

Section 4

Conditions for Listing

Scope of section

This section sets out the conditions for listing. The main headings of this section are:

- 4.1 Introduction
- 4.6 Conditions applicable to all markets
- 4.25 Public shareholders
- 4.28 Main Board listing criteria
- 4.29 The Venture Capital Market ("VCM")
- 4.30 The Development Capital Market ("DCM")
- 4.31 African Classification
- 4.32 BEE Segment
- 4.32A BEE Contract
- 4.32B Verification Agent
- 4.33 Special Purpose Acquisition Company
- 4.34 SPAC admission criteria
- 4.35 Acquisition of Viable Assets
- 4.36 Capital
- 4.37 Failure to acquire Viable Assets
- 4.38 Memorandum of Incorporation
- 4.39 Continuing obligations
- 4.40 Post acquisition of Viable Assets
- 4.50 Market Segmentation

Additional and alternative requirements relating to conditions for listing are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 14 (Pyramid Companies), Section 15 (Investment Entities), Section 18 (Dual Listings and Listings by External Companies) and Section 19 (Specialist Securities), respectively.

Definitions

Main Board all securities listed on the Main Board of the List, classified as either in the prime or general segment;

Market Segmentation

General

- 4.50 The main board is segmented through the classification of main board primary issuers in either the prime or general segment.
- 4.51 The general segment affords issuers with a main board primary listing with different application of certain provisions of the Requirements.
- 4.52 The default position for issuers is the prime segment and application must be made to the JSE for classification in the general segment.

General segment classification: new listing

- 4.53 A applicant issuer may apply for a listing on the general segment.
- 4.54 The JSE will, in its discretion, and in consultation with the JSE Indices Department, determine the likelihood of the applicant being included in FTSE/JSE All Share Index in the near future. The determination will be based on various indicators, such as expected market capitalisation, including any published market capitalisation on a licensed exchange, free float and the FTSE/JSE All Share Index exclusion rules.

General segment classification: existing issuers

- 4.55 The application for inclusion in the general segment must be approved by the

JSE, provided the applicant issuer is not included in the FTSE/JSE All Share Index.

4.56 Once approved by the JSE, an issuer will be included in the general segment from the date of approval of the application.

4.57 An issuer in the general segment can at any time, on application to the JSE, seek re-classification to the prime segment. The effective date of re-classification must be stated in the application to the JSE.

Reclassification

4.58 If an issuer in the general segment is included in the FTSE/JSE All Share Index for a period of twelve months, such issuer will no longer be eligible for the general segment and will revert to prime segment, subject to a six month notice period. The issuer will only be eligible to reapply for the general segment, once it falls outside of the FTSE/JSE All Share Index for a period of at least 12 months.

General Segment

4.59 Subject to its MOI and the Companies Act, the following provisions apply to the general segment:

(a) 3.15: The obligation to announce results dealing with condensed financial statements or annual financial statements/summary financial statements do not apply;

(b) 5.51(f) [specific issue], 5.53(b) [options/convertibles under a general], 5.69(e)(ii) [specific repurchase], 10.4(f) [related party transaction] and 10.7 [small-related party transaction]: No fairness opinion is required. The related party corporate action agreement is open for inspection and the corporate action is accompanied by a statement by the independent members of the board dealing with:

(i) the corporate governance processes that were followed to approve the corporate action;

(ii) if applicable, that the related party and associates will be excluded from voting; and

(iii) whether the related party corporate action was concluded on an arm's length basis (including key assumptions, factors taken into account in reaching the conclusion) and is fair to shareholders;

(c) 5.52(c)(iii) and (e): A general authority to issue shares for cash does not require shareholders' approval, provided it does not exceed 10% of the issuer's issued share capital, as at the date of each annual general meeting;

(d) 5.69: In respect of a specific authority to repurchase securities from parties other than related parties, shareholders' approval in terms of 5.69(b) is not required provided it does not exceed 20% of the issuer's share capital in any one financial year;

(e) 5.72: In respect of general authority to repurchase securities, shareholders' approval in terms of 5.72(c) is not required;

(f) 6.19(h): A pre-listing statement is only triggered for share issuances exceeding 100% over a three-month period;

(g) 8.4: One year audited historical financial information (which includes comparative results) is required for the subject of a category 1 transaction;

(h) 8.15: The preparation of pro forma financial information is not required but rather a detailed narrative must be provided on the impact of the transaction/corporate action on the financial statements;

(i) Section 9: In respect of 9.20 and 9.21 shareholders' approval and a circular is not required for transactions by a subsidiary that is listed on the of the JSE;

(j) 9.15(b): The category 1 percentage ratio is 50% or more;

(k) Definitions: The material shareholder definition percentage ratio is 20%;

(l) 10.9: The small-related party transaction percentage ratio is less than or equal to 10%, but exceeds 3%; and

(m) 8.2(f): in relation to a new listing, an applicant issuer is not required to prepare and disclose historical financial information of any category 1 acquisition or disposal effected in the current or preceding financial year.

The provisions above have the specified different application as stated and the remainder of the provisions of the paragraph/section continue to apply.