

## ISSUER REGULATION POLICY ON AMENDMENTS TO THE LISTINGS REQUIREMENTS

February 2020

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This document presents an executive summary of the process involved in affecting amendments to the provisions of the Listings Requirements. The process is internal to the JSE and may be amended from time to time.

In this document, unless otherwise stated or the context indicates otherwise, the words below shall have the following meaning:

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<b>“Advisory Committee”</b>	The members of the Issuer Regulation Advisory Committee or the Debt Advisory Committee as the case may be and as constituted from time to time tasked with providing Issuer Regulation with specialised expertise across a broad field of experience ranging from equities to debt;
<b>“CFO Forum”</b>	The CFO Forum as constituted from time to time tasked with the development of South African and international policy and practice on matters that affect the business of listed companies, namely capital market regulation (including financial reporting), government regulatory issues, IT security and taxation;
<b>“Cosec Forums”</b>	The Cosec Forums as constituted from time to time by company secretaries of listed companies on the JSE;
<b>“EXCO”</b>	The Executive Committee of the JSE as constituted from time to time;
<b>“FMA”</b>	the Financial Markets Act No 19 of 2012;
<b>“FSB”</b>	The Financial Services Board established by section 2 of the Financial Services Board Act No 97 of 1990;
<b>“IIS”</b>	The Issuer and Investor Services of the JSE tasked with, amongst others, corporate communication involving the JSE;
<b>“Issuer Regulation”</b>	The Issuer Regulation department of the JSE tasked with the regulation of the securities and debt market pursuant to the Listings Requirements and the FMA;
<b>“JSE”</b>	The JSE Limited, licensed as an exchange pursuant to the FMA;
<b>“Listings Requirements”</b>	The JSE Listings Requirements and the Debt Listings Requirements;
<b>“Registrar”</b>	The registrar or deputy registrar of Security Services referred to in section 6 of the FMA;
<b>“SENS”</b>	The Stock Exchange News Service of the JSE;

## “SRO Oversight Committee”

The SRO Oversight Committee, a formal sub-committee of the board of the JSE tasked with the regulatory oversight of the JSE as set out in its mandate; and

### Introduction

The Listings Requirements form the foundation of the regulated market as it relates to securities and debt. Amendments to the Listings Requirements affect the market, stakeholders, issuers and the general public at large (the “**market participants**”) and as such it is important that proper consultation and transparency is implemented in any proposed amendments to the Listings Requirements.

Any amendments to the provisions of the Listings Requirements must be made with the approval of the Registrar pursuant to the provisions of the FMA.

Issuer Regulation will be tasked, in brief, with the following as it pertains to proposed amendments to the Listings Requirements:

- identifying, considering, reviewing and drafting amendments to the Listings Requirements with due consideration to (i) local and global trends and best practices, and (ii) current laws and regulations;
- distributing proposed amendments to market participants for consultation;
- reviewing and considering comments and recommendations from market participants; and
- supervising the publication of any amendments to the provisions of the Listings Requirements.

### Amendment process

Proper consultation with the market participants remains vital in order to ensure due process with regard to any amendments to the provisions of the Listings Requirements. To this end the JSE, through Issuer Regulation, has agreed on the following approach in respect of any proposed amendments to the provisions of the Listings Requirements<sup>1</sup>:

#### **Amendment process and steps to be undertaken by Issuer Regulation**

	<b>Action</b>	<b>Notes</b>
1	Issuer Regulation identifies possible amendments to the Listings Requirements via internal review or notification by any of the market participants.	<i>Any potential amendments are discussed internally within Issuer Regulation, including discussion with the Issuer Regulation technical committee. <sup>2</sup> Actual amendments are drafted into the Listings Requirements to provide a comprehensive view on the applicability of the amendment/s in the Listings Requirements as a whole.</i>
2	Memorandum is prepared and distributed by Issuer Regulation to the selected representatives of the Advisory Committee for consideration containing the	<i>Comments are obtained from the various Advisory Committee members and to the</i>

<sup>1</sup> These steps are not exhaustive and the JSE may consult broader as well for any extended period of time.

<sup>2</sup> The technical committee consists of the corporate finance officers and the relevant managers in Issuer Regulation with a various range of expertise including law, accounting and general finance, as well as practical experience in the applicability and interpretation of the Listings Requirements on a daily basis.

	rationale, details and effects (the “ <b>relevant information</b> ”) of the proposed amendment/s.	<i>extent necessary debated and discussed with the Advisory Committee members.</i>
3	Internal legal review and drafting of the proposed amendment/s to the Listings Requirements by Issuer Regulation.	<i>This review and drafting takes into account comments and recommendations received by the Advisory Committee as well as selected participants from Issuer Regulation with the relevant experience as relates to the subject matter of the amendment/s.</i>
4	Memorandum is prepared and distributed by Issuer Regulation to the selected representatives of CFO Forum and the Cosec Forums for consideration containing the relevant information on the proposed amendment/s. *	<i>Comments are obtained from the various CFO/Cosec Forums members and to the extent necessary debated and discussed with the CFO/Cosec Forum members.</i>
5	Internal legal review and drafting of the proposed amendment/s to the Listings Requirements by Issuer Regulation.	<i>This review takes into account comments and recommendations received by the CFO/Cosec Forums as well as selected participants from Issuer Regulation with the relevant experience as relates to the subject matter of the amendment/s.</i>
6	Memorandum is prepared and distributed by Issuer Regulation to EXCO for consideration providing the relevant information on the proposed amendment/s.	<i>The proposed amendments will be tabled for discussion at a duly constituted meeting of EXCO.</i>  <i>EXCO may approve the proposed amendments to the Listings Requirements with or without recommendations. <u>(Subject to the identified conflicts process contained in Section B in the main body of the Conflicts Policy)</u></i>
7	Internal review and finalisation of drafting of the proposed amendments to the Listings Requirements.	<i>This process will involve the accounting and legal specialists within Issuer Regulation to the extent required. Any comments and recommendations received from EXCO will be reviewed and considered. <u>(Subject to the identified conflicts process contained in Section B in the main body of the Conflicts Policy)</u></i>
8	If required, a meeting will be arranged by Issuer Regulation with the FSB to advise them of the proposed amendments to the Listings Requirements in order to (i) seek their input, (ii) address any queries and (iii) clarify any issues.	<i>The purpose of this meeting is to involve the FSB at an early stage for their input and comments and will serve as preparatory measures for the presentation of the proposed amendments to the Listings Requirements to the Registrar.</i>
9	Preparation and release of a notification on SENS advising the market participants of the relevant information on the proposed amendment/s.	<i>The proposed amendments to the Listings Requirements are published on the JSE</i>

		<i>website for a certain period of 30 days to afford proper consultation.</i>
10	Internal consultation with the IIS by Issuer Regulation to provide an update on the relevant information of the proposed amendment/s.	<i>This process with IIS will ensure that the relevant departments within the JSE are aware of the proposed amendments to the Listings Requirements in order to address any preliminary queries from market participants as a result of the release of the SENS announcement.+</i>
11	Internal review by Issuer Regulation taking into account comments and recommendations received by the market participants.	<i>This process will involve the accounting and legal specialists within Issuer Regulation to the extent required.</i>
12	Rationale, effects and amendments to the Listings Requirements are sent to the Registrar in order for the Registrar to commence with a public consultation period of two weeks in the Government Gazette pursuant to the provisions of the FMA and the Requirements.	<i>The FMA and the Listings Requirements stipulate that an exchange must amend its listings requirements with the approval of the Registrar.</i>
13	Comments and recommendations (if any) from the public are sent by the Registrar to the JSE for consideration by Issuer Regulation.	<i>This process will involve the accounting and legal specialists within Issuer Regulation to the extent required. Issuer Regulation may engage with the parties providing the comments and the result and rationale is then sent to the Registrar for approval.</i>
14	Registrar approved the amendments to the Listings Requirements	
15	Final amendments to the Listings Requirements are prepared for publication by the Registrar in the Government Gazette.	<i>The FSB publishes the Government Gazette notice along with the final amendments to the Listings Requirements on the FSB's website.</i>
16	Final amendments to the Listings Requirements are prepared for publication via Lexis Nexis, the publisher of the Listings Requirements.	<i>An announcement is released on SENS and the amendments are made available on the JSE website.  Updates service issue pages of the Listings Requirements are distributed to the applicable market participants and the SRO Oversight Committee.</i>

\*Depending on (i) the complexity of the matter involved and (ii) the material nature of the proposed amendment, the JSE may elect to distribute the relevant information on the proposed amendments to the Advisory Committee and the CFO/Cosec Forums representatives on a simultaneous basis for review and comments.

+Consultation with the ISS may be scheduled (i) prior to or (ii) soon after the release of the SENS announcement informing market participants of the proposed amendments to the Listings Requirements.

