

ANNEXURE A

The proposed changes being made for the items discussed below are shown in a marked up format.

Item 1

Section 1

Censure and penalties

- 1.20 Where the JSE finds that an applicant issuer or any of an applicant issuer's director(s), ~~officer(s) and/or or an auditor, IFRS adviser, reporting accountant, reporting accountant specialist and/or~~ depository, as defined, has contravened or failed to adhere to the provisions of the Listings Requirements, the JSE may, in accordance with the provisions of the FMA and without derogating from its powers of suspension and/or removal:
- (a) censure the applicant issuer and/or the applicant issuer's director(s)/officer(s), individually or jointly, by means of private censure;
 - (b) censure the applicant issuer and or the applicant issuer's director(s)/officer(s), individually or jointly, and/or the applicant issuer's officer(s) by means of public censure;
 - (c) in the instance of either paragraph 1.20(a) or (b), impose a fine not exceeding such amount as stipulated by the FMA on the applicant issuer and/or the applicant issuer's director(s)/officer(s), individually or jointly;
 - (d) disqualify an applicant issuer's director(s) / officer(s) -from holding the office of a director ~~or officer~~ of a listed company for any period of time; ~~and/or~~
 - (e) ~~terminate the accreditation of and remove an auditor, IFRS adviser, reporting accountant and/or reporting accountant specialist from the JSE list of Auditors and their advisers.~~
 - (ef) issue any other penalty that is appropriate in the circumstances.

Item 2

Section 3

- 3.84 In addition to complying with paragraph 8.63(a), issuers must comply with the following specific requirements concerning corporate governance and must disclose their application thereof in their annual report:

...

- (h) 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 operating; and
- (iii) request from the audit firm (and if necessary, consult with the audit firm on) the information detailed in paragraph 22.15(h) in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner both when they are appointed for the first time and for every re-appointment thereafter;

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(h) above.

Item 3

Section 3

Appointment of auditors and reporting accountants

- 3.86 An applicant issuer may only appoint as its auditor and reporting accountant an audit firm, ~~individual auditor~~ and reporting accountant who is accredited as such on the JSE list of Auditors and Accounting Specialists~~their advisers~~, or an individual auditor who does not appear on the JSE list of disqualified individual auditors, as set out in Section 22. This requirement must be considered by the audit committee when recommending an auditor for appointment or re-appointment at the annual general meeting.
- 3.87 Within 90 days of receiving notification that their~~an~~ audit firm ~~or individual auditor being has been~~ removed from the JSE list of Auditors and Accounting Specialists~~their advisers~~, or their individual auditor being included in the JSE list of disqualified individual auditors, -an applicant issuer must replace its auditor with an audit ~~firm~~or who is accredited or an individual auditor who is not disqualified on the JSE list of Auditors and their advisers. This change should be made before the auditor signs the next audit report, failing which the applicant issuer must caution shareholders as to the status of its ~~auditor~~audit firm. This warning must appear whenever reference is made to the audit report in an announcement or in the financial statements themselves.
- 3.88 Subject to the provisions of the Act and the MOI of the applicant issuer and its subsidiaries, subsidiaries of applicant issuer are not required to be audited.
- 3.89 The requirements in paragraphs 3.86 and 3.87 with regard to the auditor and reporting accountant apply equally to those foreign registered entities with a primary listing on the JSE. ~~In this instance, the audit firm and individual auditor registered in a jurisdiction other than South Africa and the IFRS adviser need to be accredited on the JSE list of Auditors and their advisers. The specific requirements and eligibility criteria, as set out in Section 22 and~~

Schedule 8, are, however, slightly different for auditors registered in a jurisdiction other than South Africa. The applicant issuer may approach the JSE to discuss a suitable compromise if there are legal difficulties in complying with paragraph 3.88.

Item 4

The Debt Listings Requirements

Section 7

Appointment of auditors

7.32 As it relates to the appointment of an auditor:

(a) An applicant issuer may only appoint as its auditor an audit firm ~~and individual auditor~~ who is accredited as such on the JSE list of Auditors and ~~their advisers~~ Accounting Specialists, as set out in Section 22 of the JSE Listings Requirements;

~~(b) the audit committee must, notwithstanding its duties pursuant to Section 94 of the Companies Act, request from the audit firm and if necessary, consult with the audit firm on, the information detailed in paragraph 22.15(h) of Section 22 of the JSE Listings Requirements in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner both when they are appointed for the first time and for every re-appointment thereafter;~~

~~(c) This requirement must be considered by the audit committee when recommending an auditor for appointment at the annual general meeting.~~ Government and quasi-governmental entities that are audited by the Auditor General are not required to comply with this paragraph and paragraphs 7.33 and 7.34 below.

7.33 Within 90 days of receiving notification that their ~~an~~ audit firm ~~or individual auditor being has been~~ removed from the JSE list of Auditors and Accounting Specialists ~~their advisers, or their individual auditor being included in the JSE list of disqualified individual auditors,~~ an issuer must replace its auditor with an audit firm ~~or~~ who is accredited or an individual auditor who is not disqualified on the JSE list of Auditors and advisers. This appointment change should be made before the auditor signs the next audit report, failing which the applicant issuer must caution holders of debt securities as to the status of its audit firm ~~or~~. This warning must appear whenever reference is made to the audit report in an announcement or in the financial statements themselves.

7.34 The requirements in paragraphs ~~7.32 and~~ 7.34 with regard to the auditor apply equally to those foreign registered entities with debt securities listed on the interest rate market and/or the main board of the JSE other than in the instance of a secondary registered issuer. ~~In this instance, the audit firm and individual auditor registered in a jurisdiction other than South Africa needs to be accredited on the JSE list of Auditors and their advisers. The specific requirements and eligibility criteria, as set out in Section 22 and Schedule 8 of the JSE Listings Requirements, are, however, slightly different for auditors registered in a jurisdiction other than South Africa.~~