
MARKET NOTICE

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Stock Exchange

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Number: 624A/2015
Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

Date: 20 October 2015

SUBJECT: PROPOSED AMENDMENTS TO THE EQUITIES DIRECTIVES - FRACTIONS

Name and Surname: Shaun Davies
Designation: Director Market Regulation

Members are advised that the proposed amendments to the JSE equities directives, attached as Annexure A, were adopted by the JSE executive committee on 15 October 2015.

As part of the planning and consultation process associated with the move to T+3, it became apparent that the manner in which fractions of shares are handled in the South African market is outmoded and that it would be opportune to make amendments to both the listing requirements and the equities directives in respect of fractions prior to the 2016 go-live date for T+3.

The purpose of the amendments is to reduce the administrative burden associated with the calculation of fractions for JSE members and CSDPs and to align the treatment of fractions in the South African market with international best practice. Presently the payment of cash in lieu of fractions of shares is not permitted and fractions that result from a corporate action are either rounded up or down to the nearest whole number of shares, depending on whether the fraction amount is less than, equal to or greater than 0,5 shares. It is anticipated that the amendments will result in the fair treatment of all beneficial owners of fractions of shares in that all entitlements will be converted to a cash payment, which will be paid out on a *pro rata* basis in accordance with a predetermined ratio.

Unless written objections are lodged within 10 days of this notice, in terms of rule 2.60.3, the proposed amendments to the directives will come into effect upon approval by the Registrar of the amendments made to the listings requirements.

Should you have any queries regarding this notice, please contact Paul Hartzenberg on (011) 520 7584 or at paulh@jse.co.za

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