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## COVID-19: CANCELLATION, CHANGES AND POSTPONEMENT OF PAYMENT OF DIVIDENDS AFTER DECLARATION DATE

The JSE is very mindful of the covid-19 pandemic and the potential negative consequences to issuers and their business that may be caused by unforeseen circumstances beyond its control. In light of this, issuers have approached the JSE with requests to cancel payment, postpone or make changes to the value of the dividends which have been previously declared pursuant to the JSE corporate actions timetable (“**Dividend Variations**”).

The JSE believes that it is important to set out certain important and critical factors that must be taken into consideration in respect of Dividend Variations.

### i. Fair, Efficient and Transparent Financial Market

Pursuant to the provisions of paragraphs 3.11 - 3.13 of the JSE Listings Requirements, dividend announcements must comply with the corporate actions timetable. Once the finalisation announcement is made by an issuer, it allows the market to trade in the issuer’s securities with a real expectation of the dividend being paid to shareholders. After the Last Day to Trade (“**LDT**”), securities trade ex-dividend which excludes rights to receive any entitlements and at this point, the dividend timetable would have progressed to such an advanced stage that any Dividend Variation would not support a fair, efficient and transparent financial market.

### ii. Finalisation Date and LDT – Corporate Actions principles

The definition in “*finalisation date*”, as contained in the corporate actions timetable in respect of dividends, stipulates that it is the day on which an event and its terms become unconditional in all respects and irrevocable. Therefore, a declared dividend becomes unconditional and irrevocable after Finalisation Date (“**FD**”). The preamble to the corporate actions timetable only allows for a change to the pertinent details, which include the date of payment and the rate per share of a

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**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

corporate action between FD and the LDT which will then result in the cancellation of the corporate action. 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.

Taking into account the above, the JSE wishes to confirm that issuers can only cancel a dividend and the resultant payment prior to FD. Any changes to the pertinent details after FD but before LTD, 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. Should an issuer decide to make a Dividend Variation, a SENS announcement must be released stating the reasons for the variation to pay the dividend as per the declaration announcement. In addition, in the case of a postponement and change to the value of the dividend, the issuer must announce new declaration data on SENS in accordance with the corporate actions timetable.

Please contact Craig Ramakgapola on 011 520 7234 or [craigr@jse.co.za](mailto:craigr@jse.co.za) should you have any questions or queries regarding the content of this letter.

Yours faithfully



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