

Section 4

Conditions for Listing

Removal of Par 4.32 - 4.32B

Scope of section

This section sets out the conditions for listing. The main headings of this section are:

- 4.1 Introduction
- 4.6 Conditions applicable to all markets
- 4.25 Public shareholders
- 4.28 Main Board listing criteria
- 4.29 The Venture Capital Market ("VCM")
- 4.30 The Development Capital Market ("DCM")
- 4.31 African Classification
- 4.32 BEE Segment
- 4.32A BEE Contract
- 4.32B Verification Agent
- 4.33 Special Purpose Acquisition Company
- 4.34 SPAC admission criteria
- 4.35 Acquisition of Viable Assets
- 4.36 Capital
- 4.37 Failure to acquire Viable Assets
- 4.38 Memorandum of Incorporation
- 4.39 Continuing obligations
- 4.40 Post acquisition of Viable Assets

Additional and alternative requirements relating to conditions for listing are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 14 (Pyramid Companies), Section 15 (Investment Entities), Section 18 (Dual Listings and Listings by External Companies) and Section 19 (Specialist Securities), respectively.

Introduction

- 4.1 Listings and/or additional listings are granted subject to compliance with the Listings Requirements and approval by the JSE.
- 4.2 All applications for listing are to be submitted to the JSE through a sponsor.

Discretion of the JSE

- 4.3 It must be emphasised that, notwithstanding these requirements, the JSE may, in its overriding discretion, grant a listing to an applicant that does not meet the requirements set out below or refuse a listing to an applicant that does comply with these Listings Requirements, on the grounds that, in the JSE's opinion, the grant or refusal of the listing is in the interests of the investing public. Applicants that wish to apply for a listing, but which do not meet all of the objective criteria prescribed by these Listings Requirements for the grant of a listing are therefore invited to discuss their intended applications with the JSE.
- 4.4 Where unusual features exist with regard to the applicant itself, the JSE must be consulted by the sponsor to discuss such features at the earliest possible date, as well as any rulings required from the JSE.
- 4.5 Applicants are required to submit to the JSE, at an early date, any matter or unusual feature pertaining to the listing, or listing application/documentation, not specifically provided for in, or in conflict with, the Listings Requirements.

Conditions applicable to all markets

Applicant to be duly incorporated

- 4.6 The applicant must be duly incorporated or otherwise validly established under the law of the country of incorporation or establishment, and must be operating in conformity with its MOI or relevant constitutional documents, if not South African, and all laws of its country of incorporation or establishment.
- 4.7 An applicant seeking a listing on the JSE must contractually undertake to the JSE, by completing Schedule 2 Form A2, that from the date of admission to listing of any of its securities it will comply fully with all the Listings Requirements of the JSE, irrespective of the jurisdiction in which the applicant is incorporated.

Directors and Company Secretary

- 4.8 (a) The directors and senior management of an applicant must collectively have appropriate expertise and experience for the governance and management of the applicant and the group's business. Details of such expertise and experience must be disclosed in any listing particulars prepared by the applicant (refer to paragraphs 7.B.1, 7.B.2 and 7.B.3); and
- (b) All applicants (excluding an issuer of specialist securities) must have appointed an executive financial director (refer to paragraphs 7.F.9 and 3.84(f) and (g)(i)).
- (c) All applicants (excluding an issuer of specialist securities) must appoint a company secretary in accordance with the Companies Act and recommended practices in the King Code. The board of directors must consider and satisfy itself on the competence, qualifications and experience of the company secretary.
- 4.9 An applicant must submit to the JSE and its sponsor at the date of application for listing, the directors' declaration forms contained in Schedule 13 in respect of each of the directors of the applicant. The applicant must ensure that each of the directors is free of any conflict of interest between the director's duties to the company and his private interests
- 4.10 The issuer must have an appointed chief executive officer and a chairman and these positions must not be held by the same person. The chairman must either be an independent non-executive director, or the issuer must appoint a lead independent director in accordance with the King Code.

Listing of subsidiary companies or assets

- 4.11 When, in connection with the listing of a subsidiary company, a listed holding company intends making an offer of securities in such subsidiary; or the subsidiary intends issuing shares for cash to persons other than wholly owned entities within the listed holding company's group; or the subsidiary has an offer for subscription by way of a rights offer, the offer/issue/rights offer must be categorised in accordance with the provisions of Section 9. Any shares that are renounced by the listed holding company to its shareholders need not be categorised in accordance with Section 9.
- 4.12 The JSE must be consulted in order to provide a ruling in principle, before any listed company intends to list a subsidiary company, or any of its group assets, or when it is aware that another party intends to list certain of the listed company's assets subsequent to a disposal of such assets by the listed

4.6 amended with effect from 1 May 2011.

4.8(a) introduced with effect from 1 September 2008 and amended with effect from 1 April 2010.

4.8(b) introduced with effect from 1 September 2008, amended with effect from 1 April 2010 and with effect from 30 September 2014.

4.8(c) introduced with effect from 1 July 2012 and amended with effect from 30 September 2014 and 19 June 2017.

4.10 amended with effect from 1 April 2010.

4.11 amended with effect from 15 October 2007.

company.

Financial information

- 4.13 The following requirements relate to the preparation and disclosure of financial information:
- (a) the applicant must comply with Section 8 where applicable and its financial statements must have been reported on by the auditor without qualification, disclaimer, adverse audit opinion, the inclusion of a paragraph on material uncertainty relating to going concern or reference to an emphasis of matter;
 - (b) an issuer must publish audited annual financial statements for its financial year, as specified in the prospectus/pre-listing statement, irrespective of the fact that the company may have subsequently changed its year-end; and
 - (c) the applicant must appoint an auditor in terms of the requirements in paragraphs 3.84 and 3.86 to 3.90.

Status of securities

- 4.14 Securities for which a listing is sought must be issued in conformity with the law of the applicant's country of incorporation or establishment and in conformity with the applicant's MOI or other relevant constitutional documents, if not South African, and all authorisations needed for their creation and issue under such law must have been duly given. No application will be considered until the MOI, or other relevant constitutional documents of the applicant and/or, if applicable, the debenture trust deed, has been approved by the JSE.
- 4.15 Where a new applicant already has securities listed on another stock exchange and is applying for admission of such securities to listing on the JSE, it must be in compliance with the requirements of that other exchange and the relevant laws of that country (see also Section 18).
- 4.16 Securities in each class for which listing is applied must rank pari passu in respect of all rights. It should be noted that a statement that "securities in each class rank pari passu" is understood to have the meaning as ascribed thereto in paragraph 3.29.

Transferability of securities

- 4.17 As provided for in Schedule 10 paragraph 2 the securities for which listing is sought must be fully paid up and, unless otherwise required by statute or at the discretion of the JSE (taking into account the objects of the FMA), be freely transferable. Notwithstanding the provisions of Section 40(5) of the Act, the JSE will not list shares that are not fully paid for upon listing. An applicant issuer that is proposing any form of restricted transferability must consult the JSE at an early stage in order to discuss the details of the restriction and must further obtain a ruling from the JSE whether it will apply its discretion.

Low and high voting securities

- 4.18 Subject to paragraph 4.47, the JSE will not allow a listed company to issue low or high voting securities.

4.13(a) amended with effect from 1 September 2008, 24 October 2016 and TBD.

4.13(c) introduced with effect from 1 September 2008 and amended with effect from 15 October 2017 and TBD.

4.14 amended with effect from 1 May 2011.

4.16 amended with effect from 1 May 2011.

4.17 amended with effect from 1 May 2011 and 28 May 2018.

4.18 amended with effect from 17 July 2023.

4.19 Where a company currently has listed low or high voting securities prior to the incorporation of weighted voting shares in the Listings Requirements, the JSE will grant a listing of additional securities of that class.

4.20 [Repealed]

Convertible securities

4.21 In addition to any other Listings Requirements affecting convertible securities, the JSE will not grant a listing to convertible securities unless there are sufficient unissued securities in the applicant's authorised capital, into which the convertible securities could/will convert, at the time that such convertible securities are issued and listed. The applicant must also undertake to the JSE that it will, at all times, maintain a sufficient number of unissued securities in its authorised share capital to be able to effect the eventual conversion, or until such convertible securities are no longer in issue.

Whole class to be listed

4.22 An application for listing of securities of any class must:

- (a) if no securities of that class are already listed, relate to all securities of that class, issued or proposed to be issued; or
- (b) if securities of that class are already listed, relate to all further securities of that class, issued or proposed to be issued.

Unlisted securities

4.23 In the event of an applicant issuing securities and not being granted a listing for such securities or if, for any reason, certain securities are delisted:

- (a) the share certificates of such securities must be held in trust and stamped with the words "unlisted securities" and may only be released with written permission from the JSE, which permission shall provide further instruction concerning the stamping and transferability of such securities;
- (b) the share register must show that the securities are unlisted and a statement detailing the number and status of the unlisted securities must appear in the applicant's annual financial statements; and
- (c) subject to JSE discretion, any additional securities issued of the same class or status will also be subject to paragraphs 4.23(a) and (b).

4.24 Where shareholders are required to vote in terms of the Listings Requirements, the votes of shareholders of unlisted securities will not be taken into account in determining either a quorum or for approval of any resolution considered at any general/annual general meeting.

Public shareholders

4.25 For the purposes of paragraph 4.28(e), securities will not be regarded as being held by the public if they are beneficially held, whether directly or indirectly, by:

- (a) the directors of the applicant issuer or of any of its major subsidiaries;
- (b) an associate of the applicant issuer and/or of any of its major subsidiary/ies;
- (c) an associate of a director of the applicant issuer or of any of its major

4.19 amended with effect from 1 May 2011 and 17 July 2023.

4.20 amended with effect from 1 May 2011 and repealed with effect from 17 July 2023.

4.25 amended with effect from 30 September 2014.

4.25(a) amended with effect from 18 December 2017 and 2 December 2019.

4.25(b) introduced with effect from 1 July 2022.

- subsidiaries;
- (d) the extended family of a director of the applicant issuer, as applied to the best of his/her knowledge;
- (e) the trustees of any employees' share scheme or pension fund established for the benefit of any directors or employees of the applicant or any of its subsidiaries;
- (f) a prescribed officer of the applicant issuer;
- (g) the controlling shareholder/s; or
- (h) any person where restrictions on trading in the issuer's listed securities, in any manner or form, are imposed by the applicant issuer. For purposes of this provision restrictions on trading in the applicant issuer's listed securities must be for a period exceeding six months from the listing date.

4.26 [Repealed]

4.27 The JSE may, in its sole discretion, require the listed company to provide it with a declaration that, to the best of the knowledge and belief of the directors, any beneficial shareholders of the company, whose shares are registered in the names of one or more nominees, do not include any person that may be acting in concert with any other person insofar as it may affect their classification as public shareholders.

Main Board listing criteria

4.28 An applicant seeking a listing on the Main Board must satisfy the following criteria:

- (a) it must have an existing subscribed capital, including reserves but excluding minority interests and revaluations of assets; and excluding intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R50 million;
- (b) it must have not less than 25 million equity shares in issue;
- (c)
 - (i) it must have audited financial statements for the preceding three financial years and:
 - (a) the last of which reported an audited profit of at least R15 million before taxation and after taking account of the headline earnings adjustment on a pre-tax basis; or
 - (b) it must have an existing subscribed capital, including reserves but excluding minority interests and revaluations of assets; and excluding intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, of at least R500 million; or
 - (ii) the JSE may, in its absolute discretion, list a company which is in its development stage (other than a mineral company) and which

4.25(c) amended with effect from 18 December 2017 and 2 December 2019.

4.25(d) introduced with effect from 2 December 2019.

4.25(f) repealed with effect from 27 August 2012 and replaced with effect from 2 December 2019.

4.25(g) amended with effect from 17 July 2023.

4.25(h) amended with effect from 2 December 2019.

4.26 repealed with effect from 17 July 2023.

4.28 amended with effect from 30 September 2014.

4.28(a) amended with effect from 2 December 2019.

4.28(c)(i)(b) amended with effect from 2 December 2019.

does not have the required profit history. In such instances, the applicant must have, prior to listing, existing subscribed capital as determined in terms of paragraph 4.28(a) above of at least R500 million and must have been in existence for at least twelve months;

- (d) (i) it must be carrying on as its main activity, either by itself or through one or more of its subsidiaries, an independent business which is supported by its historic revenue earning history and which gives it control (which for the purposes of this section is defined as at least 50% +1 of the voting shares) over the majority of its assets and must have done so for the period covered by paragraph 4.28(c)(i); or
- (ii) it must have a reasonable spread of direct interests in the majority of its assets and the right to actively participate in the management of such assets, whether by voting or through other rights which give it influence in the decisions relating to the assets and must have done so for the period covered by paragraph 4.28(c)(i) or, where applicable, 4.28(c)(ii).
- (iii) in respect of (d)(i) and (ii) above, the JSE may in its absolute discretion list a company which has only controlled the majority of its assets or had a direct interest in the majority of its assets for twelve months provided that:
- (1) it has produced audited financial statements with the required profits referred to in paragraph 4.28(c)(i)(a) for the period during which it has exercised control;
 - (2) it can illustrate that the underlying assets/companies /subsidiaries are in a similar line of business and are dependent on one another or are complementary for the production of the company's products; and
 - (3) at least one of the underlying assets/companies/subsidiaries would qualify for a listing on the Main Board on its own.
- In deciding whether to exercise its discretion, the JSE will have regard to, inter alia, whether the majority of the underlying assets/companies/subsidiaries have been in existence for the period referred to in paragraph 4.28(c)(i); and
- (e) it must have 10% of each class of equity securities held by the public to promote reasonable liquidity, representing at least 100 shareholders.

The Venture Capital Market ("VCM")

4.29 The following general requirements apply to securities of an applicant on the VCM:

Acquisitions and disposals

- (a) the requirements relating to transactions and related party transactions (see Sections 9 and 10) will apply to companies listed on the VCM subject to the concessions that:
- (i) the requirements for a Category 2 transaction will apply where any percentage ratio is 5% or more but each is less than 40%; and

4.28(c)(ii) amended with effect from 2 December 2019.
4.28(d)(i) amended with effect from 25 June 2004.
4.28(e) amended with effect from 17 July 2023.
4.29 amended with effect from 30 September 2014.
4.29(a)(i) amended with effect from 15 October 2007.

- (ii) the requirements for a Category 1 transaction will apply where any percentage ratio is 40% or more;

General

- (b) the following are the general requirements for companies listed on the VCM:
 - (i) when applying for a listing of securities on the VCM it is mandatory for the company to appoint a sponsor. In addition, other advisers such as auditors, attorneys and merchant bankers may, at the sole discretion of the JSE, be considered necessary and if so, will also have to be appointed; and
 - (ii) share certificates shall be endorsed to the effect that the securities are listed on the VCM.

The Development Capital Market ("DCM")

4.30 The following general requirements apply to the securities of an applicant on the DCM:

Acquisitions and disposals

- (a) the requirements relating to transactions and related party transactions (refer to Sections 9 and 10) will apply to companies listed on the DCM subject to the concessions that:
 - (i) the requirements for a Category 2 transaction will apply where any percentage ratio is 5% or more but each is less than 40%; and
 - (ii) the requirements for a Category 1 transaction will apply where any percentage ratio is 40% or more;

General

- (b) the following are the general requirements for companies listed on the DCM:
 - (i) when applying for a listing of securities on the DCM it is mandatory for the company to appoint a sponsor. In addition, other advisers such as auditors, attorneys and merchant bankers may, at the sole discretion of the JSE, be considered necessary and if so, will also have to be appointed; and
 - (ii) share certificates shall be endorsed to the effect that the securities are listed on the DCM.

African Classification

4.31 An applicant seeking a primary or secondary listing on the JSE will be classified as African if it satisfies the following criteria:

- (a) it is domiciled in Africa, outside of South Africa or has the majority of its activities geographically located in Africa outside of South Africa; and

4.29(b)(i) amended with effect from 4 December 2023.

4.30 amended with effect from 30 September 2014.

4.30(a), previously 4.30(d), amended with effect from 15 October 2007 and renumbered with effect from 30 September 2014.

4.30(a)(i) amended with effect from 15 October 2007.

4.30(b)(i) amended with effect from 4 December 2023.

4.31 introduced with effect from 1 April 2010 and amended with effect from 31 July 2012.

4.31(a)-(b) amended with effect from 9 November 2015.

- (b) it meets the Main Board listing criteria as set out in paragraph 4.28 or the AltX listing criteria as set out in paragraph 21.3, in conjunction with Section 18 dealing with primary and secondary listings.

BEE Segment

~~4.32 An applicant issuer seeking a listing of its BEE securities on the BEE Segment must adhere to the following:-~~

- ~~—— (a) it must meet the basic listing criteria as set out in either Section 4, 15, 19, 20 or 21 of the Listings Requirements and must comply with all other relevant sections applicable thereto, provided that for the purposes of this paragraph 4.32, an equity instrument may be listed on the BEE Segment as an asset backed security pursuant to Section 19;~~
- ~~—— (b) trading in the BEE securities must be restricted to a BEE compliant person pursuant to the use of (i) a BEE contract or (ii) a BEE verification agent;~~
- ~~—— (c) inform the JSE whether trading in its BEE securities will be executed via the use of a BEE contract or a BEE verification agent; and~~
- ~~—— (d) the applicant issuer must provide the JSE with the details of the BEE verification agent and inform the JSE of any change in the BEE verification agent.~~

BEE Contract

~~4.32A An applicant issuer seeking a listing of its BEE securities on the BEE Segment pursuant to a BEE contract must satisfy the following criteria:-~~

- ~~—— (a) it must indemnify the JSE against all and any legal costs incurred (including attorney and own client costs) to the extent that, as a result of a BEE contract not having been signed as required in terms of the JSE Equities Rules and Directives, the JSE takes any legal action and is not able to recover its costs from the parties to the legal action pursuant to a costs order awarded in the legal action;~~
- ~~—— (b) (i) if the applicant issuer elects, by reason of a breach in terms of a particular BEE contract, to enforce the BEE contract against the beneficial owner of BEE securities and, if applicable, other parties to the BEE contract, by either repurchasing the BEE securities or nominating a third party to so purchase and such third party purchases the BEE securities; and~~
- ~~—— (ii) the relevant CSDP, or its nominee, is then instructed to effect the necessary entries relating to such repurchase or purchase of the BEE securities;~~
- ~~—— and, as a consequence, litigation ensues and the registered holder and/or the CSDP or its nominee and/or any JSE member (“joined parties”) is/are joined in such litigation, the applicant issuer indemnifies such joined parties and their directors, employees, servants, agents or contractors or other persons for whom, in law, they may be liable (stipulatio alteri) against all and any costs (including attorney and own client costs) which may be awarded against any of them as a consequence of the litigation provided that:~~
- ~~—— (1) the joined parties shall (unless they were joined by the applicant issuer) notify the applicant issuer, in writing, of such joinder within a reasonable time of becoming aware thereof, to enable the applicant issuer to take steps to act on their behalf as~~

~~—— 4.32 introduced with effect from 1 February 2011 and amended with effect from 4 August 2015.~~

~~—— Heading “BEE Contract” introduced with effect from 4 August 2015.~~

~~—— 4.32A introduced with effect from 4 August 2015.~~

~~contemplated in paragraph (2) below;~~

~~(2) subject to paragraph (3) below, the applicant issuer shall be entitled to contest (which shall include an appeal to a court of law) the litigation in the name of the joined parties and shall be entitled to control the proceedings in regard thereto and the joined parties shall take no steps in the litigation which are not approved in writing by the applicant issuer;~~

~~(3) if the applicant issuer joined the joined parties, they shall merely abide by the decision of the court.~~

~~(c) paragraph 4.32A(b) constitutes a right in favour of the joined parties and their directors, employees, servants, agents or contractors, or other persons for whom in law they may be liable (stipulatio alteri), which they will be entitled to invoke, at any time, by notifying the applicant issuer in writing thereof;~~

~~(d) the indemnities contained in (a), (b) and (c) above must be contained in the application letter to the JSE and in any other relevant listing documents;~~

~~(e) it must agree to become a party to and be bound by the provisions of the Issuers Participants Contract, a copy of which is available on the JSE website, with effect from the date on which the applicant issuer's BEE securities are listed on the BEE Segment. The first issuer whose BEE securities are listed on the BEE Segment will sign the Issuers Participant Contract and every subsequent issuer whose BEE securities are listed on the BEE Segment will become a party to the Issuers Participants Contract by signing an Issuer Deed of Adherence, the form of which is attached to the Issuers Participants Contract. The Issuer Deed of Adherence, duly signed, must be included with the application letter to the JSE; and~~

~~(f) the salient terms of the BEE securities must be contained in the MOI, or relevant constitutional documents, under the heading "Additional Terms of the BEE Contract".~~

Verification Agent

~~4.32B An applicant issuer seeking a listing of its BEE securities on the BEE Segment pursuant to the use of a BEE verification agent must satisfy the following criteria:-~~

~~(a) it must indemnify the JSE against all and any legal costs incurred (including attorney and own client costs) to the extent that, as a result of the member not complying with the BEE verification process as required in terms of the JSE Equities Rules and Directives, the JSE takes any legal action and is not able to recover its costs from the parties to the legal action pursuant to a costs order awarded in the legal action;~~

~~(b) (i) if the applicant issuer, or such other person as is entitled to do so pursuant to the relevant BEE scheme documents ("the designated person") elects, by reason of a breach in the terms and conditions of the relevant BEE scheme documents or the BEE verification process not having been correctly executed by the BEE verification agent, to enforce the terms and conditions of the relevant BEE scheme documents against the beneficial owner of BEE securities and, if applicable, other parties, by either repurchasing the BEE securities or nominating a third party to so purchase and such third party purchases, the BEE securities; and~~

~~(ii) the relevant CSDP, or its nominee, is then instructed to effect the necessary entries relating to such repurchase or purchase of the~~

~~Heading "Verification Agent" introduced with effect from 4 August 2015.~~

~~4.32B introduced with effect from 4 August 2015.~~

BEE securities,

~~and, as a consequence, litigation ensues and the registered holder and/or the CSDP or its nominee and/or any JSE member ("joined parties") is/are joined in such litigation, the applicant issuer indemnifies such joined parties and their directors, employees, servants, agents or contractors or other persons for whom, in law, they may be liable (stipulatio alteri) against all and any costs (including attorney and own client costs) which may be awarded against any of them as a consequence of such litigation provided that:~~

~~(1) the joined parties shall (unless they were joined by the applicant issuer or designated person) notify the applicant issuer, in writing, of such joinder within a reasonable time of becoming aware thereof, to enable the applicant issuer or designated person to take steps to act on their behalf as contemplated in paragraph (2) below;~~

~~(2) subject to paragraph (3) below, the applicant issuer or designated person, as applicable, shall be entitled to contest (which shall include an appeal to a court of law) the litigation in the name of the joined parties and shall be entitled to control the proceedings in regard thereto and the joined parties shall take no steps in the litigation which are not approved in writing by the applicant issuer or designated person;~~

~~(3) if the applicant issuer or designated person joined the joined parties, they shall merely abide by the decision of the court;~~

~~(4) the indemnity in this paragraph 4.32B(b) shall not apply to such joined party in circumstances where the litigation arises from:~~

~~(i) a breach by such joined party of any of its obligations under the JSE equity rules and directives or Strate rules and directives, as applicable, or~~

~~(ii) any breach of an applicable contract between such joined party, the applicant issuer and/or any designated person, and~~

~~(5) paragraph 4.32B(b) constitutes a right in favour of the joined parties and their directors, employees, servants, agents or contractors, or other persons for whom in law they may be liable (stipulatio alteri), which they will be entitled to invoke, at any time, by notifying the applicant issuer in writing thereof;~~

~~(c) the indemnities contained in (a) and (b) above must be contained in the application letter to the JSE and in any other relevant listing documents; and~~

~~(d) the salient terms and conditions of the BEE securities must be contained in the MOI, or relevant BEE ownership scheme documents.~~

Special Purpose Acquisition Company

4.33 In these Listings Requirements pertaining to the listing of a SPAC, unless the contrary intention appears, the following terms shall have the meanings assigned to them below:

"completed" means, with reference to the acquisition of Viable Assets by a SPAC, that an acquisition has become unconditional and that the assets have been transferred into the name of the SPAC;

"escrow" means escrow or similar custodial arrangement to the satisfaction of the JSE, to safeguard the capital of the SPAC for the protection of investors as

prescribed by the JSE;

“redemption right” a right afforded only to the shareholder/s who voted against the proposed acquisition of viable assets, to elect to redeem securities and receive a *pro rata* portion of the amount in cash held in the investment account of the SPAC, provided the acquisition of Viable Assets is approved within the period set out in paragraph 4.35(a);

“SPAC” means a special purpose acquisition company, being a special purpose vehicle established for the purpose of facilitating the primary capital raising process to enable the acquisition of Viable Assets in pursuit of a listing on the Main Board or the Alternative Exchange (“AltX”);

“Viable Assets” means the acquisition of assets by the applicant that will on its own enable the special purpose vehicle to qualify for a listing pursuant to the listing criteria of the Main Board or AltX.

SPAC admission criteria

4.34 An applicant seeking a listing as a SPAC must satisfy the following criteria:

- (a) it must not carry on any commercial and/or business operations at the time of application to the JSE. An applicant may consider an acquisition of Viable Assets provided that the applicant has not entered into any formal and binding acquisition agreement/s. A statement to this effect must be included in the prospectus/pre-listing statement of the applicant;
- (b) it must disclose the acquisition criteria, including details of the operating industry/ies, for Viable Assets to allow the board of the applicant to consider and assess the potential acquisition of Viable Assets. The acquisition criteria may not be changed unless a resolution is passed at a meeting of security holders by achieving a 75% majority of the votes cast to that effect;
- (c) it must disclose the estimated operating expenses in the prospectus/pre-listing statement of the applicant in respect of the operational costs which will be incurred by the applicant during the acquisition window (as defined in paragraph 4.35(a)). The applicant may not exceed the estimated operating expenses as disclosed in the prospectus/pre-listing statement unless a resolution is passed at a meeting of security holders by achieving a 75% majority of the votes cast to that effect;
- (d) the board of directors may receive remuneration prior to the acquisition of Viable Assets. Details of such remuneration must be disclosed in the prospectus/pre-listing statement of the applicant;
- (e) the board of directors must have subscribed for shares or units in the applicant representing at least a 5% interest, on a collective basis, in the applicant on the date of listing. If the subscription is at a nominal value, the interest held by the board of directors must not exceed 20% of the applicant’s issued share capital on listing. The subscription shares or units of the board of directors must be held in trust by the applicant’s attorneys or other party providing custodial services and must not be sold for a period of at least six months from the date the acquisition of Viable Assets have been completed by the applicant. The terms of the subscription by the board of directors and the terms of the custodial arrangements must be disclosed in the prospectus/pre-listing statement of the applicant;

4.33 new definition “escrow” introduced with effect from 17 July 2023.

4.33 new definition “redemption right” introduced with effect from 17 July 2023.

4.34 introduced with effect from 29 April 2013.

4.34(b) amended with effect from 17 July 2023.

4.34(e) amended with effect from 17 July 2023.

- (f) the applicant must satisfy the JSE that its board of directors has appropriate experience and track record, and demonstrate that it will be capable of identifying and evaluating Viable Assets and completing the acquisition of Viable Assets based on the acquisition criteria as disclosed in the prospectus/pre-listing statement. The applicant must demonstrate that the board of directors has the requisite collective experience and track record, which includes having:
- (i) sufficient and relevant technical and commercial experience and expertise;
 - (ii) established track record in relevant operating industry and business activities including –
 - (a) specific contribution to business growth and performance;
 - (b) ability to manage relevant business operations risks; and
 - (c) ability to identify and develop acquisition opportunities; and
 - (iii) established corporate governance and regulatory compliance history;
- (g) it must have raised a minimum of R500 million through the issue of shares and/or units for listing on the Main Board and R50 million for listing on AltX; and
- (h) all capital raised must be paid directly into an account managed by an escrow agent pursuant to paragraph 4.36. A statement to this effect and details of the escrow arrangements must be included in the prospectus/pre-listing statement of the applicant.
- (i) in relation to conflicts of interest, the applicant must disclose –
- (i) notwithstanding the disclosure of remuneration above, details of all incentives (whether in cash and/or securities in the applicant, or otherwise) payable to directors of the applicant, including their associates, in the identification and pursuit of the acquisition of Viable Assets;
 - (ii) details of any service agreement/s in the identification and pursuit of the acquisition of Viable Assets, between the applicant and director/s of the applicant, including their associates;
 - (iii) details of any other fiduciary or contractual obligations by the board of directors of the applicant to other companies or entities that relate to the identification and pursuit of Viable Assets;
 - (iv) details of any other potential conflicts of interests between the applicant and the board of directors (including their associates); and
 - (v) the proposed governance measures to identify, avoid and/or manage potential conflicts of interests as identified in (i)-(iv) above where the applicant pursues a Viable Assets;
- (j) investors in a SPAC must be afforded a redemption right subject to the following:
- (i) the board of directors and their associates may not exercise redemption rights;
 - (ii) the redemption price must be the initial listing subscription price, after applying the *pro rata* operating expenses and interest earned on the capital under escrow, up to the redemption right

4.34(f) amended with effect from 17 July 2023.
4.34(i) introduced with effect from 17 July 2023.
4.34(j) introduced with effect from 17 July 2023.

exercise date;

- (iii) an applicant may establish a limit as to the maximum number of securities with respect to which each eligible shareholder may exercise a redemption right, provided that such total limit may not be less than 10% of the issued share capital of the applicant on listing. Any redemption limit established by the applicant must apply equally to all shareholders entitled to a redemption right; and
- (iv) the redemption right mechanism and timing must be clearly explained in the prospectus/pre-listing statement of the applicant.

(k) a SPAC may not adopt a weighted voting share structure on listing.

Acquisition of Viable Assets

4.35 Once an applicant has been admitted as a SPAC, the following must be complied with:

- (a) The SPAC must have completed an acquisition of Viable Assets within 36 months from the date of listing as a SPAC (the "acquisition window").
- (b) The acquisition of Viable Assets must be approved by a majority of disinterested directors and the majority of security holders of the SPAC at a general meeting.
- (c) The notice of meeting as contemplated in paragraph 4.35(b) above must also include a resolution on the proposed use of the residual capital not allocated for the proposed acquisition of Viable Assets for which the approval is being sought. Should security holders not approve a proposed resolution dealing with the further use and retention of the balance of the capital after the acquisition has been approved, then such residual capital must be returned to security holders within 60 calendar days after the date of the general meeting.
- (d) In the event that a SPAC has not completed an acquisition of Viable Assets within the acquisition window, the JSE will suspend the SPAC's listing on the first business day following the expiry of the acquisition window and proceed to remove the SPAC pursuant to the provisions of Section 1 once the capital raised has been distributed to security holders pursuant to paragraph 4.37.

Capital

4.36 The SPAC must comply with the following in respect of the capital raised:

- (a) Capital raised by the SPAC must be held in escrow with an escrow agent.
- (b) The escrow agent must invest the capital in escrow in (i) investment grade bonds (being debt securities with a rating of "BBB" or above as rated by Standard and Poor's Corporation or an equivalent rating by any similar institution) or (ii) bank deposits with a recognised bank. The interest earned on the capital under escrow shall accrue in favour of the SPAC and accumulate in escrow.
- (c) The escrow agreement governing the capital in escrow must provide for the following and the agreement must be submitted to the JSE for prior approval:

4.34(k) introduced with effect from 17 July 2023.

4.35 introduced with effect from 29 April 2013.

4.35(a) amended with effect from 17 July 2023.

4.35(d) amended with effect from 18 December 2017.

4.36 introduced with effect from 29 April 2013.

- (i) release of such amount that will be used to cover the operating expenses pursuant to paragraphs 4.34(c) and (d), and redemption rights, at the request of the board of directors;
 - (ii) release of the balance or portion of the capital to the SPAC once it receives approval for the acquisition of Viable Assets pursuant to paragraph 4.35(b) within the acquisition window; and
 - (iii) the termination of the escrow agreement and the distribution of the capital in escrow to security holders pursuant to paragraphs 4.35(c) and 4.37.
- (d) Prior to an acquisition of Viable Assets being completed within the acquisition window, the JSE may permit a SPAC to raise additional capital for the acquisition of further assets by issuing further shares or units provided that:
- (i) it is part of a rights offer; and/or
 - (ii) security holders have granted approval of the further issue in accordance with the JSE Listings Requirements.

All additional capital raised must be paid and placed directly into escrow pursuant to the provisions of paragraph 4.34(h).

Failure to acquire Viable Assets

- 4.37 In the event that a SPAC has not completed an acquisition of Viable Assets within the acquisition window, it must:
- (a) complete a distribution within 60 calendar days after the expiry of the acquisition window to all security holders pro rata to their holdings. The distribution must be the maximum amount while still complying with the solvency and liquidity test as required pursuant to the Act. All interest earned in escrow will form part of the distribution, excluding any taxes and expenses relating to the distribution and anticipated voluntary liquidation; and
 - (b) propose a special resolution to security holders for the voluntary liquidation of the SPAC.

Memorandum of Incorporation

- 4.38 A SPAC must have the following provisions included in its Memorandum of Incorporation:
- (a) it must require security holders to vote on any proposed acquisition; and
 - (b) redemption rights; and
 - (c) a distribution requirement, pursuant to which security holders must, if an acquisition of Viable Assets is not completed within the acquisition window, be entitled to receive an amount equal to the aggregate amount then in escrow (net of any applicable taxes and expenses related to the distribution and voluntary liquidation), plus the interest earned, divided by the aggregate number of securities.

Continuing obligations

4.36(c)(i) amended with effect from 17 July 2023.
4.37 introduced with effect from 29 April 2013.
4.38 introduced with effect from 29 April 2013.
4.38(b) introduced with effect from 17 July 2023.
4.38(c) amended with effect from 17 July 2023.

4.39 The following provisions apply to a SPAC:

- (a) it will be subject to the continuing obligations of Section 3, with the exception of paragraphs 3.84(a) and (b); and
- (b) it shall not be permitted to obtain any form of debt financing (excluding those of short term trade or accounts payable used in the ordinary course of business to settle any operating expenses pursuant to paragraphs 4.34(c) and (d)), except to facilitate the acquisition of Viable Assets. A statement to this effect must be included in the prospectus/pre-listing statement of the applicant.

Post acquisition of Viable Assets

- 4.40 (a) Once a SPAC has completed an acquisition of Viable Assets it must meet the criteria for listing as set out in paragraph 4.28 (excluding the period referred to in paragraph 4.28(d)(i)) or paragraph 21.2, as the case may be. Subject to paragraph 4.37(a), failure to meet these requirements once the acquisition of Viable Assets has been completed will result in the delisting of the SPAC by the JSE.
- (b) Once an acquisition of Viable Assets has been completed, the SPAC will be admitted to the List and will be subject to the JSE Listings Requirements as an issuer in all respects.

Acquisition Circular to Shareholders

4.41 The circular is not a pre-listing statement but the equivalent of a category 1 acquisition circular.

4.42 The circular must also address:

- (a) the listing entry criteria for the Main Board or AltX, considering the type of industry;
- (b) the required subscribed capital and profit (if applicable) must reflect in the pro forma financial information prepared pursuant to Section 8,
- (c) if applicable, any forecast information prepared to reflect the new combined issuer must adhere to Section 8;
- (d) the experience and expertise of the directors and senior management pursuant paragraph 4.8(b);
- (e) working capital statement pursuant to paragraph 2.12;
- (f) corporate governance as applied to Main Board or AltX pursuant to paragraphs 3.84 and 21.5;
- (g) the current balance of proceeds raised on listing, including interest and any additional financing obtained by the applicant pursuant to paragraph 4.36(d), if applicable, as held in escrow as at the time of the conclusion of the acquisition agreement;
- (h) the balance of operating expenses, as at the time of the conclusion of the acquisition agreement;
- (i) details on the governance process in respect of how the acquisition of Viable Assets was identified, evaluated and approved by the board of directors;
- (j) a statement on whether the acquisition criteria of Viable Assets are in

4.39 introduced with effect from 29 April 2013.

4.40 introduced with effect from 29 April 2013.

4.41 introduced with effect from 17 July 2023.

4.42 introduced with effect from 17 July 2023.

line with the disclosures in the prospectus/pre-listing statement of the applicant and whether there are any variations from such acquisition criteria, if any;

- (k) subject to paragraph 4.34(j), the redemption right mechanism;
- (l) details of all incentives (whether in cash and/or securities in the applicant, or otherwise) received or to be received by the board of directors and their associates arising from the identification and acquisition of Viable Assets; and
- (m) the details of potential conflicts of interests between the applicant and the board of directors (and their associates) as identified in paragraph 4.34(i)(i)-(iv), as it relates to the identification and acquisition of Viable Assets.

Weighted Voting Share Structures

4.43 In these Listings Requirements pertaining to the listing of applicants with a weighted voting share structure unless the contrary intention appears, the following terms shall have the meanings assigned to them below:

“weighted voting share structure” means a share structure that gives certain shareholders voting rights disproportionate to their shareholding or any other structure that achieves a similar outcome. Typically, shares in one class carry one vote, while shares in another class carry weighted votes;

“enhanced voting process” means a voting process in a general meeting of the applicant, where votes are cast on the basis that one weighted voting share is limited to one vote;

“ordinary voting share” means in relation to a weighted voting share structure, a share that carries one vote; and

“weighted voting share” means in relation to a weighted voting share structure, a share that carries weighted votes but that otherwise has the same rights as an ordinary voting share.

Admission criteria

4.44 An applicant seeking a listing with a weighted voting share structure must satisfy the following criteria:

- (a) it must meet the Main Board listing criteria;
- (b) the weighted voting shares will not be listed or traded on the JSE;
- (c) each weighted voting share shall not carry more than 20 votes per share and the ratio cannot be increased;
- (d) adhere to the governance arrangements in paragraph 4.45; and
- (e) the admission criteria in paragraphs 4.44(c) and (d) must be incorporated in the MOI of the applicant or constitutional documents if a foreign applicant.

Governance Arrangements

4.45 The applicant must apply to the following governance arrangements:

- (a) the weighted voting share must have automatic conversion provisions which provide that a weighted voting share will be converted into an ordinary voting share in the event that:

4.43 introduced with effect from 17 July 2023.

4.44 introduced with effect from 17 July 2023.

4.45 introduced with effect from 17 July 2023.

- (i) the weighted voting share is sold or transferred to any person; or
 - (ii) on the expiry of a period of ten years from the listing date of the applicant issuer;
- (b) notwithstanding the provisions of paragraph 4.45(a)(ii), holders of ordinary voting shares may agree at a general meeting to allow an extension to the time sunset provision provided the holder/s of weighted voting shares (in respect of their entire shareholdings in respect of the applicant, both weighted voting shares and ordinary shares) may not participate in such vote;
 - (c) holder/s of weighted voting shares must hold at least 10% of the economic interest in the applicant on listing;
 - (d) holder/s of ordinary voting shares holding at least 10% of the total voting rights, as measured against the total issued ordinary shares, must have the ability to convene a general meeting;
 - (e) the holder/s of weighted voting shares must provide an undertaking that their entire shareholdings in respect of the applicant, both weighted voting share and ordinary shares on listing, may not be disposed or transferred for a period of 12 months from the listing date; and
 - (f) the following matters must be voted on through the enhanced voting process:
 - (i) variation of rights attaching to securities;
 - (ii) appointment and removal of auditors;
 - (iii) appointment, re-election or removal of independent non-executive directors;
 - (iv) remuneration policy and implementation report pursuant to paragraph 3.84(j);
 - (v) reverse takeover; and
 - (vi) removal of listing.

Prospects/Pre-Listing Statement

- 4.46 The prospectus/pre-listing statement must include the following additional information:
- (a) a statement on the cover page that the applicant has a weighted voting share structure;
 - (b) details of the weighted voting share structure and its associated risks;
 - (c) the rationale for adopting a weighted voting share structure;
 - (d) the matters that are subject to the enhanced voting process;
 - (e) a summary of the key provisions of the weighted voting share structures as incorporated in the MOI of the applicant or constitutional documents if a foreign applicant;
 - (f) the following details of each holder of weighted voting share:
 - (i) name of beneficial shareholder/s with weighted voting shares;
 - (ii) number of weighted voting shares;
 - (iii) total voting rights of weighted voting shares;

- (iv) number of ordinary voting shares;
- (v) total voting rights of ordinary voting shares; and
- (vi) total voting rights of weighted voting shares compared to ordinary voting shares.

Changes in capital

- 4.47 No further weighted voting shares can be issued, save in the event of a rights issue, bonus issue, capitalisation issue, scrip dividend, consolidation or subdivision of securities, in each case offered in the same ratios in conjunction with ordinary voting shares.

Circulars, annual reports and SENS

- 4.48 An applicant with a weighted voting share structure must prominently include a statement on the cover page of its circulars, annual reports and announcements that the applicant is an issuer with a weighted voting share structure.
- 4.49 The events in paragraphs 4.45(a) and (b) must be announced on SENS immediately.

4.47 introduced with effect from 17 July 2023.
4.48 introduced with effect from 17 July 2023.
4.49 introduced with effect from 17 July 2023.