from the previously published content of the Cons AFS (includes summary AFS), then a Change Statement must be included in the Results Announcement detailing and disclosing each Cons AFS line item change, individually and cumulatively. It is expected, depending on the nature of such changes, that this may require a withdrawal of the Cons AFS or a restatement.

ListCo must determine whether a forecast is to be included in the prospects paragraph of a short form Report and if so, ensure compliance with forecast reporting.

ListCo must ensure that the compliance certificate is provided to the JSE, electronically, on the date of publication of the AR together with the AR.

ListCo must ensure that delivery of the notice of AGM is effected using any of the delivery mechanisms allowed in the Companies Act, including delivery using non-registered mail in terms of Section 6(9)(b) of the Companies Act.

ListCo must announce the date, time and venue of any GM/AGM within 24 hours of having delivered notice to shareholders.

ListCo must announce the results of resolutions voted upon in GM/AGM within 48 hours of GM/AGM, including any addition or amendment of resolutions.

12.2 Tabular summary

Listings requirement	Summary of provision
3.11 – 8.64	Disclosure of periodic information
3.11 – 3.13	Distribution payments <ul style="list-style-type: none"> All distribution payments (dividends, interest and property distributions) or decision to not distribute must be announced and effected in compliance with the CA timetable requirements
3.14	Restatements <ul style="list-style-type: none"> A restatement of previously published financial results requires notification to the JSE upon submission of the AR and annual compliance certificate to the JSE
3.15 and 3.16	Annual results <ul style="list-style-type: none"> Within three months of financial year end ListCo must issue Condensed AFS or Consolidated AFS Within four months of financial year end ListCo must release the AR (including Co AFS) and Notice of AGM
3.17	Interim results <ul style="list-style-type: none"> Interim Results are required to be released within three months on SENS and in the press for the six-month interim period ended (“Interim Period”) and for the 12-month period ended (“Second Interim Period”) if ListCo extends its financial year end <p>Interim Periods ended give rise to financial closed periods, which then cease upon publication of the relevant Interim Results</p>
3.18	Quarterly results <ul style="list-style-type: none"> ListCos that voluntarily choose to be “Quarterly” reporters will publish quarterly reports after each financial quarter period ended Quarterly periods ended also give rise to financial closed periods, which then cease upon publication of the quarterly report If an interim report is not published within three months of the interim period ended ListCo’s shares are annotated within 14 days and the JSE issues a SENS announcement, and if the interim report is still not published by the end of the fourth month, ListCo’s securities are suspended, which suspension will only be lifted after publication of the interim report

Listings requirement	Summary of provision
3.19 – 3.21	<p>Auditors report</p> <ul style="list-style-type: none"> • Audit opinions are required for AFS, Cons AFS and Co AFS • Auditor review conclusions are required for 12 month Interim Results and Condensed AFS • All auditor reports must comply with IAS and effect required disclosures in each report
3.22	<p>Results announcement released on SENS</p> <ul style="list-style-type: none"> • With two URLs – JSE cloudlink and issuer weblink • Investment decisions should be based on actual results • Include Short Form Press Release content on front portal of SENS if not previously released • AR release requires date, time, venue of AGM; AFS available through JSE cloudlink but additional information only through issuer's weblink • AR released after Condensed AFS require either a No Change statement or a change statement with line item details • AR released after Cons AFS/Summarised AFS require a change statement with line item details if there have been any changes
3.23	<p>Procedure for non-compliance</p> <ul style="list-style-type: none"> • Failure to issue Interim Results or Condensed AFS within three months of period end results in suspension of trading on day one of month five • Failure to issue the AR or Notice of AGM within four months of year end results in suspension of trading on day one of month six
3.24	<p>Modified auditors' report</p> <ul style="list-style-type: none"> • Auditors' reports issued with modification result in annotation of listing of E, G, Q, A or D • A or D qualifications require the JSE to consider suspension and possible subsequent removal of trading
3.46 and 3.46(A)	<p>Press announcements</p> <ul style="list-style-type: none"> • Mandatory press publication requires publication in a widely circulated daily newspaper in any official language • Mandatory content is prescribed including in respect of special financial disclosures for Condensed AFS and Interim Results
8.57 and 8.58	<p>Minimum contents of reports</p> <ul style="list-style-type: none"> • Condensed AFS and Summary AFS must be prepared in compliance with IFRS (IAS 34), Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides, the Companies Act and any required JSE accounting disclosures ("JSE GAAP") ("collectively "All GAAP") • Interim Results must be issued and presented in accordance with All GAAP (JSE GAAP includes specific disclosures regarding material changes to contingent consideration, Mineral Companies disclosures, Property Entities disclosures) • Confirmation of consistent accounting policies and heps, diluted heps and heps reconciled to eps
8.59	<p>Change of financial year</p> <ul style="list-style-type: none"> • Notification of proposed year end must be given to the JSE and confirmation of period covered agreed

Listings requirement	Summary of provision
8.60 and 8.61	<p>Minimum content of AFS</p> <ul style="list-style-type: none"> • AFS are the Cons AFS • AFS must be compliant with All GAAP • JSE GAAP requires disclosure of the CEO and CFO attestation statement, unlisted securities information, heps, diluted heps and heps reconciled to eps, ListCo's directors' beneficial interest in ListCo securities (including securities subject to pledge or similar security arrangement), major shareholder disclosure, public shareholder disclosure comprising public and non-public interests (in accordance with JSE LR 4.25 but excluding the extended family of a director of ListCo) in ListCo securities, share incentive scheme options and shares balances, remuneration of ListCo directors (and prescribed officers in terms of the Companies Act), material changes to contingent acquisition/disposal consideration, issues of shares for cash details, repurchased equity securities details, restrictive funding arrangement details (if applicable), for Property Entities, segmental and individual property information and for investment trust entities, investment portfolio information
8.62	<p>Additional content for Annual Reports</p> <ul style="list-style-type: none"> • The AR requires JSE Governance Disclosures detailing the general adoption and application of the King Code, prior year results of the non-binding remuneration resolutions and the results of any required engagements with shareholders, base line trading statement information if not eps and heps, specific corporate governance disclosures, a statement confirming compliance with both relevant laws of establishment (usually the Companies Act for SA domiciled public companies) and ListCo's MOI, disclosure of material risks (which risks may be incorporated via a weblink to the website of ListCo), report on any material differences compared to a forecast made for the year ended, for Mineral ListCos, mineral resources and reserves and other disclosures, for Property Entities, disclosure of a JSE or IFRS valuation (whichever is relevant) and confirmation of compliance with a specific risk management policy • Co AFS (if not issued prior to the issue of the AR) • Various other non-GAAP disclosures (such as a chairman's report, CEO's report, CFO's report, sustainable reporting, and so on) will also be included as required by each ListCo
8.63 and 8.64	<p>Financial Reporting Investigations Panel ("FRIP")</p> <ul style="list-style-type: none"> • Any suspected non-compliance with All GAAP may be investigated by the JSE itself or referred to the FRIP for investigation and a recommendation back to the JSE. Non-compliance will result in censure in terms of Section 1, possible publication of information and possible referral of any involved CA(SA)s to SAICA or the IRBA for disciplinary proceedings

13. CORPORATE GOVERNANCE

13.1 Narrative summary

The JSE LR have two separate ListCo disclosure requirements concerning corporate governance.

The first disclosure requirement concerns a general narrative statement confirming compliance with the King IV principles contained in the King IV Report (“King or King IV”). This is necessary because King IV assumes compliance with the King IV principles. The second disclosure requirement concerns a confirmatory statement that ListCo has complied with the mandatory governance requirements contained in the JSE LR.

The first disclosure statement in the AR confirming compliance with the 16 (+ 1 if relevant) principles contained in King IV may be in the form of a general narrative statement, explaining that sufficient practices have been complied with per principle to evidence and support compliance with each principle. In order to be able to make such statement, ListCo must have examined and determined application and compliance with each of the 462 practices contained in King IV. Provided all, or enough, practices per principle have been applied and complied with by ListCo, ListCo may make such statement.

There are various ways in which ListCo may disclose compliance with the principles and practices of King IV. ListCo could create and publish a table on its website cross referencing each practice per principle to the relevant committee charter, thereby evidencing application and compliance by way of the content of the governance charters. Alternatively, ListCo may publish a more summarised table and cross reference only the principles to the relevant charters. ListCo may even choose to provide no tabular cross reference and to merely state compliance with the principles. The required annual disclosures arising from King IV must be made somewhere. Such disclosures could be included in the detailed table described above or made separately in the AR (and in the AFS where relevant, such as the audit committee chairman’s report).

Secondly, ListCo is required to comply with the specific corporate governance requirements contained in Section 3.84 (specific governance requirements) on a continual basis and is therefore required to confirm such compliance in each AR or AFS (if applicable). The specific governance requirements that require compliance and disclosure are as follows:

- There is a policy evidencing a clear balance of power and authority at board level, with no director having unfettered decision-making powers. This is usually effected by a “one director one vote” policy contained in the MOI and in the Board Charter with all important matters being voted upon as a resolution in board meetings or by round robin resolution with a required simple majority vote passing the resolution;
- There is a separately appointed CEO and separately appointed chairman. If the chairman is not independent there must also be a separately appointed lead independent director (“LID”), who “stands in” for the chairman when the chairman is conflicted;
- The following committees have been appointed: an Audit Committee, a Remuneration (or similar) Committee and a Social and Ethics Committee. All other committees are voluntary. The mandate of, composition of, number of meetings held by, and any other relevant disclosure of each committee must be disclosed in the AR;
- There is included in the AR and referred to in the notice of AGM (or contained in the notice of AGM or GM) a brief CV of each director being elected or retiring by rotation and being re-elected in AGM (or GM in special circumstances);

- There is categorisation and disclosure of the capacity of each ListCo director as executive, non-executive or independent non-executive, using the King independence indicators and Companies Act requirements to determine independence;
- There is an appointed executive financial director. With JSE permission a Financial Director (“FD”) may be employed on a part-time basis;
- There must be disclosure by the Audit Committee in the AR (or AFS) that it has:
 - Satisfied itself of the appropriateness of the FD’s experience and expertise;
 - Ensured that the issuer has established appropriate financial reporting procedures and that those procedures are operating throughout the group;
 - Reviewed the incumbent audit firm’s:
 - Last IRBA/foreign regulator inspection results and findings letter;
 - Own internal last annual International Standard on Quality Management (ISQM 2) review conclusions and remedial actions;
 - Five-year legal review of the audit firm’s legal/disciplinary matters;
 - Is satisfied with the result and has recommended re-appointment of the audit firm and engagement partner to the board for inclusion in the AGM notice. Guidance Letter issued in this regard on 24 July 2020; and
 - Ensured that the notice of AGM contains an ordinary resolution for the appointment of the external auditor;
- There must be disclosure in the AR that the board has considered and has satisfied itself of the competence, qualifications and experience of the company secretary;
- There must be disclosure of, and compliance with, the achievement to date of a board-adopted broad-based diversity policy (specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience) detailing voluntary targets achieved or to be achieved;
- *[The remuneration policy and the implementation report must each be voted on in the AGM each year on a non-binding basis. If either resolution achieves a 25%+ vote against it – ListCo must then engage with these dissenting shareholders and record any remedial action (or not) taken in the following year’s AR. Details and timing of engagement to be disclosed to shareholders via the AGM results announcement];*
- CEO and CFO attestation as to fair presentation of the AFS and effectiveness and adequacy of internal controls. Guidance Letter issued in this regard on 17 July 2020 and SAICA released guidance in August 2020; and
- The appointment of directors is subject to shareholder approval in AGM/GM – no change to current practice as this requirement is already contained in all ListCos’ MOIs.

¹ This deletion is subject to date of promulgation of Companies Amendment Act 16 of 2024

13.2 Tabular summary

Listings requirement	Summary of provision
3.84	Specific corporate governance
	<p>The following specific corporate governance requirements must be complied with and must have such compliance disclosed in the Annual Report ("AR") by ListCo:</p> <ul style="list-style-type: none"> (a) adoption of a balance of power and authority policy; (b) appointment of a separate CEO and chairman; (c) appointment of, <i>inter alia</i>, a King-compliant audit committee and remuneration committee; (d) disclosure of a brief CV of directors being appointed or rotated in the AGM; (e) disclosure of the capacity of each ListCo director, being executive, non-executive or independent non-executive; (f) appointment of an executive financial director ("FD"); (g) that the audit committee considered and is satisfied: <ul style="list-style-type: none"> (i) with the appropriateness of the expertise and experience of the FD; (ii) that financial reporting procedures are operating on a group-wide basis; (iii) with the results of the review of its audit firm for purposes of re-appointment (or not) and will report the above in the AR; and (iv) that the notice of AGM contains the auditor appointment resolution; (h) that the board has considered and is satisfied with the competence, qualifications and experience of the company secretary and will report same in the AR; (i) disclosure of a broad based diversity policy and voluntary targets; (j) [two separate non-binding simple majority resolutions on the remuneration policy and implementation report must be included in the notice of AGM and engagement effected with dissatisfied shareholders if -/> 25% of entitled votes are cast against either resolution]¹; (k) an attestation statement by the CEO and FD stating that the AFS fairly present and that internal controls are adequate and effective; and (l) shareholder approval of separate resolutions is required for the confirmation of appointment of directors, including retirement and reappointment by rotation.

¹ This deletion is subject to date of promulgation of Companies Amendment Act 16 of 2024



Creating value through partnerships

Tamela was appointed as Old Mutual's JSE Equity Sponsor on 1 January 2024 and previously acted as joint corporate finance adviser to Old Mutual for its transformative Bula Tsela transaction.

Tamela's longstanding relationship with the Old Mutual team and the Bula Tsela team is a demonstration of our ability to create value through enduring partnerships.

Listings | JSE Sponsor Services | Rights Offers | Restructuring | Debt Capital Markets (DCM) | Equity Capital Markets (ECM) | Black Economic Empowerment | M&A Transactions

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Tamela is an authorised Financial Services Provider and JSE Sponsor



14. CORPORATE ACTIONS (“CA”)

14.1 Narrative summary

Circular and announcement compliance

CAs effected by ListCos require compliance, *inter alia*, with both the JSE LR and the Companies Act (collectively referred to as “Both”).

Director approval of a CA is the same for Both, i.e. an approved directors’ resolution.

Announcements will be either SENS only or SENS and the press. SENS announcements are required to be in long form and use English as a medium. Furthermore, a SENS Announcement should disclose all required matters in terms of the JSE LR and the Companies Act. Announcement in the press, where required in terms of the JSE LR or voluntarily if ListCo so desires, allows for a summarised short form of the long form SENS Announcement to be published in one widely distributed newspaper, in any one official language with relevant warnings concerning the summarised nature of the announcement.

If a CA requires a circular to be issued to shareholders, the content of the circular must be in compliance with the JSE LR and must be approved by the JSE via three electronic submissions to the JSE.

If a CA requires approval by shareholders, the circular will include a notice of general meeting unless it is being effected in an AGM in which case the notice is in respect of an AGM. The notice will contain the relevant required resolution(s). Voting includes shareholders present in person or by proxy representation. A CA may require more than one resolution in which case the notice will include all relevant resolutions. If each resolution is mutually exclusive of the other resolutions, then it is contemplated that some may be passed, and some may fail. If, however, a CA requires two separate shareholder resolution approvals in terms of the Companies Act and JSE LR, respectively, in order for the CA to become unconditional and be capable of implementation, the two resolutions will then be structured on an inter-conditional basis so that if one fails, they both fail, thus preventing a conflict of laws. Furthermore, a resolution may require structuring in order to not allow certain shareholders to vote on such resolution because they are considered to be “tainted”, resulting in an “independent” shareholder vote. This is commonly applicable with regard to the JSE LR and Takeover law and less so with regard to Chapters 1 to 4 of the Companies Act.

Any documents lying for inspection will be available at ListCo’s registered office or electronically (probably on the website or via email) – as provided by ListCo and as elected by the person concerned.

Fairness opinions

If a CA requires a fairness opinion (“FO”) to be issued to shareholders by the ListCo board, the board will first obtain an FO from an IPE and use such FO as a basis for determination of the board FO. It is possible for a board FO to differ from an IPE FO. The purpose of an FO is usually to provide information to shareholders to enable them to make an informed decision concerning any required action to be taken by shareholders reading the CA, usually voting with respect to the JSE LR. A JSE FO scopes in value and price together, which works if a CA does not need to separate value per share from price per share.

If value and price require separation, then the principles in Takeover law are usually applied and the FO becomes a “fair and reasonable” opinion (“F+R Opinion”) with a separate opinion on a value range dealt with by the “fair” opinion and a separate opinion on price dealt with by the “reasonable” opinion. Takeover law requires an F+R Opinion for all takeover transactions.

When a corporate action/transaction triggers the requirement to comply with a related party ("RP") transaction that is not an acquisition or disposal but is part of a qualifying "other agreement" detailed in Section 10, the JSE has discretion to waive the requirement for a fairness opinion where the subject matter cannot be valued. Alternative disclosures as agreed with the JSE will need to be provided.

14.2 Pre-listing statements and revised listing particulars

If an initial listing application or an acquisition issue of securities by an existing ListCo requires the issuance of a pre-listing statement ("PLS") or revised listing particulars ("RLP"), such issuance will be in standalone PLS form for an initial listing and will be attached to an acquisition circular as RLP for an existing ListCo.

14.3 Solvency and liquidity test and working capital statements

A CA may require a solvency and liquidity test ("SLT") to be performed by ListCo with regard to the Companies Act for certain "impoverishment" CAs. The equivalent JSE LR is a working capital statement ("WCS"). Both SLT and WCS require the ListCo board to be satisfied that post a CA the fairly valued assets of the ListCo group will exceed the fairly valued liabilities of the ListCo group (solvency test) and that ListCo will be able to settle all known liabilities in the next 12-month period (liquidity test).

14.4 Takeover law compliance

Certain CA also trigger Takeover law requirements in Chapter 5 of the Companies Act. The two types of CA that trigger Takeover law are firstly, Fundamental Transactions (being Section 112 disposals of the majority or more of ListCo's fairly valued gross or net assets, Section 113 amalgamations or mergers and Section 114 schemes of arrangement) and secondly, any other CA giving rise to an actual change of shareholder control (affected transaction triggering a mandatory offer) or possible change of shareholder control (general offer triggering a proposed affected transaction) of ListCo. Takeover law transactions (usually) require the issuance of an F+R Opinion. Fundamental Transactions require a special resolution to be approved by shareholders, upon which an offeror and concert parties may not vote, i.e. taint is applied to ensure only "independent" shareholders vote.

15. CORPORATE ACTIONS DEFINITIONS USED IN THE TABLES

15.1 Narrative summary

The CA tables summarise compliance with the JSE LR, Chapters 1 to 4 of the Companies Act and Takeover law (Chapter 5 of the Companies Act). Reference to the Companies Act must be read to include compliance with any foreign corporate law(s) applicable to foreign domiciled primary ListCos. Certain compliance requirements are explained and defined in the CA tables but the following defined compliance requirements are provided as they are "generic" in nature.

15.2 Resolutions

- An ordinary resolution requiring >50% shareholder approval with all shareholders being able to vote is described as "ordinary resolution >50% all vote";
- An ordinary resolution requiring >50% shareholder approval with participating shareholders and associates being unable to vote is described as "ordinary resolution >50% independent vote";
- An ordinary resolution requiring 75% or more shareholder approval with all shareholders being able to vote is described as "ordinary resolution 75%+ all vote";

- An ordinary resolution requiring 75% or more shareholder approval with participating shareholders and associates being unable to vote is described as “ordinary resolution 75%+ independent vote”;
- A special resolution requiring 75% or more shareholder approval with all shareholders being able to vote is described as “special resolution 75%+ all vote”;
- A special resolution requiring 75% or more shareholder approval with participating shareholders and associates being unable to vote is described as “special resolution 75%+ independent vote”; and
- A special resolution requiring 85% or more shareholder approval with all shareholders being able to vote is described as “special resolution 85%+ all vote”.

15.3 Change of control

- A CA giving rise to “change of control” (“Change of Control”) of a ListCo effected by a subscriber (issue for cash), underwriter (rights offer) or asset vendor (acquisition issue to settle assets acquired by ListCo) subscribing for ListCo voting shares, resulting in 35%+ voting power control for such person of ListCo (“controlling shareholder”), gives rise to the Takeover law requirement of the controlling shareholder having to make a mandatory offer to all “minority” shareholders of ListCo (excluding controlling shareholder and concert parties) at the highest price paid in achieving control measured in terms of a look back period of six months prior to an “offer period” commencing (“Mandatory Offer”); and
- A CA involving a possible/probable Change of Control may be structured to avoid a Mandatory Offer by incorporating a condition in the CA whereby ListCo obtains (independent) “minority” shareholder approval in GM = ordinary resolution >50% independent vote – either prior to the CA being effected or as part of the CA resolution approvals – in GM – waiving the requirement for a Mandatory Offer subject to Takeover Regulation Panel (“TRP”) approval thereto – which is assumed as being obtained (“Waiver Approval”).

15.4 Abbreviations used in the tables

- SLT = solvency and liquidity test in terms of Section 4 of the Companies Act has been passed;
- WCS = JSE working capital statement – same requirements as the SLT;
- Cat 1 or Cat 2 = Category 1 or Category 2 acquisition/disposal transaction effected by the ListCo Group in terms of Section 9 (and Section 10 if effected with an RP) unless exempt in terms of complex requirements in Section 9 (read with Section 10);
- FO = fairness opinion in terms of the JSE LR;
- FO (Subject to Proviso) = FO required by an RP Trans in terms of an “other agreement” is subject to the proviso that if the subject matter cannot be valued (which must be agreed with the JSE), the RP Trans will be exempt from requiring an FO if agreed to by the JSE and instead, other information as agreed with the JSE must be announced/published;
- F+R Opinion = fair and reasonable opinion in terms of Takeover law. The consideration offered is measured against the share price at date of first announcement (Share Price) and against a fair value range (Value Range) – if the consideration is greater than the Share Price the opinion will state that it is “reasonable” and if the consideration is greater than the lowest level of the Value Range the opinion will state that it is “fair”;
- Controlling Shareholder = shareholder (including associates and concert parties) that exercises =>35% voting power in GM/AGM or can appoint/remove directors on ListCo’s board that exercise =>35% voting power in board meetings;
- Material Shareholder = shareholder holding currently – or in the last 12 months held – either a 10% (prime segment) or 20% (general segment) beneficial interest in ListCo securities or ListCo’s holding company’s securities (“H Co”), i.e. measured at two levels on an either/or basis;

- Related party (“RP”) = means:
 - a Material Shareholder, (10%+ for prime segment and 20% for general segment),
 - directors (or person acting with the same authority) of the ListCo or of ListCo’s holding company H Co – currently or in the last 12 months (“Group Directors”),
 - any person included in the definition of “extended family/ family cross holdings test” being:
 - parents plus spouses,
 - siblings plus spouses, and
 - major children plus spouses
 of a ListCo director and his/her spouse),
 - any adviser that has or had in the last 12 months a beneficial interest in ListCo or any ListCo Associate; a principal executive officer of ListCo – currently or in the last 12 months (probably a “prescribed officer” in terms of the Companies Act);
 - a listed property entity’s asset manager or management company (“Manco”);
 - a controlling shareholder of a Manco;
 - any Associates of the above;
- RP Trans = a Related Party transaction that is (either) an acquisition (“acq”) or disposal (“disp”) effected between an RP and a ListCo Group (ListCo and SubCos) or is a “transaction” (in terms of “other agreement” defined in Section 10.1(a)), excluding an acq or disp, between an RP and a ListCo Group
- RP Trans ITOCOB (RP = exc directors/associates) = an RP Trans ITOCOB between an RP, but the RP is not a director or associate of a director (of ListCo or ListCo’s holding company), and a ListCo Group
- RP Trans ITOCOB (RP = directors/associates) = an RP Trans between an RP, where the RP is a director and/or associate of a director of (ListCo or ListCo’s holding company), and a ListCo Group
- ITOCOB = in the ordinary course of business, requiring JSE approval after having regard to the following:
 - Nature of business of ListCo and the transacting party;
 - Incidence of similar transactions concluded;
 - Size measured against similar transactions concluded;
 - Whether the transaction contributes to ListCo’s normal revenue;
 - Whether the transaction contributes to costs related to the revenue;
 - Whether the transaction constitutes ITOCOB for ListCo and the other transacting party; and
- Public = public shareholders, defined by excluding shareholders of ListCo that are considered to be non-public person as follows:
 - ListCo directors or directors of any ListCo major SubCos or Associates thereof;
 - Associates of ListCo and/or of major SubCos,
 - Extended family/family cross holdings test (refer to RP definition above);
 - Trustees of ListCo group share incentive schemes or of ListCo group pension funds;
 - Prescribed officers of ListCo;
 - Controlling shareholders;
 - Any person with trading restrictions over ListCo securities for a period exceeding six months.
- RTO = reverse takeover requirements detailed in Section 9, being an acquisition of an asset(s) satisfying the following criteria:
 - the acquisition categorisation percentage (“Cat %”) equals or exceeds 100%; and
 - the acquisition will result in one or more of the following:
 - o a fundamental change in the business, being the acquisition of a business that comprises the majority of all future business (>50%); AND/OR
 - o a change in board control (being 35% or more control of board votes); AND/OR
 - o a change in shareholder voting control (being 35% or more of entitled votes cast in GM/AGM);

- Aggregation = aggregation of transactions detailed in Section 9 that have the following compliance requirements:
 - Aggregation applies to a series of acquisitions/disposals (“transactions”) effected by a ListCo group;
 - The subject matter of the series of acquisitions/disposals must be effected with regard to:
 - o The same asset acquired/disposed of on a piecemeal basis over time; or
 - o Different assets acquired/disposed of from/to the same vendor/emptor; or
 - o Different assets acquired from different vendors/emptors (but) in respect of the same new substantial (30%+ of market cap) business segment;
 - The time period applicable to the series of the asset(s) transactions is a “look back” period of 12 months from date of agreement of the current transaction, therefore any transaction older than 12 months will “drop out” of the aggregation series;
 - For each current transaction calculate the categorisation percentage (“Current CP”);
 - If aggregation applies, add the previous calculated categorisation percentage(s) (“Previous CP”) to the Current CP, thereby calculating the aggregation percentage for the current transaction (“Current AP”);
 - If any of the Previous CP were Category 1 transactions, they are excluded from the Current AP which results in a subtraction of such percentage(s) from the Current AP, resulting in a lower Current AP for categorisation purposes, resulting in an Adjusted Current AP which is used as the final categorisation percentage; and
 - Notwithstanding the subtraction of previous Category 1 transaction(s) from the Current AP, the Current AP must be used to determine whether a reverse takeover has resulted from such current AP, and if it has, (then) the reverse takeover requirements must be complied with, resulting in a JSE review of the continued listing of ListCo and the issue of RLP.

The following tables illustrate the aggregation calculations regarding a series of five acquisitions (in the same line of business as ListCo, therefore not giving rise to a fundamental change of business) over a period of 28 months for a total consideration (at fair value) of R25bn with regard to settlement of the consideration being firstly, in shares and secondly, in cash. The aggregation examples illustrate the RTO requirements in the JSE LR.

Considerations settled fully by issuing shares

Authorised shares (m)	Issued shares (m)	Treasury Cos Act shares (m)	Treasury share scheme shares (m)	Initial shares used for re-issuance (Cat)
800	750	25	25	700
Share price				10,00
Initial Cat Mkt Cap				7 000

Month	Acq. cons. value (Rm)	Denom. (Rm)	Cons. shares issued (m) or cash paid	Current Cat % (Current CP)	Current CP category	Does Agg. apply?	Adjusted current AP	Adjusted current AP Cat	Change of control?	RTO Cat% $\geq 100\%$ + ch ctr
1	8 000	7 000	800	114,3%	Cat 1	No	114,3%	Cat 1	Yes	Yes
8	5 000	15 000	500	33,3%	Cat 1	No	33,3%	Cat 1	N/A	No
14	4 000	20 000	400	20,0%	Cat 2	No	20,0%	Cat 2	N/A	No
21	3 000	24 000	300	12,5%	Cat 2	Yes	32,5%	Cat 1	N/A	No
28	5 000	27 000	500	18,5%	Cat 2	No	18,5%	Cat 2	N/A	No
	25 000		2 500							

Considerations settled fully by cash payments

Authorised shares (m)	Issued shares (m)	Treasury Cos Act shares (m)	Treasury share scheme shares (m)	Initial shares used for categorisation (Cat)						
800	750	25	25	700						
Share price				10,00						
Initial Cat Mkt Cap				7 000						
Month	Acq. cons. value (Rm)	Denom. (Rm)	Cons. shares issued (m) or cash paid	Current Cat % (Current CP)	Current CP category	Does Agg. apply?	Adjusted current AP	Adjusted current AP Cat	Change of control?	RTO Cat% $\geq 100\% + > \text{ch ctr}$
1	8 000	7 000	Cash paid	114,3%	Cat 1	No	114,3%	Cat 1	N/A	No
8	5 000	7 000	Cash paid	71,4%	Cat 1	No	71,4%	Cat 1	N/A	No
14	4 000	7 000	Cash paid	57,1%	Cat 1	No	57,1%	Cat 1	N/A	No
21	3 000	7 000	Cash paid	42,9%	Cat 1	No	42,9%	Cat 1	N/A	No
28	5 000	7 000	Cash paid	71,4%	Cat 1	No	71,4%	Cat 1	N/A	No
	25 000									

15.5 Tabular summary

Listings requirement	Summary of provision
Section 5	Methods of bringing securities to listing which includes a large number of corporate actions that involve issuing and listing securities. Refer to the corporate action tables
Section 6	At date of initial listing, a pre-listing statement (“PLS”) is required to be issued or alternatively a prospectus will be issued if an offer is made to public persons (“PLS/prospectus”). Thereafter a PLS/prospectus will be issued in respect of a new class of security being listed. For existing ListCos, a PLS will be required to be issued (on a continuing obligation basis) if >50% of shares in issue are issued for an acquisition, measured over a rolling three-month period, or a reverse takeover is effected in respect of a large acquisition
Section 7	Listing particulars contained in this section are used to populate PLS, prospectuses and circulars
Section 8	Financial information
8.1 – 8.56	These JSE LR deal with the requirements to issue reports of historical financial information (“RHFI”), reports of <i>pro forma</i> financial information (“PFFI”) and profit forecasts/estimates reports (“PFE”) in respect of corporate actions and the issuance of PFE in the ordinary course of business. RHFI include historical financial information disclosures for the last three financial years for main board ListCos and one or two financial years for AltX ListCos and are only ever issued as part of a circular, PLS or prospectus with reporting accountant (“RA”) audit review sign off (“long form”). PFFI reports show the effect of corporate action financial effects on RHFI and are able to be issued in long form or as part of an announcement only, which does not require RA sign off (“short form”). PFE includes all forecasts and estimates and can be issued in long or short form. PFE includes trading statements, general forecasts and specific forecasts. PFE in short form is typically included in the results paragraph of a periodic financial announcement
8.57 – 8.64	These JSE LR deal with the required disclosure contents of short form periodic financial reporting (interim reports, Summarised AFS and Condensed AFS) and long form periodic financial reporting (audited AFS and AR), both of which require disclosure compliance with IFRS, the Companies Act, the SAICA Financial Reporting Guides and JSE GAAP (JSE-specific financial disclosures)
8.65 – 8.66	The Financial Reporting Investigation Panel (“FRIP”) is a partnership between the JSE and SAICA which investigates complaints in relation to non-compliance with financial disclosures by ListCos. The JSE is able to investigate financial disclosure non-compliance without referring matters to the FRIP
Section 9 and Section 10	Acquisitions and disposals effected by ListCo groups. Refer to the corporate action tables

Listings requirement	Summary of provision
Section 11	The required contents of circulars, PLS, prospectuses and announcements in respect of corporate actions are covered in detail per corporate action. The appendices contain useful summary information
Section 16	Circulars, PLS, prospectuses and supporting documents require, in terms of various corporate actions including an initial listing, submission to and approval from the JSE in terms of a 10-business day timetable

15.6 Corporate action tables

Schedule 2, Form H (Corporate Action Timetable) of the JSE LR has been amended effective Friday, 12 March 2021.

Tables content applies to both the prime segment and general segment unless indicated by way of a footnote explaining the deregulation applicable to the general segment.

Cash dividend	
CA description	<i>Pro rata</i> payment of cash to shareholders from retained income
JSE approval required	Directors' approval only unless MOI requires shareholder approval
	Results Announcement of declaration required in Interim (SENS and press), Summarised AFS (SENS) or Condensed AFS (SENS and press) – sponsor approval (Announcement required)
	Circular required (circular) only if MOI requires shareholder approval
	If shareholder approval required = ordinary resolution >50% all vote
	Timetable – Last date to trade (“LDT”), record date (“RD”) and payment date (“PD”) applicable
	No PLS/RLP or WCS or fairness opinion (“FO”) required
Companies Act approval required	As per JSE approval above
	Solvency and liquidity test to be passed (“SLT passed”)
Scrip dividend	
CA description	<i>Pro rata</i> payment to shareholders of cash dividends with an alternate election to receive capitalisation issue shares (“cap issue”)

JSE approval required	Directors' approval only unless MOI requires shareholder approval
	Announcement required – refer to cash dividend – will also provide volume weighted average price (“VWAP”) pricing for cap issue
	Circular – dealing with election of cash or shares
	If shareholder approval required = ordinary resolution >50% all vote
	Timetable – LDT, RD and PD applicable
	No PLS/RLP or WCS or FO required
Companies Act approval required	As per JSE approval above
	SLT passed for cash portion
	If increase of authorised shares required = special resolution 75%+ all vote MOI amendment required “Increase of authorised shares required”
	If shares are par value and increase of authorised shares required – requires conversion to no par value shares before authorised share increase = special Resolution 75% all vote (convert PV to NPV required) MOI amendment required “Convert PV to NPV required”
	If =/> 30% voting shares to be issued = special resolution 75% all vote required in terms of Section 41(3) (30% Section 41(3) 75% rule required)

Capitalisation issue (“cap issue”)

CA description	<i>Pro rata</i> issue of capitalisation shares to shareholders for no consideration
JSE approval required	Directors' approval only unless MOI requires shareholder approval
	Announcement required (SENS and press)
	Circular required only if MOI requires shareholder approval
	If shareholder approval required = ordinary resolution >50% all vote
	Timetable – LDT, RD and PD applicable
	No PLS/RLP or WCS or FO required

Companies Act approval required	As per JSE approval above
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 75% rule required – refer to scrip dividend above
CA description	<i>Pro rata</i> issue of shares to shareholders for a cash consideration per share
JSE approval required	Directors' approval to proceed and to approve rights offer price (should be at a reasonable discount to recent share price)
	Announcement required (SENS and press)
	Circular – contains all rights offer details
	Listing of letters of allocation (“LAs”) and Timetable – LDT, RD and PD applicable
	No PLS/RLP or WCS or FO required
	As per JSE approval above – circular content also satisfies Companies Act

Capitalisation issue (“cap issue”) (continued)

Companies Act approval required	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 75% rule required – refer to scrip dividend above
	<i>Pro rata</i> issue of shares to shareholders for a cash consideration per share
Takeover law	If a subscription or underwriting results in a controlling shareholder – then either a Mandatory Offer must be made, or a Waiver Approval obtained (if controlling shareholder emerges, mandatory offer or waiver approval required)

Rights offer – non-renounceable

CA description	<i>Pro rata</i> issue of shares to shareholders for a cash consideration per share
JSE approval required	Directors' approval to proceed and to approve rights offer price but maximum discount is 10% to the 30-day VWAP
	Announcement required (SENS and press)
	Circular – contains all rights offer details
	Timetable – LDT, RD and PD applicable
NO LAs listed	No PLS/RLP or WCS or FO required

Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 75% rule required – refer to scrip dividend above
Takeover law	If controlling shareholder emerges mandatory offer or waiver approval required

Specific issue of shares for cash to a non-RP (“Specific IFC”) – accelerated Specific IFC to non-RP = same

CA description	Biased subscription issue of any number of shares or options/ convertible securities to any non-RP person at any price to raise cash or to settle a monetary liability or monetary expense (Unlimited specific issue to non-RP)
JSE approval required	Directors’ approval to proceed and approve subscription price (usually at a discount (“Discount”))
	Announcement required (SENS and press)
	Circular – contains all Specific IFC details
	Shareholder approval required if issue > ¼% of no. of issued shares or price is at a discount to 30-day VWAP = ordinary resolution = 75%+ independent votes (>1/4 and discount price = ordinary resolution 75%+ indep. vote)
	Timetable
	No PLS/RLP or WCS or FO required
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If => 30% voting shares to be issued = special resolution 85% all vote required in terms of Section 41(3) read with Section 65 10% rule “30% Section 41(3) 85% rule required”
Takeover law	If controlling shareholder emerges, mandatory offer or waiver approval required

Specific issue of shares for cash to a ListCo director (related party ("RP"))	
CA description	Unlimited specific issue to a ListCo director ("RP")
JSE approval required	Directors' approval to proceed and approve subscription price ("Discount")
	Announcement required (SENS and press)
	Circular – contains all specific IFC details
	>¼% and discount price = ordinary resolution 75%+ indep. vote
	If issue price = discount to 30-day VWAP = FO required stating whether "fair" or "not fair" to indep. shareholders because ListCo director is a RP (FO required if price = discount to 30-day VWAP and shareholder = RP) ¹
	Timetable
	No PLS/RLP or WCS required
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 85% rule required – refer to specific IFC above
	If securities issued to a director, prescribed officer or related person = special resolution 85%+ all vote required in terms of Section 41(1) read with Section 65 10% rule "Section 41(1) 85% rule"
Takeover law	If controlling shareholder emerges, mandatory offer or waiver approval required

¹ FO required if option/convertible issued to RP

Specific issue of shares for cash to a material shareholder ("RP")	
CA description	Unlimited specific issue to a material shareholder ("RP")
JSE approval required	Directors approval to proceed and approve subscription price ("Discount")
	Announcement required (SENS and press)
	Circular approval required
	>¼% and discount price = ordinary resolution 75%+ indep. vote
	FO required if price = discount to 30-day VWAP and shareholder = RP ¹
	Timetable
	No PLS/RLP or WCS required
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required or Section 41(1) 85% rule required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 85% rule required – refer to specific IFC above
Takeover law	If controlling shareholder emerges, mandatory offer or waiver approval required

¹ FO required if option/convertible issued to RP

Accelerated specific issue of shares for cash to an RP	
CA description	Unlimited specific issue to a RP
JSE approval required	Directors' approval to proceed and approve subscription price
	Announcement required (SENS and press)
	Circular approval required but approval time is only 48 hours
	>¼% and discount price = ordinary resolution 75%+ indep. vote ¹
	If issue is to RP = no discount to 30-day VWAP is allowed
	Timetable – saves 8 bd of JSE approval time – rest of timetable is the same
	No PLS/RLP or WCS required

¹ FO required if option/convertible issued to RP

Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(1) or 41(3) 85% rule required – refer to Specific IFC above
Takeover law	If controlling shareholder emerges, mandatory offer or waiver approval required

General issue of shares for cash (“General IFC”)

CA description	Biased subscription issue of a limited number of listed shares or options/convertible securities (convertible into listed securities) to public shareholders/persons (“Public Persons”) at a limited discount price to raise cash or to settle a liability or expense during the approval period
JSE approval required	Number of securities that may be issued limited to less than 30% of number in issue at date of giving notice of AGM (or special GM) (“Base Number”) Initial shareholder approval required in AGM (or special GM) = ordinary resolution = 75%+ all votes – approval expires at next AGM or after 15 months (“approval period”) ²
	Initial shareholder approval required in AGM (or special GM) = ordinary resolution = 75%+ all votes – approval expires at next AGM or after 15 months (“approval period”)
	Subscription/strike price limited to a maximum 10% discount to 30-day VWAP at (each) date of issue – there may be many different issues in approval period
	If issue is options/convertibles and strike price >10% discount to 30-day VWAP = FO Required and must be “fair” ¹
	Each issue may only be made to Public Persons, however, RPs may participate in a General IFC that is effected by way of a bookbuild process provided the RP is a price taker and not a price maker. Expanded SENS disclosure required
	Directors’ approval required to proceed with each issue (usually at a discount)
	Announcement required (SENS and press) – for all issues that reach 5% of the number of shares in issue at date of notice of AGM/GM and thereafter
	Circular approval required or circular content included in notice of AGM
	Timetable
No PLS/RLP or WCS required	

Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT or Section 41(1) 85% rule or Section 41(3) rule required
	If increase of authorised shares required – refer scrip dividend – effect in AGM
	If convert PV to NPV required – refer to scrip dividend above – effect in AGM
Takeover law	If controlling shareholder emerges, mandatory offer required

Specific repurchase of <5% of ListCo shares by ListCo from a non-RP shareholder

CA description	Biased repurchase of <5% of ListCo shares from any ListCo non-RP shareholder at any price
JSE approval required	Directors' approval required to proceed
	Shareholder approval required = special resolution = 75%+ indep. votes unless it is a <i>pro rata</i> specific repurchase = no sh/h approval unless Companies Act requires ("unless Pro Rata Exemption") ³
	Number of shares limited to <5% in this example
	Repurchase price unlimited
	Repurchase made from a non-RP shareholder in this example
	Announcement required (SENS and press)
	Circular approval required
	Repurchases during prohibited periods ("PP"), including convening a GM are prohibited unless a programme is submitted to the JSE detailing the number of securities to be repurchased over a period of time outside of a PP by a named independent stockbroker that proceeds to repurchase the securities on an independent basis "PP prohibition or programme exemption compliance required"
	Timetable
	WCS required but no FO
Exemption from requiring shareholder approval to the JSE LR, subject to Companies Act compliance, applies to: <i>Pro rata</i> repurchases from all shareholders effected either by ListCo or SubCo(s); Repurchases of ListCo shares by ListCo from a wholly owned SubCo of ListCo or from a Schedule 14 share incentive scheme or from a non dilutive (non Schedule 14) share incentive scheme – detailed SENS announcement required "JSE Shareholder Approval Exemption"	

Companies Act approval required	As per JSE approval above
	SLT required
	Repurchased shares “issue” status cancelled in terms of Section 35 (cancelled)
Takeover law	If a non-participating shareholder becomes a controlling shareholder as a result of increased voting power arising from a repurchase from other shareholders a mandatory offer must be made, e.g. 34.9% moves to 36.7% if 4.9% repurchased from other shareholders (if controlling shareholder, emerges mandatory offer required)

Specific repurchase of <5% of ListCo shares by ListCo’s SubCo(s) from a non-RP shareholder

CA description	Biased repurchase of <5% of ListCo shares by ListCo’s SubCo(s) from any ListCo non-RP shareholder at any price
JSE approval required	Directors’ approval of ListCo and SubCo required to proceed
	Shareholder approval required = special resolution = 75%+ indep. votes ³
	Number of shares limited to <5% in this example
	Repurchase price unlimited
	Repurchase made by ListCo’s SubCo from a non-RP shareholder
	Announcement required (SENS and press)
	Circular approval required
	PP prohibition or programme exemption compliance required
	Timetable
	WCS required but no FO
	JSE Shareholder Approval Exemption
Companies Act approval required	As per JSE approval above
	SLT required
	Repurchased shares are not cancelled, i.e. remain in issue in terms of Section 35 and Section 48 (not cancelled)
	Repurchased shares have no voting power whilst SubCo remains a SubCo in terms of Section 48(2) and are titled “treasury shares”
	If ListCo provides a loan to SubCo(s) to repurchase ListCo shares – Section 44 and Section 45 require compliance = special resolution = 75%+ all vote – plus – SLT – plus – F+R by the board (Sections 44 and 45 compliance required)
Takeover law	If controlling shareholder emerges, mandatory offer required

Specific repurchase of <5% of ListCo shares by ListCo from an RP shareholder⁶	
CA description	Biased repurchase of <5% of ListCo shares by ListCo from an RP shareholder (either a ListCo director or material shareholder ⁶) at any price
JSE approval required	Directors' approval required to proceed
	Shareholder approval required = special resolution = 75%+ indep. votes unless Pro Rata Exemption ³
	Number of shares limited to <5% in this example
	Repurchase price unlimited
	Repurchase made by ListCo from an RP shareholder in this example
	Announcement required (SENS and press)
	Circular approval required
	FO required if price = premium to 30-day VWAP (because shareholder = RP) ¹
	PP prohibition or programme exemption compliance required
	Timetable
	WCS required
JSE Shareholder Approval Exemption	
Companies Act approval required	As per JSE approval above
	If RP shareholder = ListCo director = approval required in terms of Section 48(8)(a) = special resolution = 75%+ all vote (Section 48(8)(a) Compliance)
	SLT required
	Repurchased shares cancelled
Takeover law	If controlling shareholder emerges, mandatory offer required

Specific repurchase of <5% of ListCo shares by ListCo's SubCo(s) from an RP shareholder⁶

CA description	Directors' approval of ListCo and SubCo required to proceed
JSE approval required	Shareholder approval required = special resolution = 75%+ indep. vote unless Pro Rata Exemption ³
	Number of shares limited to <5% in this example
	Repurchase price unlimited
	Repurchase made by ListCo's SubCo from an RP shareholder ⁶
	Announcement required (SENS and press)
	Circular approval required
	FO required if price = premium to 30-day VWAP (because shareholder = RP) ^{1 & 6}
	PP prohibition or programme exemption compliance required
	Timetable
	WCS required
	JSE Shareholder Approval Exemption
Companies Act approval required	As per JSE approval above
	No Section 48(8)(a) compliance required – Section 48(8) N/A to SubCos
	SLT required
	Repurchased shares not cancelled and have no voting power
	If ListCo provides loan to SubCo(s) = Sections 44 and 45 compliance required
Takeover law	If controlling shareholder emerges, mandatory offer required

Specific repurchase of >5% of ListCo shares by ListCo from any shareholder	
CA description	Biased repurchase >5% ListCo shares by ListCo from any shareholder at any price
JSE approval required	Directors' approval of ListCo and SubCo required to proceed
	Shareholder approval required = special resolution = 75%+ indep. votes unless Pro Rata Exemption ³
	Number of shares limited to >5% in this example
	Repurchase price unlimited
	Repurchase made by ListCo's SubCo from any shareholder
	Announcement required (SENS and press)
	Circular approval required
	FO required if price = premium to 30-day VWAP if shareholder = RP ¹
	PP prohibition or programme exemption compliance required
	Timetable
	WCS required
	JSE Shareholder Approval Exemption
Companies Act approval required	As per JSE approval above
	Section 48(8)(b) Compliance requires compliance with Section 114 and Section 115 (Scheme of Arrangement) = special resolution 75%+ indep. vote
	F + R opinion required
	SLT required
	Repurchased shares cancelled
Takeover law	Scheme of arrangement compliance and F + R opinion detailed above
	If controlling shareholder emerges, mandatory offer required

General repurchase of ListCo shares by ListCo or ListCo's SubCo	
CA description	Biased repurchase of <5% of ListCo shares by ListCo or up to 10% of ListCo shares by ListCo's SubCo – both through the secondary market
JSE approval required	Directors' approval of ListCo and SubCo required to proceed
	Initial shareholder approval required in AGM (or special GM) = special resolution = 75%+ all votes – approval expires at next AGM or after 15 months (approval period) unless Pro Rata Exemption ³
	Number of shares limited to 20% per financial year – however – practically – this is limited <5% with respect to ListCo or up to 10% for ListCo's SubCo – dictated by the Companies Act
	Repurchase price limited to a 10% premium to the 5-day VWAP
	Repurchases made through secondary market therefore no knowledge of who selling shareholder is – therefore no concern with RP shareholders selling
	Announcement required (SENS and press) for each 3% threshold reached
	Circular approval required or circular content included in notice of AGM
	PP prohibition or programme exemption compliance required.
	Timetable
	WCS required
JSE Shareholder Approval Exemption	
Companies Act approval required	As per JSE approval above
	No Section 48(8)(b) compliance required
	SLT required
	Repurchased shares cancelled if ListCo repurchases but not cancelled and have no voting power if ListCo's SubCo(s) repurchases
	If ListCo provides loan to SubCo(s) = Sections 44 and 45 compliance required
Takeover law	If controlling shareholder emerges, mandatory offer required

Payment to shareholders	
CA description	Directors' approval of ListCo and SubCo required to proceed
JSE approval required	Capital payment of cash or assets to ListCo shareholders by ListCo
	Directors' approval of ListCo
	Payment is of cash or assets as a capital payment from share capital, share premium or stated capital to shareholders
	If payment is made <i>pro rata</i> for cash or listed securities, no sh/h approval required
	If payment is non- <i>pro rata</i> or is non-cash or non-listed securities – shareholder approval required = ordinary resolution >50% all vote
	Announcement required (SENS and press) – all details
	Circular approval required
	Timetable – LDT, RD and PD applicable
	WCS required
Companies Act approval required	As per JSE approval above
	SLT required as this is a capital distribution
Takeover law	Not applicable

Odd lot offer	
CA description	Offer and expropriation mechanism made by a third party or by ListCo or ListCo's SubCo to ListCo shareholders holding an odd lot of ListCo shares
JSE approval required	Directors' approval of ListCo and SubCo required to proceed
	Mechanism is an offer to acquire odd lots and if shareholders elect not to sell, they retain the odd lot holding – if shareholders do not elect the odd lot holdings are expropriated, i.e. forced selling
	Mechanism may be affected as a third-party offer or as a repurchase
	Odd lot holding default definition = between 1 and 99 shares – but the 99 may be increased based on breakeven trading cost
	Shareholder approval required = special resolution = 75%+ independent vote – if effected using a repurchase mechanism – refer to repurchase CAs
	Shareholder approval also required for the odd lot CA itself = ordinary resolution >50% independent vote
	Offer price = market price or premium thereto plus all costs
	Announcement required (SENS and press) – all details
	Circular approval required
	PP prohibition or programme exemption compliance required if effected as a repurchase – not required if effected as a third-party offer
	Timetable – LDT, RD and PD applicable
WCS required if effected as a repurchase	
Companies Act approval required	As per JSE approval above
	Refer to repurchase CA for required compliance
Takeover law	If controlling shareholder emerges, mandatory offer required
	Panel approval required as this is a split class offer

Alteration of capital	
CA description	Per security class – creation of a new class, variation of rights, conversion from PV to NPV, increase of authorised share capital, subdivision, consolidation, cancellation
JSE approval required	Directors' approval of ListCo
	Shareholder approval required = special resolution 75%+ all vote
	Announcement required (SENS and press) – all details
	Circular approval required
	Timetable – LDT, RD and PD applicable
No WCS or FO required	
Companies Act approval required	As per JSE approval above
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend
Amendment to MOI required	
Takeover law	Not applicable

Acquisitions and disposals	
CA description	Acquisition or disposal of assets ("acq/disp") by ListCo or ListCo's SubCo(s)
JSE approval required	Directors' approval of ListCo
	Categorisation percentage ("Cat %") determined by dividing consideration receivable/payable by adjusted market cap (excl. treasury shares) or by dividing acq shares issued by adjusted ListCo shares in issue (excl. treasury shares) then used for categorisation
	Arm's length acq/disp involves non-RP acq/disp
	<p>Arm's length acq/disp categorisation percentages and compliance =</p> <ul style="list-style-type: none"> • In the ordinary course of business (ITOCOB) acq/disp exempt up to <30% • Not ITOCOB acq/disp are exempt up to < 5% • Acq/disp from 5%+ (Not ITOCOB) and >10% (ITOCOB) up to <30% is a Cat 2 transaction – requires announcement (SENS + press) (Terms Ann) but no shareholder ("sh/h") approval⁵ • Acq/disp for =/> 30% (both ITOCOB and Not ITOCOB) is a Cat 1 transaction – requires Terms Ann + circular + sh/h approval = Ordinary resolution > 50% all vote⁵ <p>RP Trans⁶ and RP Trans (RP = inc or exc directors/associates)⁶ – Cat% and compliance =</p> <ul style="list-style-type: none"> • RP Trans (RP = exc directors/associates)⁶ ITOCOB are exempt up to and including < 30% – however – if =/>5% = modified Terms Ann excluding price but including an opinion by the INEDs that the RP Trans (exc directors/associates)⁶ was ITOCOB and arm's length • RP Trans Not ITOCOB or RP Trans ITOCOB (RP = directors/associates) =/< ¼% are exempt • RP Trans Not ITOCOB >¼%, RP Trans ITOCOB (RP= directors/associates) >¼%, RP Trans ITOCOB (exc directors/associates)⁶ =/> 30% – all require an FO or FO (Subject to Proviso)^{1 & 5} • RP Trans Not ITOCOB and RP Trans ITOCOB (RP= directors/associates) <= 5% but >¼% are "small RP transactions" – requires Terms Ann. only provided FO is "fair" – if FO is not fair or is an FO (Subject to Proviso) – then treated as an RP Trans Cat 2 – requires FO or FO (Subject to Proviso) + Terms Ann + circular + sh/h approval required = Ordinary resolution > 50% indep. vote (No RP + Assoc)^{1 & 7} • RP Trans Not ITOCOB > 5%⁶, RP Trans ITOCOB (RP = directors/associates) >5% and RP Trans =/> 30% ITOCOB (exc directors/associates)⁶ – require FO or FO (Subject to Proviso) + Terms Ann.) + circular + sh/h approval required = Ordinary resolution > 50% indep. vote⁵ • RP Trans =/> 30%+ (for ITOCOB and Not ITOCOB) are Cat 1 RP transactions – FO or FO (Subject to Proviso) + Terms Ann + circular + sh/h approval required = Ordinary resolution > 50% indep. vote⁵

Acquisitions and disposals (continued)	
JSE approval required (continued)	Not ITOCOB aggregation rules apply to piecemeal acq/disp effected over a rolling 12-month period – refer to “Aggregation” above
	RTO = reverse takeover – refer to RTO above
	Issue of ListCo shares => 50% for an acq requires RLP to be issued ⁴
	Timetable
	If a vendor sells assets to ListCo and requires cash settlement – ListCo may issue ListCo shares for cash at up to a 10% discount to a three or 30-day VWAP to any persons and use the subscription cash to settle the vendor (“vendor placement”)
	WCS required for all Cat 1 transactions
Companies Act approval required	As per JSE approval above
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If disp >50% – Section 112 compliance required – shareholder approval required = special resolution 75%+ independent vote
Takeover law	If Section 112 compliance required = F + R opinion required
	If controlling shareholder emerges, mandatory offer required or waiver approval obtained

Voluntary delisting	
CA description	Delisting of ListCo shares from the JSE on a voluntary basis
JSE approval required	Directors' approval of ListCo
	Shareholder approval required = ordinary resolution 75%+ independent vote (excludes offeror, offeror associates and offeror concert parties)
	An offer must be made to all ListCo shareholders by a person – either ListCo as a repurchase offer or a third-party offer
	An F + R opinion is required, and the opinion must be "fair"
	Announcement required (SENS and press) – all details
	Circular approval required
	Timetable – LDT, RD and PD applicable
	No WCS required
Companies Act approval required	As per JSE approval above
Takeover law	Not applicable

General segment exemptions

¹ Does not require a FO from an IPE and the Board - only requires an opinion from independent NEDs opining as to good corporate governance, RP/assoc will not vote, arm's length and fair to sh/h

² Does not require sh/h approval for issues up to and including 10% of ListCos issued shares measured at date of AGM

³ No sh/h approval required if issue is to non RP and is $\leq 20\%$ of number of shares in issue per financial year

⁴ 50% replaced by 100%

⁵ Cat 2 = 5% to < 50% and Cat 1 = 50%+

⁶ Material sh/h = 20%+

⁷ Small RP transaction = 3%> but $\leq 10\%$

16. DIFFERENT TYPES OF LISTCOS

16.1 Narrative summary

The following tables summarise the required listing criteria for different types of companies seeking a listing on the JSE.

16.1.1 Section 4 – Main board ListCos

All non-specific ListCos list onto the JSE Main Board (“main board”) via a Section 4 application. Section 4 listing criteria, *inter alia*, requires an applicant to be financially sound and have some degree of control over underlying assets.

It is possible to list as an “active” investment company in terms of Section 4.

Equity shares granted a listing have a *pari passu* structure whereby all shareholders holding such shares have equal voting and economic power/interests. However, the JSE allows for Weighted Voting Share Structures that will provide certain shareholders with disproportionately higher voting rights (“WVSS Shares”) compared to their economic interests in such shares. There are detailed requirements in order to attempt to safeguard the abuse of minorities in such structures, including, *inter alia*:

- The WVSS Share structure may not be adopted by an existing ListCo;
- WVSS Shares will not be listed (only listing of ordinary shares allowed);
- Holders of both WVSS Shares may not dispose of /transfer either their WVSS Shares or ordinary shares for 12 months post listing;
- A 20 to 1 limitation of enhanced voting power;
- Inclusion of the WVSS structure in the MOI;
- A 10-year life, subject to non-WVSS shareholders’ voting
- Conversion of a WVSS Share into a non-WVSS Share if sold/transferred to any person;
- Holder(s) of WVSS Shares must hold \geq 10% of ListCo’s economic interest on listing;
- Holder(s) of ordinary shares holding \geq 10% of total voting rights must have the ability to convene a GM;
- Certain matters remove the enhanced voting power of WVSS Shares and require voting of all shares on a one share one vote basis in GM on these matters;
- New WVSS shares may only be issued in respect of rights offers, bonus issues, cap issues, scrip dividends, consolidations and sub-divisions, in each case offered in the same ratios in conjunction with ordinary shares;
- Disclosure is required of the WVSS structure on the cover page of circulars, ARs and announcements.

The table below applies to a company seeking a listing on the main board of the JSE (“main board”) that is not a SPAC, mineral company, property entity, investment entity, secondary listing or AltX company applicant.

Listing criteria	Section 4 – Main board		
	Historical criteria 1	Historical criteria 2	Historical criteria 3
Subscribed capital + reserves – minority interest – NDR – intangible assets not fairly valued in last six months (“Capital”)	R50m ¹	R500m ²	R500m ³
Minimum number of shares issued	25m	25m	25m
Public shareholding compliance	20% per listed equity class 10% and at least 100 sh/s	20% per listed equity class 10% and at least 100 sh/s	20% per listed equity class 10% and at least 100 sh/s
Financial criteria			
Number of years audited AFS, and	3 ¹	3 ²	1 ³
Min pre-tax headline earnings last Y/E	R15m ¹	<R15m ²	R15m ³
Maturity status of business	Mature	Mature	Development stage ³
Control criteria	Independent group business or Active management participation over majority of investments ¹	Independent group business or Active management participation over majority of investments ²	Independent group business or Active management participation over majority of investments ³

¹ If applicant HAS three years audited AFS PLUS a minimum R15m pre-tax headline income at last Y/E, THEN minimum Capital = R50m at date of application for listing i.e. cannot qualify by raising capital as part of listing application

² If applicant HAS three years audited AFS BUT <R15m pre-tax headline income at last Y/E, THEN minimum Capital = R500m at date of application for listing i.e. cannot qualify by raising capital as part of listing application

³ If applicant HAS one year audited AFS PLUS R15m pre-tax headline income at last Y/E, THEN minimum Capital = R500m at date of application for listing i.e. cannot qualify by raising capital as part of listing application

⁴ Listing will be in either the prime segment, requiring compliance with all JSE LR, or in the general segment (if the listing is not part of and not anticipated to be a part of the FTSE/JSE All Share Index) which is deregulated (refer to corporate action timetables)

16.1.2 BEE Segment

Definitions

- BEE SPV = ListCo – created for objective of facilitating a BEE transaction – listing of equity securities
- DSS Requirements – JSE Debt and Specialist Securities Requirements – applicable for listing of debt securities listed
- Requires sponsor / debt sponsor appointment

Listing Criteria – listing BEE securities on BEE Segment

- Minimum R10m committed capital from – either - issue at date of listing - or subscribed capital prior to listing
- 10%+ of listed securities = held by the public
- Must comply with DSS Requirements or JSE LR Section 4, 12, 13, 15, 20 or 21 as applicable iro equity securities listing or list as a BEE SPV in terms of the BEE Segment
- Trading restricted to BEE persons iro use of a BEE contract or BEE verification agent
- BEE Contract and BEE Verification Agent – either applicable = legal structure - effectively indemnifies the JSE iro legal issues
- BEE SPV/ListCo assets must be ring fenced in a trust / company / other structure acceptable to the JSE that is “insolvency remote” from the underlying assets e.g. underlying listed securities – requires engagement with the JSE to agree details
- If underlying assets not linked to an existing JSE ListCo - requires JSE approval / acceptance of other exchange
- If underlying assets are not listed – engage with the JSE to obtain approval
- If underlying assets are equity in nature:
 - principle = financial information of the underlying assets must be disclosed iaw the JSE LR in Section 3
 - only a minority interest may be held in the underlying assets

PLS requirements iaw Section 6 – granular details iro:

- rights of sh/h on liquidation / business rescue
- use of proceeds received on issue at date of listing
- details of underlying assets
- documents available on website of BEE SPV ListCo
- material risks, including
 - restrictive ownership of BEE SPV securities (ownership)
 - action to be effected iro ineligible BEE ownership
 - risks associated with funding structure
 - disclosure of day-to-day management of the BEE SPV

Financial information

- either in PLS or incorporated by reference
- Newly incorporated BEE SPV, w/o assets or historical financial information = requires only latest IFRS compliant balance sheet
- If BEE SPV has a financial history = disclose for prior two financial years
- Above information must comply with disclosure iro RHFI iro JSE LR 8.3 -8.13
- If underlying assets = unlisted = requires two years of audited AFS – last year = less than 12 months old – and – if older than 9 months = also requires Interim AFS (no opinion / conclusion required)

Continuing obligations

- BEE SPV securities may be suspended if underlying ListCo / Debt Issuer securities are suspended = correct application of JSE LR from “primary” underlying JSE listed securities to BEE SPV/ListCo securities
- Any changes affecting structure of the BEE SPV = requires >50% ordinary resolution to approve
- SENS required for details iro new securities issued ,changes of terms / conditions of securities or guarantees, etc
- Interim FS disclosures require compliance
- Inform the JSE of any change in BEE verification agent
- Section 3 – continuing obligations - requires compliance except for:
 - Only AFS 4 month rule is applicable i.e. no 3 month rule compliance required
 - Issue of AR and notice of AGM
 - Cash companies, pre-emptive rights, waiver of pre-emptive rights, profit warranties, issues by SubCos, Press announcements (i.e. SENS only)
 - Only specific corporate governance required for = balance of power policy, auditcoms and Cosec approval
 - Disclosure of general adoption and compliance with King required
 - Announcements = SENS only

16.1.3 Section 4 – Special Purpose Acquisition Companies (“SPACs”)

The table below applies to cash companies seeking a listing on the main board as a SPAC.

Listing criteria	Section 4 – Main Board
	Historical criteria
Subscribed capital	R500m
Minimum number of shares issued	25m
Public shareholding compliance	20% per listed equity class 10% and at least 100 sh/s
Financial criteria	Cash
Minimum shareholding by directors	5% If subscription is at nominal value, interest must be \geq 5% and \leq 20%
Maturity status	Acquisition(s) of Viable Assets within 36 months of listing Redemption right given to shareholders who vote against an acquisition of viable assets
Control criteria	No business May not adopt a WVSS on listing

16.1.4 Section 12 – Mineral companies

The table below applies to mineral companies seeking a listing on the main board.

Listing criteria	Section 12 – Main Board
Subscribed capital + reserves – minority interests – NDR – intangible assets not fairly valued within six months	R50m (refer to 16.1.1 footnote 1)
Minimum number of shares issued	25m
Public shareholding compliance	20% per listed equity class
Financial criteria	
Number of years audited AFS, and	N/A
Min. pre-tax headline earnings last Y/E	N/A
Maturity status of business	Exploration/Mining – with legal entitlement to relevant rights
Control criteria	Independent group business or Active management participation over majority of investments

16.1.5 Section 13 – Property entities

A ListCo that only/predominantly owns property and receives rental income from such property may apply to list as a property entity onto the main board in accordance with either historical or forecast criteria in the table below.

Listing criteria	Section 13 – Main Board	
	Historical compliance	Forecast compliance
Subscribed capital + reserves – minority interests – NDR – intangible assets not fairly valued within six months	R50m (refer to 16.1.1 footnote 1)	R50m
Minimum number of shares issued	25m	25m
Public shareholding compliance	20% per listed equity class	20% per listed equity class
Financial criteria		
Number of years audited AFS, and	3	N/A*
Min. pre-tax headline earnings rental revenue for last Y/E	R15m	R15m>*
Maturity status of business	Mature	Immature
Forecast pre-tax headline earnings (two forecast financial periods)		
Contracted rental revenue forecast	N/A	R15m>*
Minimum contracted + near contracted rental revenue/total rental revenue required for each forecast period	N/A	75%>*
Control criteria	Independent group business or Active management participation over majority of investments	Independent group business or Active management participation over majority of investments

* Indicates a linkage that gives rise to a variation of the listing criteria

16.1.5 Section 13 – Property entities

Real Estate Investment Trusts (“REITs”) are tax driven property entities that must comply with the following Section 13 REIT requirements in order to be recognised as a REIT on the main board.

- Must be a listed property entity (refer to above)
- Directors undertake to comply with Distribution Provisions
- Distribution Provisions require:
 - 75% of total distributable profits to be distributed within four months of financial Y/E subject to the SLT
- Distributable profit comprises gross income (Income Tax Act) less deductions and allowances (excluding the qualifying distribution itself)
- Gross asset value as per latest historical or *pro forma* group AFS (GAV at fair value) must be a minimum of R300m
- At least 75% of revenue must be derived from rental revenue
- Directors must confirm that current or future year distributions qualify for deduction in terms of section 25BB(2) of the Income Tax Act
- Gearing against the property portfolio may not exceed 60% of GAV as per latest historical or *pro forma* group AFS

16.1.6 Section 14 – Pyramid companies

It is virtually impossible to list a pyramid structure onto the main board. A pyramid structure comprises two ListCos, the one is the listed holding company (“pyramid”) of the underlying listed SubCo (“controlled company”) and the pyramid receives either 75% attributable income and/or 50% underlying fair asset value on a consolidated group basis from the controlled company.

Any application to list a pyramid may only be effected following a “full” unbundling. The controlled company must have been listed for one or two years prior to the application. The mechanism of a full unbundling combined with the existing underlying asset rule are almost impossible to comply with and no new pyramid listings have been granted in decades.

16.1.7 Section 15 – Investment companies

A ListCo holding a portfolio of non-controlled assets over which it has little, or no control may apply for a listing onto the main board as a “passive” Investment Company in terms of Section 15.

The criteria for listing include:

- A subscribed permanent capital of R500 million;
- Being classified by FTSE as an “Investment Company”;
- Not being required to comply with a profit history as per Section 4 – instead management must have sufficient and satisfactory experience in Investment Company asset management;
- It must not have any specific group business providing trading income – its income must be derived wholly/mainly from investment held i.e. dividends or capital profits upon disposal;
- It must have an investment policy reflecting the above criteria;
- It may list with a complete portfolio or with cash only; and
- It may have a Manco – but if so, the Manco must hold at least 10% of the Investment Company, must be independent of the Investment Company directors and must have the relevant asset management experience.

16.1.8 Section 18 – Secondary Dual ListCos

General

- A dual listing involves all issued shares of a ListCo being listed on more than one stock exchange
- Dual listings can be primary or secondary
- ListCos may choose where their primary listing resides – subject to JSE classification
- JSE Primary Listings must comply with all JSE LR
- Secondary Listings:
 - JSE Secondary dual listings (“Secondary Listings”) have to comply with primary exchange listing continuing obligations and with minimal JSE LR continuing obligations (for details of compliance with continuing obligations applicable to secondary listings refer to refer to Section 18.20)
 - Secondary Listing applicants must confirm that the company is in full compliance with its primary stock exchange requirements – JSE can request a letter
 - Confirm its primary listing is on a JSE foreign approved exchange (“approved exchange”), being:
 - o The Australian Securities Exchange;
 - o The London Stock Exchange – including premium and standard listings;
 - o The NYSE;
 - o The Toronto Stock Exchange;
 - o The Nasdaq Stock Market;
 - o Euronext Amsterdam;
 - o Euronext Brussels;
 - o Frankfurt Stock Exchange;
 - o Luxembourg Stock Exchange;
 - o SIX Swiss Exchange;
 - o Singapore Stock Exchange; or
 - o any other exchange that is acceptable to the JSE
 - o Altx secondary listings applications require that either the primary listing is on an approved exchange or that the primary exchange is a WFE member exchange
- If the foreign applicant is not incorporated in the country in which the approved exchange is domiciled, the JSE must be consulted regarding approval of the secondary listing and additional disclosures in respect thereof may be required
- Confirm that its non-SA primary listing board/exchange is at least equivalent to the JSE secondary listing market, i.e. offshore senior market = JSE main board and offshore junior market (e.g. AIM) = JSE Altx
- For non-approved exchanges, the 24-month trade volume and value on the JSE must be $\geq 50\%$ of total trade volume and value measured at each financial year end
- Both main board and Altx Secondary Listings require a sponsor (Altx does not require a DA)
- Altx Secondary Listings directors are not subject to the DIP or share lock-up
- Secondary Listings must either be spread compliant on the market concerned (main board = 20% and Altx = 10%) or satisfy the JSE clearance/settlement division of scrip availability
- ListCo primary listings may only be moved to a foreign exchange and simultaneous application made for a secondary listing on the JSE if the foreign exchange is an approved exchange and ListCo independent shareholder approval is obtained

16.1.9 Section 21 – AltX ListCos

Listing criteria	Section 21 – AltX	
	Criteria 1	Criteria 2
Subscribed capital + reserves – minority interests – NDR – intangible assets not fairly valued within six months	R2m	R2m
Appointment required	Designated Adviser (“DA”)	DA
Director training required	Directors Induction Programme	Directors Induction Programme
Minimum number of shares issued	25m*	25m*
Spread requirement	10% of listed equity class	10% of listed equity class
Shares of directors and DA locked up	50% for 2 – 3 years	50% for 2 – 3 years
Financial criteria		
Number of years audited AFS, or	3	N/A
Forecast required	N/A	2 financial years
Maturity status of business	Start up or mature	Start up or mature
Control criteria	Independent group business at date of listing or Active management participation over majority of assets at date of listing	Independent group business at date of listing or Active management participation over majority of assets at date of listing

* *Implicit rule – actual criteria is silent*

There are a number of variations applicable to the CA tables with respect to AltX ListCos, notably, *inter alia*, general issues for cash may be effected up to a 50% level compared to 15%, acquisition and disposal Cat 1 transactions commence at 50% not 30%, small RP transactions are between 10% and 50%.



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