



20 May 2021
REF: CR/May/2021

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Sponsors and Designated Advisers

SHAREHOLDERS' MEETINGS AND OFFERS RELATING TO REMOVAL OF LISTINGS

The JSE has been involved in extensive engagements with issuers and sponsors in relation to shareholders' meetings, to approve or give effect to a removal of listing, being held during prohibited periods as defined in the JSE Listings Requirements (the "**Requirements**").

In order to provide clarity on the matter, the JSE wishes to provide its views on this significant corporate action. As background, it is important to understand the statutory framework that gives rise to the provisions of Section 1 of the Requirements (Authority of the JSE) dealing with removal of securities.

Section 12 (5) of the Financial Markets Act No. 19 of 2012 (the "**FMA**") stipulates the following:

*(5) (a) If an issuer requests an exchange to remove its securities from the list but the exchange considers the securities to be eligible for continued inclusion in the list, **the removal must be approved by the holders of those securities** in a manner specified by the exchange and **the exchange must be satisfied on reasonable grounds that the interests of minority holders of the securities have been considered.***

(b) An issuer must provide reasons for the request contemplated in paragraph (a).

It is clear from the above that, where the JSE considers the securities to be eligible for continued inclusion in the list, removal of an issuer's securities must be approved by holders of those securities in a manner specified by the JSE. This is generally well understood and is adequately dealt with in Section 1 of the Requirements.

Section 5 of the FMA further stipulates that the JSE must be satisfied on reasonable grounds that the interest of minority shareholders have been considered. The JSE therefore has a very specific statutory duty to consider and be satisfied that the interests of minorities have been considered.

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

Non-Executive Directors: N Nyembezi (Chairman), ZBM Bassa, MS Cleary, VN Fakude, Dr SP Kana, FN Khanyile, BJ Kruger, Dr MA Matookane

Group Company Secretary: GA Brookes

Sponsors and Designated Advisers are also reminded of the role of the JSE, which includes ensuring that shareholders are given full information and afforded adequate opportunity to consider in advance and vote upon significant matters.

In this regard the JSE is of the view that any shareholders' meeting required pursuant the Requirements and/or the FMA to remove an issuer's listing cannot take place during a prohibited period. In order to properly assess the offer being made and to make an informed investment decision on the removal of listing, shareholders must be afforded adequate time to consider the information that is the subject of the prohibited period. Such information must therefore be provided to investors when notice of the meeting is given. In addition, the offer period pursuant to a delisting proposal must not be in a prohibited period to enable shareholders an opportunity to make an informed decision.

As always, the JSE remains available and encourage early engagement on this important matter.

Yours faithfully



**A F VISSER: DIRECTOR
ISSUER REGULATION**