

Amendments to the JSE Listings Requirements

Cutting Red Tape Aimed at Effective and Appropriate Regulation:

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Item 1: Amendments: Ordinary course of business

General

- 9.1 References in this section to a transaction by a listed company:
- (a) ...
 - (d) excludes transactions in the ordinary course of business and where either:
 - (i) both of the percentage ratios referred to in paragraph 9.6 are less than 30%;
or
 - (ii) the issuer or its subsidiary concluding the transaction is a financial institution (as defined in the Financial Services Board Act, No. 97 of 1990) dealing in funds (such as policyholders funds or trust property) which are not held primarily for the benefit of its shareholders and the counter party to the transaction is not a related party of the issuer.
 - (e) subject to paragraph 10.8, the issuer must discuss the transaction with the JSE at an early stage in order for the JSE to determine whether it will classify such a transaction as being in the ordinary course of business. In assessing whether a transaction is in the ordinary course of business, the JSE will have regard to -
 - (i) the nature of business of the transacting parties;
 - (ii) the incidence of similar transactions which have been concluded;
 - (iii) the size measured against similar transactions which have been concluded;
 - (iv) whether the transaction contributes to the issuer's existing revenue stream, meaning income arising in the course of the issuer's ordinary activities;
 - (v) whether the transaction contributes to costs that relate directly to the revenue contemplated in paragraph (iv) above; and
 - (vi) whether the transaction constitutes ordinary course of business for both the issuer and the other transacting party.
 - (f) a transaction must be referred to the JSE at an early stage if the transaction involves treasury shares.

New paragraph 10.8

Ordinary course of business transactions

- 10.8 Transactions with a director and/or any associate of a director will not be classified by the JSE as ordinary course of business for an issuer pursuant to paragraphs 9.1(d) and (e).
- 10.9 All transactions classified by the JSE as ordinary course of business pursuant to paragraph 9.1(d) and (e), must be announced through SENS immediately after the terms have been agreed and where any percentage ratio referred to in paragraph 9.6 is 5% or more. The JSE will not require the preparation of a fairness opinion, where related parties are involved (excluding the parties as contemplated in paragraph 10.8). The announcement must include the following -
- (a) salient terms of the ordinary course of business transaction/s, accepting that price may be excluded; and
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- (b) details of the corporate governance processes that were followed by the board of directors of the issuer to approve and conclude the transaction, including an opinion from the independent members of the board of directors of the issuer that the transaction is in fact in the ordinary course of business and that the transaction was concluded on an arm's length basis.

The remainder of Section 10 will be renumbered.

Item 2: Amendments: Repurchase of Securities

5.67

- (B) Repurchase of securities not requiring shareholder's approval:
- (a) A pro rata repurchase by the issuer of its securities from all its shareholders; and
 - (b) Intra-group repurchases by the issuer of its securities from wholly-owned subsidiaries, share incentive schemes pursuant to Schedule 14 and/or non-dilutive share incentive schemes controlled by the issuer, where such repurchased securities are to be cancelled,

save to the extent required in terms of the Act.

Repurchases pursuant to paragraph 5.67(B)(b) must be announced in accordance with paragraph 3.95.

- (C) In all other instances an acquisition by an issuer of its own securities or a purchase by a subsidiary of securities in its holding company (in accordance with Section 48 of the Act or in accordance with repurchase laws of a foreign incorporated issuer), will be regarded as a repurchase of securities in terms of the Listing Requirements, in which case the holding company must comply with paragraphs 5.67(B) to 5.84:
- (a) on terms that are approved by securities holders in a general meeting in respect of that particular repurchase ("a specific repurchase of securities"), which shall be valid until such time as the approval is amended or revoked by a special resolution; or
 - (b) generally approved by securities holders by the giving of a renewable mandate, which shall be valid until the company's next annual general meeting or for 15 months from the date of the resolution, whichever period is shorter, to the directors of the company to repurchase its securities subject to the requirements of the JSE and to any other restrictions set out in the mandate ("a general repurchase of securities").

New paragraph 3.95

Announcement of intra-group repurchases

- 3.95 An issuer must release an announcement on SENS, immediately after terms have been agreed, with the details of any intra-group repurchases concluded pursuant to paragraph 5.67(B)(b), which must include the following:
- (a) the date/s and total number of equity securities repurchased;
 - (b) whether the equity securities are repurchased from either a wholly-owned subsidiary/ies, share incentive scheme/s pursuant to Schedule 14 and/or and/or non-dilutive share incentive schemes controlled by the issuer;
 - (c) confirmation that the repurchased equity securities have reverted to authorised but unissued equity securities of the issuer in accordance with section 35(5) of the Act;
 - (c) the price paid for the repurchased equity securities; and
 - (e) the balance of the number of treasury shares held.

Item 3: Amendments: Requirements for General Issues for Cash

- 5.52 An applicant may only undertake a general issue for cash subject to satisfactory compliance with the following requirements:
- (a) the equity securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
 - (b) the equity securities must be issued to public shareholders, as defined in paragraph 4.25 to 4.27, and subject to paragraph (f) not to related parties;
 - (c) securities which are the subject of a general issue for cash must be less than 30% of the applicant's listed equity securities as at the date of the notice of general/annual general meeting seeking the general issue for cash authority, provided that:
 - (i) the authority shall be valid for the period contemplated in paragraph 5.50(b);
 - (ii) the calculation of the applicant's listed equity securities must be a factual assessment of the applicant's listed equity securities as at the date of the notice of general/annual general meeting, excluding treasury shares;
 - (iii) the specific number of shares representing the number up to 30% of the applicant's listed equity securities as at the date of the notice of general/annual general meeting must be included as a number in the resolution seeking the general issue for cash authority;
 - (iv) any equity securities issued under the authority during the period contemplated in paragraph 5.50(b) must be deducted from such number in (iii) above; and
 - (v) in the event of a sub-division or consolidation of issued equity securities during the period contemplated in paragraph 5.50(b), the existing authority must be adjusted accordingly to represent the same allocation ratio;
 - (d) the maximum discount at which equity securities may be issued is 10% of the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the applicant's securities have not traded in such 30 business-day period;
 - (e) approval of the general issue for cash ordinary resolution, by achieving a 75% majority of the votes cast. The resolution must be worded in such a way as to include the issue of any options/convertible securities that are convertible into an existing class of equity securities, where applicable.
 - (f) related parties may participate in a general issue for cash through a bookbuild process provided –
 - (i) the approval by shareholders contemplated in paragraph 5.52(e) expressly affords the ability to the issuer to allow related parties to participate in a general issue for cash through a bookbuild process;
 - (ii) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated shares; and
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- (iii) equity securities must be allocated equitably “in the book” through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.

Item 4: Amendments: Pro Forma Information

- 8.29 The unadjusted information of the subject matter of the acquisition or disposal is to be derived from the:
- (a) most recent published audited annual financial statements, published interim report, preliminary report or provisional report;
 - (b) profit forecast which has been issued and reported on in terms of Section 8 or Section 13 for the statement of comprehensive income purposes and paragraphs 8.29(a) or (c) for the statement of financial position purposes;
 - (c) unpublished management accounts provided that:
 - (i) the issuer is satisfied with the quality of those management accounts and a statement is included in the announcement confirming this;
 - (ii) shareholders are warned about the source of the information; and
 - (iii) in the case of a circular to shareholders for an acquisition where the circular either includes those management accounts and/or uses them for the purposes of the pro forma financial effects, a reporting accountant's review or audit opinion (whichever is applicable) must be obtained on those management accounts.
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Item 5: Amendments: Revised Listing Particulars

- 9.3 Any issuer considering a transaction must, at an early stage, consider the categorisation of the transaction.
- 9.4 A transaction is categorised by assessing its size relative to that of the issuer proposing to make it and the listed holding company of such issuer, if applicable.
- 9.5 The comparison of size is made by the use of the percentage ratios set out in paragraph 9.6. The different categories of transactions are:
- (a) Category 2 – a transaction where any percentage ratio is 5% or more but each is less than 30%;
 - (b) Category 1 – a transaction where any percentage ratio is 30% or more or if the total consideration is not subject to any maximum; and
 - (c) Reverse take-over – an acquisition by a listed company of a business, an unlisted company or assets where any percentage ratio is 100% or more and will result in a fundamental change in the business, a change in board of directors (being a change of 35% or more on the composition of the board of directors) and/or voting control (refer to definitions of “control” and “controlling shareholder”) of the listed company, in which case this will be considered a new listing. The JSE must be consulted at an early stage in order to discuss the details of the acquisition transaction and, where necessary, obtain a ruling from the JSE.

Item 6: Amendments: Dealings

3.64 Transaction includes:

- (a) any sale, purchase or subscription of securities in the issuer (including in terms of a rights offer, capitalisation award or scrip dividend) of securities relating to the issuer;
- (b) any agreement to sell, purchase or subscribe for securities relating to the issuer (irrespective of whether shares or cash flows);
- (c) any donations of securities relating to the issuer;
- (d) any dealing in warrants, single stock futures, contracts for difference or any other derivatives issued in respect of the issuer's securities. It should be noted that, if shares are sold and the equivalent exposure is purchased through a single stock future or any other derivative, both legs will be deemed to be transactions. The closing out of a single stock future or other derivative is also a transaction. The rolling-over of a single stock future that is merely an extension of an existing position is not a transaction;
- (e) the acceptance, acquisition, disposal, or exercise of any option (including but not limited to options in terms of a share incentive/option scheme) to acquire or dispose of securities;
- (f) any purchase or sale of nil or fully paid letters, however excluding following full or partial entitlements as a shareholder through means of a renounceable rights offer (excess applications permitted), capitalisation issues, scrip dividends and dividend reinvestment, and receiving the subsequent allocation of such securities pursuant to such entitlements*;

**Please note the disclosure obligations pursuant to paragraphs 7.C.15 and 7.C 16, and announcement obligation pursuant to the applicable corporate actions timetable;*

- (g) *the acceptance*, acquisition or disposal of any right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities;
- (h) using securities of the issuer as security, guarantee, collateral or otherwise granting a charge, *lien* or other encumbrance over the securities of the issuer. A transaction will be deemed to be present at each of the following trigger events –
 - (i) at the time of agreement of such arrangement;
 - (ii) at the time when a right or discretion afforded to a lender is being exercised;
and
 - (iii) at the time an existing arrangement is being amended or terminated; or
- (i) any other transaction that will provide direct or indirect exposure to the share price of the issuer. It must be noted that this does not include cash settled share appreciation rights granted to directors by the issuer in the ordinary course of business.

Rights offers, capitalisation issues and scrip dividends

7.C.15 Where the securities for which application is being made are being issued and allotted, by way of capitalisation of reserves (including current year distributable income) or the application of share premium, to securities holders of an existing listed security, the following information must be given in respect of such issue:

- (a) the reason for the capitalisation issue or scrip dividend;
- (b) the class and the par value (if any) of the securities involved;
- (c) if applicable, that the shareholder may elect to receive cash in substitution for the whole or part of his capitalisation issue or scrip dividend entitlement and vice versa;
- (d) whether any directors, prescribed officers and/or company secretary of the issuer will receive securities from the capitalisation issue or scrip dividend;
- (e) if applicable, the last day on which shareholders must make their election;
- (f) a statement pointing out any tax implications of the issue for all securities holders , both resident and non-resident;
- (g) in the case of a scrip dividend, a statement should appear, in bold and upper case, on the front page, drawing shareholders' attention to the type of election to be made (i.e. whether shareholders will receive either cash or scrip if they fail to make the election);
- (h) the amount to be capitalised from the share premium or reserves of the applicant in order to be able to issue the capitalisation securities as fully paid up;
- (i) the ratio in which the capitalisation securities will be issued and allotted to shareholders of the applicant;
- (j) the important events and dates, contained in the relevant corporate action timetable, applicable to the issue; and
- (k) whether or not the rights (if any) are renounceable.

7.C.16 In the case of a rights offer, the following information must be disclosed in the circular:

- (a) purpose of the rights offer;
 - (b) the amount to be raised by means of the rights offer and the number of securities that are proposed to be issued;
 - (c) the terms of the offer;
 - (d) whether any directors, prescribed officers and/or company secretary of the issuer will follow their rights in relation to the rights offer;
 - (e) if underwritten, details of the underwriter and the statement referred to in paragraph 5.29. The underwriting commission must be clearly stated;
 - (f) where the underwriter is a company, the following information must be furnished:
 - (i) the place and date of incorporation and registered number of the company;
 - (ii) the names of the directors of the company;
 - (iii) the name of the company secretary;
 - (iv) the bankers to the company; and
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- (v) the authorised and issued share capital of the company;
- (g) details regarding the proposed listing of the LAs, the subsequent listing of the new securities and the amount payable in respect of listing fees;
- (h) details regarding the LAs such as:
 - (i) acceptance;
 - (ii) renunciation; and
 - (iii) payment (payment must be made in South African currency); and
- (i) a statement regarding exchange controls as agreed to by the South African Reserve Bank.

Schedule 2 Form H – Corporate Action Timetable

(e) Cash dividends, REIT, special dividends and interest payments

Definition: Cash dividends, interest and REIT payments are payments made by an issuer to its shareholders normally out of the issuer's current or accumulated earnings in proportion to their holdings. A special dividend is a cash payment that is separate from the typical recurring dividend cycle. An issuer needs to state whether a special dividend should be treated as capital or income payment. SARB approval is required for a special dividend pursuant to 16.26 (i) of the Listing Requirements. Dividend Reinvestment Plan (DRIP).

Day	Event
D – 13 Declaration date	Publication of declaration data
D – 8 Finalisation date	Publication of finalisation information
D – 3 Last day to trade	Last day to trade
D – 2 List date	Securities start trading ex date
"Friday" D + 0 Record date	Record date to determine who receives the payment
D + 1 Pay date	Electronic transfer of funds or cheques posted/CSDPs and brokers credited In relation to a DRIP, publication of results announcement with details of securities issued to directors, prescribed officers and/or company secretary.
D +	Closing date for DRIP elections

(d) **Capitalisation issue**

Definition: An issue of fully paid securities capitalised from a company's share premium, capital redemption reserve fund or reserves (or combination thereof) to existing holders of securities in proportion to their holdings at a specific date.

Day	Event
D – 13 Declaration date	Publication of declaration data
D – 8 Finalisation date	Publication of finalisation information
D – 3 Last day to trade	Last day to trade
D – 2 List date	Listing of new shares. Entitled to trade new shares
"Friday" D + 0 Record date	Record date to determine who participates in the capitalisation issue
D + 1 Pay date	Accounts with CSDP or broker credited or issuing of new share certificates effected Publication of results announcement with details of securities issued to directors, prescribed officers and/or company secretary.

(r) **Scrip dividend**

Defintion: When a company offers its shareholders a scrip dividend, it offers them the choice to receive dividends in the form of more share or in cash.

Day	Event
D – 13 Declaration date	Declaration data published and Circular must be made available All documentation described in paragraph 16.16 of Section 16 of the Listing Requirement must have been submitted to and approved by the JSE
D – 8 Finalisation date	Publication of finalisation information
D – 3 Last day to trade	Last day to trade
D – 2 List day	Securities start trading ex-dividend Maximum number of shares are listed Entitled to trade new shares
"Friday" D + 0 Record date	Record date Offer closes
D + 1	Payment of cash/issue new securities Publication of results announcement including details of securities issued to directors, prescribed officers and/or company secretary.
D + 2	Adjustment of number of new securities listed

(o) **Renounceable Rights offer/claw-back offer**

Definition: An offer of renounceable rights to an issuer's securities holders, pro rata to their holdings in the issuer, to subscribe for securities in the issuer by means of the issue of renounceable LAs. (10 day offer period)

Day	Event
D – 8 Declaration date	Publication of declaration data Publication, through SENS and in the press, must include information regarding action to be taken by shareholders to exercise their rights and in particular holders of certificated shares as well as contain details of the applicable timelines to ensure that shareholders exercise their rights timeously with respect to the proposed rights offer/claw back offer.
D – 7	All documentation described in paragraph 16.15 of Section 16 of the Listing Requirements must have been submitted to and approved by the JSE
D – 6 Finalisation date	Publication of finalisation information
D-4	Publication of circular on the website of the issuer
D – 3 Last day to trade	Last day to trade cum rights
D – 2 List date	List and trade letters of allotment (LAs) Mother shares trade 'ex' the rights/claw back entitlement
D – 1	Circular and pre-listing statement (if applicable) emailed/posted to certificated shareholders
"Friday" D + 0 Record date	Record date
D + 1	Rights offer opens LA's issued and credited to shareholders accounts Circular and pre-listing statement (if applicable) emailed/posted to dematerialised shareholders
D + 7	Last day to trade LAs Certificated Shareholders wanting to sell all or some of their LAs, to lodge Form of instruction with the Transfer Secretaries by 12:00
D + 8	List new shares and trading therein on the JSE commences
D + 10	Record date for LAs. Rights offer closes Certificated Shareholders wishing to exercise all or some of their Rights to lodge payment and Forms of Instruction with the Transfer Secretaries by 12:00
D + 11	Issue of securities and credited to shareholders accounts. Publication of results announcement, publication must include (i) information regarding the method/ratio/formula applied to the allocation of the excess rights application process (if applicable) and (ii) details of securities issued to directors, prescribed officers and/or company secretary.
D + 13	Refund cheques posted to certificated shareholders Excess shares issued (if applicable)

Item 7: Amendments: Sponsors

Appointment

- 2.2 An applicant issuer is required to have an appointed sponsor at all times which, subject to paragraph 2.4, may attend to all events contemplated in the Listings Requirements.
- 2.3 An independent sponsor must be appointed where:
- (a) the sponsor is also the applicant issuer;
 - (b) the sponsor is a subsidiary, associate or division of the applicant issuer;
 - (c) the JSE, in respect of any transaction or corporate action, deems it necessary to appoint a joint sponsor; or
 - (d) the sponsor is not independent pursuant to Schedule 16.
- 2.4 To the extent that an applicant issuer is required to have an independent sponsor pursuant to paragraph 2.3, the independent sponsor must attend to the following events and corporate actions:
- (a) any events requiring shareholders' approval pursuant to the Listings Requirements, save for the Excluded Items*;
 - (b) unbundlings not requiring shareholders' approval;
 - (c) related party transactions;
 - (d) removal of listings; and
 - (e) rulings in relation to any items above.
- *Excluded Items: Although shareholders' approval is required, the following items are excluded, being approvals in relation to MOIs, Schedule 14 share incentive schemes, general issue of shares for cash, general repurchases, increase in share capital and change of name.
- 2.5 Where a joint independent sponsor is required to be appointed in terms of paragraph 2.4, such appointed joint independent sponsor shall be the lead sponsor of the applicant issuer. Where an applicant issuer has appointed more than one sponsor, the applicant issuer must appoint one of the sponsors as the lead sponsor. The lead sponsor must be identified as such in all communication with holders of securities and to the public.
- 2.6 Where a sponsor, other than an applicant issuer's appointed sponsor, initiates a specific transaction for the applicant issuer, such sponsor may be appointed as joint sponsor for that transaction. In such a case, one of the joint sponsors must be appointed as lead sponsor.
- 2.7 ...

[Note: The remainder of Section 2 will be renumbered]

Practice Note 1/2003

Schedule 16

This Schedule contains certain Listings Requirements applicable to sponsors (Part I) and VCC advisers (Part II) and should be read with Section 2.

(d) Independence

- (i) a sponsor must provide an undertaking, in respect of matters mentioned in paragraph 2.4, that it will not act as a sponsor to any issuer to the extent that it is not independent;
- (ii) a sponsor must, in respect of the matters mentioned in paragraph 2.4, provide confirmation of its independence as sponsor by completing Schedule 17 and submitting same to the JSE;
- (iii) the question of a sponsor's independence in respect of the matters mentioned in paragraph 2.3 and 2.4 must be determined according to the following requirements:
 - (1) a sponsor may not control, be controlled by, or be under the same control as an applicant issuer. For this purpose, control is as defined in the definitions section of the Listings Requirements;
 - (2) the above will not apply to investment entities where the sponsor's interest arises by virtue of the holdings of its non-managed discretionary clients;
 - (3) a normal business relationship between an applicant issuer and any company which is part of the sponsor's group will not usually prohibit a potential sponsor from acting. However, relationships that would give the sponsor's group an interest in the success of a listing, or other corporate action may result in the sponsor not being independent, and, in such instances, the JSE must be consulted;
 - (4) a sponsor may be the auditor and/or tax adviser and/or the reporting accountant to the applicant issuer, provided the JSE is satisfied that there is an adequate segregation of roles within the sponsor's group;
 - (5) any director or employee of the sponsor that has a significant interest in an issuer, being 3% or more for purposes of this requirement, or is material to the director or employee, must not be involved in advisory activities of the sponsor in relation to such applicant issuer;
 - (6) an investment in an issuer that is material to the sponsor will result in such sponsor not being regarded as independent of such issuer unless the JSE decides otherwise; and
 - (7) in any case of doubt, the JSE must be consulted;

Notwithstanding the above requirements the JSE recognises that it is impossible to anticipate all circumstances under which a sponsor would be deemed not to be independent and accordingly reserves the right to determine the

independence of a sponsor after having reviewed the declaration made by the sponsor in Schedule 17.

Item 8: Amendment: Appendix 1 to Section 11

Notes:

1. Alternatively, an abridged version of the pre-listing statement/prospectus can be published through SENS and in the press.
2. If an applicant issuer elects to distribute the report to shareholders then, once so distributed, a copy thereof must be submitted electronically and directly to the information database maintained by Issuer Regulation Division for publication on the JSE website.
3. If an applicant issuer makes a voluntary publication in the press, there is no minimum information required but the applicant issuer must ensure that the information is not misleading.
4. Announcements published voluntarily in the press need only be published in one official language.
5. Announcements requiring publication in the press may be short-form announcements published in accordance with paragraphs 3.46 and 3.46(A).
6. Interim reports, preliminary reports, provisional reports and annual financial statements, must be made available on the issuer's website.
