

**Amendment Schedule
Auditor Accreditation
JSE Listings Requirements
October 2023**

Definitions

audit firm	the partnership or incorporated company registered with the IRBA, a member of the International Forum of Independent Audit Regulators or a similar regulatory or professional body for auditors in another jurisdiction
auditor	includes the audit firm and the individual auditor assigned and/or appointed to perform a statutory audit (or a review as required by paragraph 3.18) of an applicant issuer
individual auditor	an individual registered with the IRBA or similar regulatory or professional body for auditors in another jurisdiction, who is a director or partner of an audit firm
reporting accountant specialist	an individual, registered with the IRBA or similar regulatory or professional body for auditors in another jurisdiction, who is an employee, director or partner of the audit firm appointed to the issuer, and has the experience described in paragraph 3.89 of the Listings Requirements

Section 1: Authority of the JSE

General powers of the JSE

- 1.1 Subject to the provisions of the FMA, the JSE has the power:
- (a) ...
 - (g) to prescribe, from time to time, the Listings Requirements with which sponsors, designated advisers and depositories must comply.
- 1.4 If an applicant issuer, director, sponsor, designated adviser and/or depository, in respect of whom a decision (other than a decision in respect of which a specific appeal or review procedure is prescribed in these Listings Requirements, the Rules of the JSE and the FMA or any replacement legislation) is taken under these Listings Requirements, objects to such decision, such person must notify the JSE in writing within 48 hours of the decision, giving reasons for such objection. In such event the JSE shall consider the objection and shall be entitled, in its sole discretion, to consult with not less than three independent members of the Issuer Regulation Advisory Committee. After taking into account the views of those independent members, the JSE shall be entitled to reconsider and change its decision. A decision of the JSE made after following this procedure will be final.

Publication

- 1.28 Without derogating from any other powers of publication referred to in these Listings Requirements, the JSE may, in its absolute discretion and in such manner as it may deem fit, state or announce that it has:
- (a) investigated dealings in a listed security;
 - (b) censured an applicant issuer;
 - (c) censured an applicant issuer's director(s);
 - (d) suspended the listing of any security;
 - (e) removed the listing of any security;
 - (f) imposed a fine on an applicant issuer;
 - (g) imposed a fine on an applicant issuer's director(s); and/or
 - (h) advised that, in its opinion, the retention of office as a director of any applicant issuer's director(s), who shall be named, is prejudicial to the interests of investors.
- 1.29
- 1.30 No applicant issuer or its directors, officers or holders of securities, including nominees and/or depository shall have any cause of action against the JSE, or against any person employed by the JSE, for damages arising out of any statement or announcement made in terms of paragraph 1.28, unless such publication was made either grossly negligently or with wilful intent.
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Section 2: Sponsors

Responsibilities of a sponsor

Nature of responsibilities

- 2.9 A sponsor, or in the case of more than one sponsor, the lead sponsor (as contemplated in paragraphs 2.5 and 2.6) must:
- (a) ...
 - (f) satisfy itself as to the credentials of the reporting accountant specialist , auditors, competent persons, valuers, providers of fairness opinions, and any other party deemed necessary by the JSE;

Section 3: Continuing Obligations

Notifications in respect of the auditor

- 3.75 An issuer must notify the JSE of:
- (a) the appointment of the auditor;
 - (b) the termination, non-reappointment or resignation of the auditor; and/or
 - (c) any change of the individual auditor,
- by no later than two business days following the date of such event. The notification must state the effective date and confirm to the JSE that the appointment complies with paragraphs 3.86 and 3.87.
- 3.76 The notification required by paragraph 3.75(b) must be accompanied by a letter from the auditor which includes:
- (a) the reason/s; and
 - (b) confirmation of any matters of non-compliance with laws and regulations regarding the issuer that were reported by the auditor to an appropriate authority in the last 12 months. This includes any reportable irregularities regarding the issuer reported by the auditor to its regulator in the past 12 months.
- 3.77 On notification to the JSE pursuant to paragraph 3.75, the issuer must publish an announcement on the change in audit firm, addressing at least the following:
- (a) whether the change of was initiated by the issuer or the audit firm;
 - (b) the reason(s) for the change;
 - (c) the effective date of the change; and
 - (d) the name of the newly appointed audit firm (if a decision has not yet been made on the appointment of a new audit firm this fact must be disclosed).
- 3.78 The annual financial statements for the year end in which the termination or resignation took place must state that the auditor appointment was terminated or that the auditor resigned and the reason(s) therefore.

Note: Section 3 to be renumbered as required.

Corporate Governance

- 3.84 In addition to complying with paragraph 8.63(a), issuers must implement the following specific corporate governance practices and must disclose compliance therewith in their annual reports. (The effect of incorporating certain practices from the King Code in the Listings Requirements is to make their implementation mandatory, this is notwithstanding the fact that application of the corporate governance practices in the King Code is generally voluntary):
- (a) ...
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- (g) the audit committee must, notwithstanding its duties pursuant to Section 94 of the Companies Act:
- (i) consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director;
 - (ii) ensure that the issuer has established appropriate financial reporting procedures and that those procedures are operating, which should include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on the financial statements of the issuer;
 - (iii) consider, the following information provided by the audit firm and individual auditor, in the assessment of the suitability of appointment or reappointment of the auditor:
 - (aa) the latest inspection results (including related remedial action plan) of an inspection performed by its regulator. The audit committee may accept reports with the identity of specific entities redacted provided that such redaction does not limit the understanding of their content;
 - (bb) any new inspection result of an inspection performed by its regulator, between the date of appointment of the auditor and the date of signature of the audit report on the annual financial statements;
 - (cc) a summary, of the ongoing communication related to monitoring and remediation referred to in paragraph 46 of International Standard on Quality Management 1 (ISQM 1); and
 - (dd) a summary of any legal or disciplinary proceedings completed or pending, as determined by the audit firm's head of risk (or a similar senior person within the firm tasked with the responsibility of risk management) within the past five years. Legal or disciplinary proceedings include those instituted through any legislation or by any regulatory/professional body; and
 - (iv) notwithstanding the provisions of Section 90(6) of the Companies Act, ensure that the appointment of the auditor is presented and included as a resolution at the annual general meeting of the issuer pursuant to Section 61(8) of the Companies Act;

The issuer must confirm, by reporting to shareholders in its annual report, that the audit committee has executed the responsibilities set out in 3.84(g) above.

Appointment of auditors and reporting accountant specialists

- 3.86 An applicant issuer must appoint an auditor and must ensure that the terms of the engagement include the following:
- (a) a requirement for the auditor to notify the issuer within 24 hours where the auditor has been prohibited from signing the audit report or is no longer registered with its regulator; and
 - (b) that the auditor is obliged to inform the JSE and the audit committee of the applicant issuer, where the applicant issuer misrepresents the content of the auditor's report as it relates to that applicant issuer (for example by indicating that the auditor's opinion is unqualified when there is a modification of the auditor's opinion or by indicating
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that there are no issues when in fact there is a modified auditor's report) or by indicating that the financial information has been audited or reviewed when this is not the case. Such notification must be made by the auditor by no later than 24 hours of the date the auditor became aware of the matter.

- 3.87 The following applies to the appointment of the auditor:
- (a) the applicant issuer must appoint an auditor who is registered with its regulator in the country of incorporation of the applicant issuer, such appointment must be made in accordance with the laws of incorporation/ company laws of the applicant issuer;
 - (b) the audit firm must at all times have at least three individual auditors who are registered as assurance individual registered auditors with their regulator
 - (c) the audit firm must have had a firm-wide independent quality management inspection on the audit firm by its regulator either in its regulator's current inspection cycle or a prior inspection cycle;
 - (d) the auditor must have demonstrated to the issuer that it has the necessary resources to carry out the relevant engagement, as required in the "auditing pronouncements" defined in Section 1 of the Auditing Profession Act, which includes paragraph 30 of ISQM 1; and
 - (e) the auditor must not be prohibited by its regulator from performing the relevant assurance engagement.
- 3.88 The individual auditor appointed to sign the assurance engagement report/s in paragraph 8.45, must have the experience described in paragraph 3.90. If not, the issuer must also appoint a reporting accountant specialist.
- 3.89 The role of the auditor and/or the reporting accountant specialist with respect to the assurance engagement report includes ensuring that the following functions are fulfilled (to the extent applicable):
- (a) appropriate advice was provided to the applicant issuer and, if applicable, to the auditor on the application of the financial information requirements detailed in the Listings Requirements:
 - (i) before any circular was submitted to the JSE for informal comment, ensuring that such advice was been applied in the circular submitted and to confirm this in writing to the JSE;
 - (ii) when the applicant issuer includes pro forma financial information in any of the periodic financial information referred to in section 3; and
 - (b) in the instances of a circular to perform a quality review function on the work performed to support the auditor's report, to ensure compliance with the Listings Requirements (in which case it must submit a letter to the JSE confirming that it has fulfilled this role).
- 3.90 The minimum experience required by either the auditor or reporting accountant specialist to fulfil the functions described in paragraph 3.88 above are as follows:
- (a) the individual must have completed an assurance engagement described in paragraph 8.45 of the Listings Requirements within the last 12 months of the date of the current assurance engagement; or
 - (b) the individual must have attended the JSE approved training for reporting accountant specialists, as approved by the JSE from time to time (and passed an examination evidencing this), within the last 12 months of the date of the current assurance engagement.

- 3.91 Where an auditor has been appointed but is subsequently prohibited from signing the audit report, or is no longer registered with its regulator, the auditor must be replaced within the period specified in the Companies Act (or equivalent legislation applicable to the issuer) or before the next audit report is signed, whichever is earlier.
- 3.90 Subject to the provisions of the Act and the MOI of the applicant issuer and its subsidiaries, subsidiaries of an applicant issuer are not required to be audited.
- 3.91 The requirements in paragraphs 3.86 to 3.90 apply equally to those foreign registered entities with a primary listing on the JSE.

Note: Section 3 to be renumbered as required.

Section 4: Conditions of Listing

Financial information

- 4.13 The following requirements relate to the preparation and disclosure of financial information:
- (a) the applicant must comply with Section 8 where applicable and its financial statements must have been reported on by the auditor without qualification, disclaimer, adverse audit opinion, the inclusion of a paragraph on material uncertainty relating to going concern or reference to an emphasis of matter;
 - (b) an issuer must publish audited annual financial statements for its financial year, as specified in the prospectus/pre-listing statement, irrespective of the fact that the company may have subsequently changed its year-end; and
 - (c) the applicant must appoint an auditor in terms of the requirements in paragraphs 3.84 and 3.86 to 3.90.

The Venture Capital Market ("VCM")

- 4.29 The following general requirements apply to securities of an applicant on the VCM:

Acquisitions and disposals

- (a) ...

General

- (b) the following are the general requirements for companies listed on the VCM:
 - (i) when applying for a listing of securities on the VCM it is mandatory for the company to appoint a sponsor. In addition, other advisers such as auditors, attorneys and merchant bankers may, at the sole discretion of the JSE, be considered necessary and if so, will also have to be appointed; and

The Development Capital Market ("DCM")

- 4.30 The following general requirements apply to the securities of an applicant on the DCM:

Acquisitions and disposals

- (a) ...

General

- (b) the following are the general requirements for companies listed on the DCM:
 - (i) when applying for a listing of securities on the DCM it is mandatory for the company to appoint a sponsor. In addition, other advisers such as auditors, attorneys and merchant bankers may, at the sole discretion of the JSE, be considered necessary and if so, will also have to be appointed; and

Section 4: Pre-Listing Statements

Form and content

6.6 Pre-listing statements must contain:

(a) ...

(b)

6.7 ...

6.8 There is no prescribed format for pre-listing statements, except that:

(a) ...

(b) in the case of pre-listing statements to be published by a new applicant, the following information must appear on the cover page, together with the names of, where applicable, the issuer, sponsor, investment/merchant bank, auditors, financial advisers, attorneys and any other specialist adviser:

Section 7: Listing Particulars

7.E Financial information

The following paragraphs detail the disclosure requirements relating to financial information:

Accountant's reports

- 7.E.1 The relevant auditor's report, as described in paragraph 8.45, on the applicant.
- 7.E.2 If applicable, an auditor's report, as described in paragraph 8.45, on the asset the subject of the transaction.

Section 8: Financial Information

Unadjusted information

- 8.29 The unadjusted information of the subject matter of the acquisition or disposal is to be derived from the:
 - (a) ...
 - (b) ...
 - (c) unpublished management accounts provided that:
 - (i) ...
 - (ii) ...
 - (iii) in the case of a circular to shareholders for an acquisition where the circular either includes those management accounts and/or uses them for the purposes of the pro forma financial effects, the auditor's review or audit opinion (whichever is applicable) must be obtained on those management accounts.

Profit forecasts and estimates

- 8.40 In the event of an applicant issuer publishing a specific or general profit forecast or estimate in an announcement, it must either:
 - (a) produce and submit to the JSE a profit forecast or estimate and auditor's report thereon in accordance with:
 - (i) ...
 - (ii) ...
 - 8.41 The JSE reserves the right to insist on sign-off by the auditor in accordance with paragraph 8.40(a), where it believes that it would be in the interests of securities holders.
 - 8.43 A profit forecast or estimate included in a prospectus/pre-listing statement or circular to shareholders must be prepared in accordance with IFRS for that forecast period, must be reported on by the auditor in accordance with paragraph 8.40(a)(i) or (ii) and must include a statement of the principal assumptions for each factor that would have a material effect on the achievement of the forecast or estimate. These assumptions must:
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- (a) ...

Other engagement reports required by the JSE from time to time

- 8.45 An auditor's report, signed off by the auditor appointed in terms of paragraph 3.88, is required when:
- (a) a report of historical financial information is required in terms of paragraph 8.2;
 - (b) a report of historical financial information is prepared and presented on a voluntary basis (except when it relates to previously published information of the applicant issuer);
 - (c) pro forma financial effects or pro forma financial statements are prepared (except when that pro forma information only appears in an announcement);
 - (d) profit forecasts/estimates are prepared (except where these are prepared in terms of paragraph 8.40 and the JSE has not exercised its powers as set out in paragraph 8.41); and
 - (e) it is required by paragraph 13.15.

The auditor

- 8.47 The auditor shall conduct the engagement in accordance with the relevant standards issued by the International Auditing and Assurance Standards Board (IAASB) and relevant guidance issued the IRBA. The IAASB standards include: International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs) and International Standards on Related Services (ISRSs).
- 8.48 The auditor is to provide assurance on the following reports:
- (a) a report of historical information by way of:
 - (i) an audit opinion on financial information relating to the financial year immediately preceding the issue of the prospectus/pre-listing statement/circular; and/or
 - (ii) either an audit opinion or a review conclusion on financial information relating to the financial years prior to the financial year immediately preceding the issue of the prospectus or circular; and/or
 - (iii) a review conclusion on interim financial information;
 - (b) ...

Contents of the auditor's report

- 8.51 An auditor's report as set out in paragraph 8.48, based on work performed in accordance with the relevant standards issued by the IAASB, as set out in paragraph 8.47, should be addressed to the directors of the applicant, in the case of an application for listing of new
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securities, or the listed company, in the case of an acquisition or disposal, and each report must include the following basic elements, ordinarily in the following layout:

- (a) ...
- ;
- (e) the auditor's responsibilities;
 - (f) scope paragraphs, describing the nature of the work undertaken, with:
 - (i) ...
 - (vii) a description of the work the auditor has performed;
 - (g) an opinion paragraph containing an expression of opinion (in the case of an audit or assurance engagement), or a conclusion paragraph containing an expression of the auditor's conclusion (in the case of other assurance engagements conducted in accordance with ISAEs);
 - (h) the auditor's name (both the audit firm and the partner signing the opinion), address and signature; and
 - (i) the date on which the auditor's report is signed.

Date of reports

- 8.52 The auditor's report(s) should be dated on the same day that the directors authorise the issue of the prospectus/pre-listing statement/circular/announcement for formal submission to the JSE.

Review of prospectus/pre-listing statement/circular

- 8.53 The auditor should review the prospectus/pre-listing statement/circular to ensure that the contents thereof are not contradictory with the information contained in the report of historical financial information. The auditor must inform the JSE, in writing, of its consent for inclusion and of any such contradictions. The consent letter should be dated on the same day that the directors authorise the issue of the prospectus/pre-listing statement/circular for formal submission to the JSE.

Consent letters

- 8.54 The auditor should submit a letter to the directors giving his consent to the inclusion of:
- (a) the auditor's report(s) in the prospectus/pre-listing statement/circular; and
 - (b) references to, or extracts from, the auditor's report(s) included in the prospectus/pre-listing statement/circular.
- 8.55 A statement is to be included in the prospectus/pre-listing statement/circular that the auditor has given and has not withdrawn its written consent to the issue of the prospectus/pre-listing statement/circular, containing the auditor's report in the form and context in which it appears.

Confirmations by the auditor or reporting accountant specialist

- 8.56 The auditor or reporting accountant specialist (whichever is applicable) must as referred to in paragraph 3.89 provide the following confirmations to the JSE in writing:
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- (a) the confirmation described in paragraph 3.89(a)(i); and
- (b) the confirmation (dated the same date as the auditor's report) described in paragraph 3.89(b).

Minimum contents of annual financial statements

Section 11: Circulars, Pre-listing Statements/Prospectuses and Announcements Appendix 2 to Section 11

Information to be included in summary circulars

The following information must be contained in the summary circular in respect of circulars dispatched pursuant to the Listings Requirements:

1. ...
2. ...
3. ...
4. ...
5. ...
6. ...
7. The report of historical financial information, profit forecast and pro forma financial information, including the auditor's report thereon.

Section 13: Property Entities

Criteria for listing

- 13.3 A property entity seeking a listing, must comply ... the following:
- (a) subject to (b) below, the profit forecast, prepared in terms of paragraphs 13.12 to 13.14, as supported by the special property forecast auditor's report (prepared in terms of paragraph 13.15), must indicate that there will be a forecast profit before taxation of R15 million, based on contracted rental revenue only, after taking account of headline earnings adjustments on a pre-tax basis and before any distributions to securities holders/CISIP investors;
 - (b) ...

Transaction announcements

- 13.11 In addition to complying with the requirements set out in Sections 9 and 10, the announcement of a transaction by a property entity must comply with the following:
- (a) ...
 - (b) A property entity is exempt from the requirements (in terms of Sections 9 or 10) of paragraph 9.15(e), provided that it has prepared a forecast statement of comprehensive income in compliance with paragraphs 13.12 to 13.15. In the relevant announcement, the property entity must:
 - (i) ...
 - (ii) ...
 - (iii) include a statement that the forecast financial information has not been reviewed or reported on by the auditor in terms of Section 8 of the Listings Requirements.
- 13.15 A special property forecast auditor's report on the forecast statement of comprehensive income detailed in paragraphs 13.12 to 13.14:
- (a) must be prepared by the auditor appointed in terms of paragraph 3.87(c) other than;
 - (i) ...
 - (ii) ...
 - (b) this auditor must, inter alia, perform the procedures below in preparing such report, inter alia:
 - (i) ...
 - (ii) ...
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(iii) ...

(iv) ...

Pro forma statement of financial position

13.16 Pro forma financial information prepared in terms of paragraphs 13.4 and 13.7, must be prepared on the following basis:

(a) ...

(b) ...

(c) ...

(d) ...

(e) the auditor must issue a review conclusion regarding the assets and/or liabilities being acquired, as reflected in the adjustment column of the pro forma statement of financial position. The review engagement must be performed in terms of the IRBA guide entitled *Reporting Responsibilities of the Reporting Accountant relating to Property Entities in terms of the JSE Listings Requirements* and the review conclusion must indicate that the auditor has no reason to believe the assets and liabilities are not prepared, in all material respects in accordance with the accounting policies adopted by the issuer and the recognition and measurement criteria of IFRS and includes the relevant IFRS disclosures; and

(f) the auditor's report on the historical financial information and pro forma financial information, must be prepared in compliance with the requirements of paragraphs 8.48 to 8.56.

Section 16: Documents to be Submitted to the JSE

Checklists

- 16.4 All submissions must be accompanied by the relevant corporate actions checklist (available on the JSE website) duly completed by the sponsor indicating clearly where the specific paragraph numbers of the Listings Requirements have been complied with. Any checklist dealing with Section 8 must be completed by the auditor appointed in terms of paragraph 3.88 and be reviewed by the sponsor. All submissions subsequent to the first submission must be marked up to reflect changes from the previous submission. Documentation must be submitted electronically and directly to the information database maintained by the Issuer Regulation Division.

Part I documents

16.10 The following documents are classified as Part I documents and must be submitted to the JSE before formal approval will be granted:

- (a) ...
- (e) if the pre-listing statement/prospectus contains an auditor's report(s), a statement from the auditor that the contents of the pre-listing statement/prospectus are not contradictory to the information contained in the reporting accountant's report(s) ;
- (f) ...

Offers for sale and subscription

16.14 The following information is required to be submitted to and approved by the JSE before listing/transaction approval will be granted:

- (a) the circular or pre-listing statement/prospectus;
- (b) a certified copy of the signed auditor's report(s) and relevant consent letters;
- (c) ...

Section 17

Listing and other Fees

Scope of section

This section sets out the listing and other fees that are to be paid by listed companies, applicants applying for a listing of securities, sponsors, auditors and the auditors' advisers.

17.1 The JSE charges certain fees relating to the following:

- (a) listing fees;
- (b) annual listing fees;
- (c) documentation fees;
- (d) ruling fees; and
- (e) sponsor fees.

Details of these fees, the bases for calculating them and when they are payable are published on the JSE's website "www.jse.co.za".

Section 19: Specialist Securities

Continuing obligations

19.20 An issuer is required to comply with the following continuing obligations once its securities have been listed:

- (i) the applicant issuer is required to comply with Section 3, subject to the following exclusions:

Paragraph

3.4(b) Trading Statements

3.15 to 3.22 Interim, quarterly and provisional reports

3.26 Cash Companies

3.28 Voting rights

3.29 to 3.31 Pre-emptive rights

3.32 and 3.33 Waiver of pre-emptive rights

3.34 Profit warranties

3.35 and 3.36 Issues by subsidiaries other than on listing

3.37 Shareholder spread

3.43 Notification

3.46 Press announcements

3.75 to 3.79 Notification of change in auditor

3.84(a) Corporate Governance

3.84(c) to (j) Corporate Governance

3.86 to 3.92 Appointment of auditors and reporting accountant specialists

Schedules

Schedule 2 Listing applications & other

The listing applications and other documents are available on the JSE website at www.jse.co.za.

Listing Applications: Form A

Form A1 – (a)	Application for a listing of securities resulting from rights offers, claw-back offers and renounceable offers
Form A1 – (b)	Application for a listing of securities resulting from non-renounceable rights offers
Form A2	Application for a listing of securities resulting from capitalisation issues or scrip dividends
Form A3	Application for a listing of securities resulting from acquisitions, amalgamations/mergers, take-overs, share incentive schemes and convertible securities
Form A4	Application for a listing of securities resulting from an issue for cash
Form A5	Application for the de-listing of shares arising out of a repurchase of shares
Form A6	Application for an increase in authorised share capital

Independent Professional Expert: Form B

Form B1	Expert's confirmation of independence
Form B2	Expert's confirmation of competency
Form B3	Declaration by the issuer

Independent Registered Valuer: Form C

Form C1	Appendix 13A
Form C2	Appendix 13B

Annual Compliance Certificates, Company Secretary Information & Sponsor Information: Form D

Form D1	Annual compliance certificate
Form D2	Company secretary information
Form D3	Sponsor annual compliance certificate
Form D4	Sponsor Application Form

Checklist for First Submission: Form F

Form F1	Checklist for First Submission
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Terms Sheets: Form G

Form G1	Accelerated specific issue for cash term sheet
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Corporate Actions Timetables: Form H

Form H	Corporate Action Timetable
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Approved Exchanges: Form I

Form I1	Approved Exchanges
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Publication of iRPV or iNAV: Form J

Form J	Publication of iRPV or iNAV
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AMC Fact Sheet: Form K

Form K	AMC Fact Sheet
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AMETF Fact Sheet: Form L

Form L	AMETF Fact Sheet
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**Schedule 5
Independent fairness opinions**

5.12 Independence of professional experts:

(a) Subject to paragraph 5.12(b), an independent professional expert deemed to be independent by the JSE for purposes of paragraph 5.1 above are:

- (i) the auditor of the issuer;
- (ii) in respect of mineral companies, the competent person of the issuer; and
- (iii) the sponsor of the issuer,

provided the expert,

- (i) for the past 18 months, has had no shareholding in the applicant issuer;
- (ii) for the past 18 months, has had no board representation on the applicant issuer;
- (iii) is not employed by the applicant issuer;
- (iv) has had no relationship with any party to the corporate action, other than the applicant issuer, (in a capacity as set out in paragraph 5.12(a) above); and
- (v) has no interest in the success of the corporate action other than its reasonable professional fee (with no success fee element) for acting as independent professional expert;

Schedule 16

This Schedule contains certain Listings Requirements applicable to sponsors (Part I) and VCC advisers (Part II) and should be read with Section 2.

Eligibility criteria

16.5 The following criteria must be met by a sponsor in order to satisfy the JSE that it is competent to fulfil the role of sponsor:

(d) **Independence**

- (i) a sponsor must provide an undertaking, in respect of matters mentioned in paragraph 2.4, that it will not act as a sponsor to any issuer to the extent that it is not independent;
- (ii) a sponsor must, in respect of the matters mentioned in paragraph 2.4, provide confirmation of its independence as sponsor by completing Schedule 17 and submitting same to the JSE.;
- (iii) the question of a sponsor's independence in respect of the matters mentioned in paragraph 2.3 and 2.4 must be determined according to the following requirements:
 - (1) a sponsor may not control, be controlled by, or be under the same control as an applicant issuer. For this purpose, control is as defined in the definitions section of the Listings Requirements;
 - (2) the above will not apply to investment entities where the sponsor's interest arises by virtue of the holdings of its non-managed discretionary clients;
 - (3) a normal business relationship between an applicant issuer and any company which is part of the sponsor's group will not usually prohibit a potential sponsor from acting. However, relationships that would give the sponsor's group an interest in the success of a listing, or other corporate action may result in the sponsor not being independent, and, in such instances, the JSE must be consulted;
 - (4) a sponsor may be the auditor and/or tax adviser to the applicant issuer, provided the JSE is satisfied that there is an adequate segregation of roles within the sponsor's group;
 - (5) any director or employee of the sponsor that has a significant interest in an issuer, being 3% or more for purposes of this requirement, or is material to the director or employee, must not be involved in advisory activities of the sponsor in relation to such applicant issuer;
 - (6) an investment in an issuer that is material to the sponsor will result in such sponsor not being regarded as independent of such issuer unless the JSE decides otherwise; and
 - (7) in any case of doubt, the JSE must be consulted;

Sponsor procedures manual

16.23 A sponsor must have a formal and written procedures manual in dealing with the following:

- (a) ...
 - (h) satisfying itself on the credentials of the competent person, valuer and expert of applicant issuers;
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The following Guidance Letters will be removed:

Financial and audit related – Circulars

- **Guidance Letter: Letter to sponsors/designated advisers**
Date: 4 March 2010
- **Guidance Letter: Letter to reporting accountant specialists**
Date: 5 March 2010