



21 April 2020

AF

Sponsors and Designated Advisers

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COVID-19: PAYMENT OF DIVIDENDS

We refer to the JSE letters dated 30 March 2020 and 2 April 2020, dealing with the cancellation, postponement and amendment of dividends.

In these letters the JSE reminded sponsors that the contents and application of the JSE Listings Requirements (the “**Requirements**”) is always subject to the provisions of applicable legislation, with specific reference to the Companies Act, 71 of 2008 (the “**Companies Act**”).

In this context, the provisions of Section 46(2) of the Companies Act is of particular importance. These provisions deal with distributions by the board and stipulates that, when the board of a company has adopted a resolution contemplated in subsection 46(1)(c), the relevant distribution must be fully carried out (subject only to subsection 46(3) which deals with the reassessment of the solvency and liquidity test after a period of 120 days).

As you may be aware, there has been various SENS announcements released dealing with either, the (i) cancellation, (ii) postponement or (iii) amendment of declared dividends. Various representations have been made by these issuers to the JSE on the legality of such measures pursuant to the provisions of the Companies Act.

The JSE therefore wishes to emphasise again that, as with the application of all provisions in the Requirements, the minimum statutory provisions of the Companies Act must be complied with at all times. Therefore any cancellations, postponements and amendments referred to above can only be implemented if such cancellations, postponements and/or amendments comply, in all aspects with the applicable legal principles as well as the provisions of the Companies Act.

Executive Directors: Dr L Fourie (Group CEO), A Takoordeen (CFO)

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

An issuer's declaration of a dividend, the communication of the amount of the dividend and the date on which it will be paid give rise to an obligation on the issuer to pay the dividend on the date stipulated and also results in an enforceable claim against the issuer for payment of such amount. Shareholders and the investing public make important investment decisions based on an issuer's declaration of a dividend and are entitled to, and do rely on the issuer's communication in respect of the payment of a dividend and their compliance with the legal obligations flowing from this declaration.

It is incumbent on issuers to ensure that they comply with all of the obligations flowing from its declaration of a dividend and the publication of the date of payment. If an issuer intends to either cancel, postpone, or in any manner amend the payment of an existing declared dividend, it must forthwith publish an announcement on SENS recording the basis for this decision. This announcement must record, in detail, the supervening circumstances and/or reasons that support the issuer's view that it is released from its legal obligation to pay the dividend on the date that it was due and payable.

In addition hereto, issuers must also specifically consider whether the facts and circumstances relied upon to cancel, postpone and/or amend the declared dividend constitute price sensitive information, as contemplated in the Requirements. Sponsors and issuers are reminded of the obligation imposed on all issuers to, without delay, release an announcement providing details of such price sensitive information.

Should any of the above measures result in any non-compliance of the JSE Corporate Actions Timetables, the issuer must submit a written explanation to the JSE sufficiently in advance why reliance on the Companies Act has resulted in the issuer not being able to comply with the JSE Corporate Actions Timetable. Please send such written notifications directly to craigr@jse.co.za with the heading in the subject line "*Notification of Variation of Declared Dividend*".

Issuers that have prior to the date hereof already published a (i) cancellation, (ii) postponement or (iii) amendment of a declared dividend through SENS must consider whether a further announcement through SENS is required or justified to explain the basis for the decision.

Secondary Listed Issuers & Issuers not subject to the provisions of the Companies Act

We accept that certain secondary and primary listed issuers are not subject to the provisions of the Companies Act. The publication and notifications requirements of this letter is equally applicable to such issuers.

Please contact either Craig Ramakgapola on 011 520 7234 or craigr@jse.co.za or Alwyn Fouchee on 011 520 7678 or alwynf@jse.co.za should you have any questions or queries regarding the content of this letter.

Yours faithfully

A handwritten signature in black ink, appearing to be 'A F Visser', written over a light blue horizontal line.

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