



2 April 2020

AF

Sponsors and Designated Advisers

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COVID-19: PAYMENT OF DIVIDENDS

We refer to the JSE letter dated 30 March 2020, dealing with cancellations, changes and postponement of dividends after declaration date.

It is in this letter that JSE aimed to address corporate actions timetable implications and advised that -

- issuers can only cancel a dividend and the resultant payment prior to the finalisation date (“**FD**”);
- any changes to the pertinent details after FD but prior to the last day to trade (“**LDT**”), which does not include a cancellation of the dividend or resultant payment by the issuer, will result in a cancellation of the corporate action timetable and the issuer must start the time table afresh in order to provide investors with sufficient time and information to make informed investment decisions; and
- for the avoidance of doubt, the cancellation of the corporate action is as a result of the change to pertinent details and does not lead to the cancellation of the dividend declared by the issuer.

It is of fundamental importance to remind sponsors that the contents and application of the JSE’s Listings Requirements and any communication by the JSE in respect thereof, are always subject to the provisions of applicable legislation, with specific reference to the Companies Act, 71 of 2008 (“**the Companies Act**”).

In the present context, the provisions of Section 46(2) of the Companies Act are of particular importance. These provisions deal with distributions by the board and stipulates that, when the board of a company has adopted a resolution contemplated in subsection 46(1) (c), the relevant distribution must be fully carried out (subject only to subsection 46(1)(3) which deals with the reassessment of the solvency and liquidity test after a period of 120 days).

It has come to our attention that our letter dated 30 March 2020 has been misinterpreted to allow issuers to cancel dividends, change pertinent details to declared dividends or postpone dividend declarations without due regard for the relevant provisions in the Companies Act.

Executive Directors: Dr L Fourie (Group CEO), A Takoodeen (CFO)

Non-Executive Directors: N Nyembezi (Chairman), ZBM Bassa, MS Cleary, F Daniels, VN Fakude, Dr M Jordaan, Dr SP Kana, FN Khanyile, BJ Kruger, DM Lawrence, Dr MA Matoane

Group Company Secretary: GA Brookes

The JSE therefore wishes to emphasise that, as with the application of all requirements in the JSE Listings Requirements, the minimum statutory provisions of the Companies Act must be complied with at all times. Therefore any cancellations and changes referred to above can only be implemented if such cancellations and/or changes comply, in all aspects with the provisions of the Companies Act.

Please contact either Craig Ramakgapola on 011 520 7234 or craigr@jse.co.za or Alwyn Fouchee on 011 520 7678 or alwynf@jse.co.za should you have any questions or queries regarding the content of this letter.

Yours faithfully



**A F VISSER: DIRECTOR
ISSUER REGULATION DIVISION**