

### Section 3 Continuing Obligations

- 3.84 In addition to complying with paragraph 8.63(a), issuers must ~~comply~~implement the following with the following specific requirements ~~concerning~~ corporate governance practices and must disclose ~~their~~ 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)~~ ~~there must be a policy detailing the procedures for appointments to the board of directors. Such appointments must be formal and transparent and a matter for the board of directors as a whole, assisted where appropriate by a nomination committee. The nomination committee must constitute only non-executive directors, of whom the majority must be independent (as defined in paragraph 3.84(f)(iii)), and must be chaired by the chairman of the board of directors or the lead independent director if required pursuant to paragraph 3.84(e) below;~~
  - ~~(ab)~~ there must be a policy evidencing a clear balance of power and authority at board of directors' level, to ensure that no one director has unfettered powers of decision-making;
  - ~~(eb)~~ the issuer must have an appointed chief executive officer and a chairman and these positions must not be held by the same person. The chairman must either be an independent non-executive director, or the issuer must appoint a lead independent director, in accordance with the King Code;
  - ~~(dc)~~ all issuers must, in ~~accordance~~compliance with the King Code appoint an (i) audit committee, and (ii) a remuneration committee responsible for remuneration and (iii) a social and ethics committee, and if required, given the nature of the business and composition of the board of directors, a risk and nomination committee. The. The composition of such committees must comply with the Companies Act (as applicable) and should be considered in accordance with the recommended practices in the King Code on an apply and explain basis, provided that each committee must comprise of at least three members. a brief description of the ~~committee's~~ mandates, the number of meetings held and other relevant information must be disclosed in the annual report;
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- (ed) a brief CV of each director must be provided in respect of a new listing. It should further be noted that a brief CV for each director standing for election or re-election at a general meeting or the annual general meeting (in relation to Main Board issuers, such election or re-election may not take place at a meeting contemplated in Section 60 of the Act) should accompany the notice of the general meeting or annual general meeting;
- (fe) the capacity of each director must be categorised as executive, non-executive or independent, using the following as guidelines to determine which category is most applicable to each director:
- (i) executive directors:
    - are directors that are involved in the management of the company and/or in full-time salaried employment of the company and/or any of its subsidiaries;
  - (ii) non-executive directors are directors that are not:
    - (1) involved in the day to day management of the business, or
    - (2) full-time salaried employees of the company and/or any of its subsidiaries;
  - (iii) independent directors ~~are as defined~~ should be determined holistically, and on a substance over form basis in accordance with the indicators provided in Section 94(4)(a) and (b) of the Companies Act and King Code. In addition, it must be noted that any director that participates in a share incentive/option scheme, will not be regarded as independent;
- (gf) all issuers must have an executive financial director. The JSE may, at its discretion, when requested to do so by the issuer and due to the existence of special circumstances, allow the financial director to be employed on a part time basis only. This request must be accompanied by a detailed motivation by the issuer and the audit committee; ~~and~~
- (hg) 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. The issuer must confirm this by reporting to shareholders in its annual report that the audit committee has executed this responsibility; and
  - (ii) ensure that the issuer has established appropriate financial reporting procedures, and that those procedures are
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operating;-

~~(h) all issuers must appoint a company secretary in accordance with the Companies Act and should apply the recommended practices in the King Code. The board of directors must consider and satisfy itself on the competence, qualifications and experience of the company secretary. The issuer must confirm this by reporting to shareholders in its annual report that the board of directors has executed this responsibility; the board of directors must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary. The issuer must confirm this by reporting to shareholders in its annual report that the board of directors has executed this responsibility. This communication must specifically include details of the steps which the board of directors took to make this annual assessment as well as providing information which demonstrates the actual competence, qualifications and experience of the company secretary; and~~

~~(j) the recommended practice of the King Report on Governance for South Africa highlights, inter alia, that the company secretary should maintain an arms length relationship with the board of directors and that the company secretary should ideally not be a director. The board of directors must specifically consider these two points and provide an explanation in the annual report as to why it believes that there is an arms length relationship between itself and the company secretary. If the company secretary is a director of the company or if the board of directors otherwise concludes that there is not an arms-length relationship between itself and the company secretary, the board of directors must justify how the issuer is still able to ensure that the company secretary effectively performs the role as the gatekeeper of good governance in the issuer and how they have been able to adequately and effectively perform and carry out the roles and duties of a company secretary. Where the company secretary is a juristic person the board of directors in its assessment must consider the individual/s who perform the company secretary role as well as the directors and shareholders of the juristic person. The imposition of a juristic person in itself does not create an arms length relationship.~~

(ki) the board of directors or the nomination committee, as the case may be, must have a policy on the promotion of gender diversity at board level. The issuer must confirm this by reporting to shareholders in its annual report on how the board of directors or the nomination committee, as the case may be, have considered and applied the policy of gender diversity in the nomination and appointment of directors. If applicable, the board of directors or the nomination committee must further report progress in respect thereof on agreed voluntary targets;

- (j) the board of directors or the nomination committee, as the case may be, must have a policy on the promotion of race diversity at board level. The issuer must confirm this by reporting to shareholders in its annual report on how the board of directors or the nomination committee, as the case may be, have considered and applied the policy of race diversity in the nomination and appointment of directors. If applicable, the board of directors or the nomination committee must further report progress in respect thereof on agreed voluntary targets; and
- (k) the remuneration policy and the implementation report must be tabled every year for separate non-binding advisory votes by shareholders of the issuer at the annual general meeting. The remuneration policy must record the measures that the board of directors of the issuer commits to take in the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised. In order to give effect to the minimum measures referred to in the King Code, in the event that either the remuneration policy or the implementation report, or both are voted against by shareholders exercising 25% or more of the voting rights exercised, the issuer must in its voting results announcement pursuant to paragraph 3.91 provide for the following:
- a. An invitation to dissenting shareholders to engage with the issuer; and
- a.b. The manner and timing of such engagement.

## **Section 4**

### **Conditions for listing**

#### **Directors and Company Secretary**

- 4.8 (a) ... (unchanged)
- (b) ... (unchanged)
- (c) All applicants (excluding an issuer of specialist securities) must appoint a company secretary in accordance with the Companies Act and recommended practices in the King Code. The board of directors must consider and satisfy itself on the competence, qualifications and experience of the company secretary. ~~Details of this assessment must be included in any listing particulars prepared by the applicant (refer to paragraph 7.F. 6 and 3.84(i)). The recommended practice of the King Report on Governance for South Africa highlights, inter alia, that the company secretary should maintain an arms-length relationship with the board of directors and that the company secretary should ideally not be a director. The board of directors must specifically consider these two points and provide an explanation as to why it believes that there is an arms-length~~

~~relationship between itself and the company secretary in any listing particulars prepared by the applicant (refer to paragraphs 7.F.6 and 3.84(j)).~~

## Section 7 Listing particulars

### King Code

7.F.5 An applicant issuer must implement the King Code through the application of the King Code disclosure and application regime ~~include the following in its pre-listing statement:~~

~~(a) a narrative statement of how it has applied the principles set out in the King Code, providing an explanation that enables its shareholders and potential investors to evaluate how the principles have been applied; and~~

~~(b) a statement addressing the extent of the company's application of the principles of the King Code and the reasons for each and every instance of non-application.~~

7.F.6 ... (unchanged)

## Section 8 Financial Information

8.63 In addition to complying with IFRS, Section 30 of the Act and paragraph 3.84 of the Listings Requirements, issuers are required to disclose the following information in the annual report (in the case of paragraph 8.63(a),(l) and (q) and (l)), and in the annual financial statements (in the case of paragraph 8.63(b)–(k), (m)–(p~~o~~)):

(a) in respect of its application of the King Code:

(i) the implementation of the King Code through the application of the King Code disclosure and application regime ~~a narrative statement the principles set out in the King Code, providing an explanation of how it has applied the principles set out in the King Code, providing explanation(s) that enable(s) its shareholders to evaluate how the principles have been applied; and~~

(ii) a narrative on the non-binding advisory votes pursuant to paragraph 3.84(k), dealing specifically with (i) who the issuer

~~engaged with and the manner and form of engagement and (ii) the nature and steps taken to address objections a statement addressing the extent of its application of the principles of the King Code and the reasons for each and every instance of non-application during the accounting period. The statement must also specify whether or not the company has applied throughout the accounting period with all the provisions of the King Code and indicate for what part of the period any non-application occurred;~~

## Section 21 Alternative Exchange

### Corporate governance

21.5 The following provisions regarding corporate governance apply:

- (i) ~~Application of the King Code disclosure and application regime to a narrative statement of how it has applied the principles set out in Chapter 23, Governing Structures and Delegation Board and Directors (Role and Function of the Board) of the King Code, providing an explanation that enables its shareholders to evaluate how the principles have been applied. Only the principle headings must be addressed in Chapter 2 and not the other chapters as referenced for more detail;~~
- (ii) ~~Paragraphs 3.84(i), (j) and (k); and A statement addressing the extent of its application of the principles set out in Chapter 2 of the King Code and the reasons for each and every instance of non-application during the accounting period;~~
- (iii) ...unchanged.

## Item 2

### Periodical returns

16.19 ...unchanged

16.20 The JSE must be advised in writing of:

- (a) all corporate actions and that the applicant issuer is proceeding therewith in accordance with the relevant timetable in Schedule 18;
- (b) changes in directorate;
- (c) change of company secretary;
- (d) change of address of registered or transfer offices;
- (e) “stops” placed against the transfer of securities; ~~and~~
- (f) any change in sponsor; and

(g) the publication of the annual compliance report prepared pursuant to section 13G(2) of the BEE Act, unless an exemption can be provided to the JSE.

### Appendix 1 to Section 11

#### Guidelines on the publication of information

The following table provides a summary of the requirements for publication of information relating to listed companies:

Reference (section paragraph unless otherwise stated)	Information	Electronic sub-mission to the JSE	Distribute to shareholders	Publish in press in compliance with paragraphs 3.46 to 3.48 Note 4	Publish through SENS
3.4(b)	Trading updates	Yes	No	No	Yes
3.11	Dividend announcement	Yes	No	No	Yes
3.15	Interim Reports	Yes	No Note 7	Yes Note 6	Yes Note 6
	Quarterly Reports	Yes Note 2	No Note 2	No	Yes
3.16	Provisional annual financial statements (Provisional reports)	Yes	No Note 7	Yes Note 5	Yes Note 6

3.19	Annual financial statements	Yes	Yes Note 7	No	No
3.19(a)	Notices regarding annual general meetings	Yes	Yes	No	Yes, in compliance with paragraph 3.90
3.21	Abridged annual financial statements (Abridged report)	Yes	No	No	Yes Note 1 Note 6
3.22	Preliminary annual financial information (Preliminary report)	Yes Note 2	No Note 2	No	Yes Note 6
3.46–3.48	All announcements except those specifically detailed in this appendix	Yes	No	Yes Note 5	Yes
3.49	Circulars	Yes	Yes	No	No
3.49–3.50	Pre-listing statements and prospectuses	Yes	Yes	Yes Note 1 and Note 5	Yes Note 1
3.78	Change of auditors	Yes	No	No	Yes
3.59	Changes to the boards of directors	Yes	No	No	Yes
3.63	Directors dealings in securities	Yes	No	No	Yes
11.2	Voluntary price sensitive announcements	Yes	No	No	Yes
<u>16.20(g)</u>	<u>Annual compliance report prepared pursuant to section 13G(2) of the BEE Act.</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>Yes (only notice of availability)</u>

**Notes:**

...unchanged