



**TAMELA JSE LISTINGS REQUIREMENTS
AND RELATED REGULATORY
GUIDELINE AND NOTES**

THIRD EDITION

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FOREWORD

Tamela Holdings Proprietary Limited (“Tamela”), founded in 2008, is a financial services group with activities in corporate finance, fund management and principal investments. We thank all our clients who have supported us over the past twelve years.

The events of the past year would have been unimaginable a year ago and their impact on business would likely be appreciated in the fullness of time. The global Covid-19 pandemic has required policy makers and regulators to respond with unusual agility to create an enabling environment for companies to cope with the effects of the pandemic. In the context of corporate South Africa, this agility has included the FCSA, the JSE and the SARB providing temporary dispensation to compliance with, amongst others, periods for publication of financial results and minimum capital requirements.

Understanding the JSE Listings Requirements and related regulations is a key building block of corporate activity for listed entities and those that interact with such companies. Transactions are often delayed by unanticipated regulatory hurdles.

It pleases us to present this third edition of the Tamela JSE Listings Requirements and Related Regulatory Guideline and Notes (“Tamela JSE Guide”). This edition is based on JSE Listings Requirements Issue 27 and Covid-19 Guidelines as issued by the JSE in 2020 and is intended to be a supporting and quick reference tool for market participants, company executives and corporate finance practitioners. However, it is not a substitute for the entire JSE Listings Requirements as published by Lexis Nexis South Africa. The Tamela JSE Guide summarises the most important aspects of the JSE Listings Requirements and related regulations applicable to equity issuers.

Recent failures in governance within public and private institutions makes understanding of regulation ever more important. The response of regulators to these failures have resulted in expanded regulation, censure and penalties. We hope that the Tamela JSE Guide will be a useful tool in understanding the regulatory regime for listed companies and anyone considering a listing on the JSE. In a climate of an ever increasing regulatory burden, we hope this Tamela JSE Guide will assist executives navigate the regulatory landscape.

We would welcome any feedback (jseguide@tamela.co.za) on improvements we can make in subsequent editions of the Tamela JSE Guide. The Tamela JSE Guide is also available online (www.tamela.co.za) or through the QR Code below. We thank KAR Presentations for the collaboration on the content of this publication and our publishing partner, Bastion.

Yours faithfully

Tamela Corporate Finance team



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Tamela is an authorised financial services provider, FSP 42038 and a JSE sponsor.

About Tamela

Tamela founded in 2008 is a leading black-owned and managed corporate finance advisory and JSE equity sponsor company. Tamela has built a niche corporate finance advisory capability over the last twelve years with transactions that have ranged from R100 million to over R20 billion. Tamela’s advisory activities include providing corporate finance advice to selected clients on Listings, Rights Issues, Balance sheet restructuring, Debt Capital Markets (“DCM”), Equity Capital Markets (“ECM”), Black economic empowerment, M&A transactions and JSE equity sponsor services.



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DISCLAIMER

Whilst KAR Presentations, KA Rayner and Tamela are satisfied with the content of this Tamela JSE Guide, no person should take any action based on the content of this Tamela JSE Guide unless such person has reviewed the underlying JSE Listings Requirements and other regulatory documents referred to herein and obtained appropriate professional advice in respect of the matter concerned.

1. INTRODUCTION

This Tamela JSE Listings Requirements and Related Regulatory Guideline and Notes (“Tamela JSE Guide”) summarises the most important aspects of the JSE Listings Requirements (“JSE LR”) applicable to equity issuers. This Tamela JSE Guide does not deal with the JSE Debt Listings Requirements.

The content is arranged in sequential topical format with reference to the relevant section(s), schedules, guidance letters and practice notes of the JSE LR. The references provided are to the paragraph numbers in a particular section of the JSE LR. Reference to “ListCo” effecting any action requires such action to be effected by ListCo’s directors.

2. AUTHORITY OF THE JSE

2.1 Narrative summary

The JSE is given wide powers from Section 1 of the JSE LR, subject to the provisions of the Financial Markets Act, 2012 (“FMA”) to:

- Grant, defer, refuse, suspend or remove a listing of securities (equity, debt and specialist securities) from the JSE list; and
- Prescribe, enforce and amend (subject to public consultation) the JSE LR with which ListCos, ListCo group directors, sponsors, various experts and audit persons (audit firms, audit individuals, reporting accountants (“RA”), reporting accountant specialists (“RAS”) and IFRS advisers) must comply.

The JSE is required to review all listed securities annually and does so by requiring all ListCos to submit an annual compliance certificate evidencing annual compliance with the relevant JSE LR.

ListCos, ListCo group directors and audit persons may object to a JSE decision via a formal “objection” procedure. However, only two matters are “appealable” in the JSE LR – a JSE initiated delisting and deregistration of a sponsor.

The JSE has a general power to suspend trading of ListCo shares (“suspension”) at its instance when ListCo is in breach of the JSE LR or it is considered in the public interest to do so. Prior to effecting such suspension, the JSE will consult with and receive representations from ListCo’s board (“consultation”). If, however, the JSE is unable to contact a ListCo director it has the power to suspend trading without consultation. The JSE LR also provide for non-consultative automatic suspension if ListCo is in breach of certain JSE LR, namely: financial reporting, submission of annual compliance certificate and cash company requirements.

ListCo’s board can voluntarily request the JSE to suspend trading of its shares when ListCo:

- Is in financial difficulties, including provisional liquidation, business rescue, cessation of business, CIPC issue of a cease trading compliance notice or CIPC deregistration; or
- There is a false market, being two levels of information in the market as a result of a leak of confidential information which is unable to be cured by announcement.

When a ListCo’s securities are suspended, the ListCo must continue to comply with the JSE LR and must report the status of “curing” the suspension problem monthly to the JSE and quarterly to ListCo securities holders.

The JSE has the power to terminate a listing, subject to consultation with ListCo, and will do so after a ListCo has been suspended for a lengthy period of time, has been unable to cure a suspension problem and all shareholder value has been “lost”.

A voluntary termination of a listing is fairly complex and is dealt with in the corporate action tables.

Subject to consultation, the JSE is empowered to publicly or privately censure a ListCo and ListCo group directors in the event of a contravention of the JSE LR and may also impose a fine on such persons not exceeding the limit imposed by the FMA (being R7.5 million per person escalated by CPI annually, commencing in 2013). In the event of non-payment of a fine, the JSE may approach a competent court to obtain a civil judgment against the person concerned. The JSE may disqualify any person from holding the office of a director of a ListCo for any period of time. The JSE may refer an audit person to the Independent Regulatory Board for Auditors (“IRBA”) for disciplinary procedures to ListCo’s Audit Committee or, in extreme circumstances, terminate the accreditation of an audit person.

The JSE is empowered to require disclosure of information from ListCos and to convene investigations and hearings if necessary.

The JSE has an absolute discretion to publish information or require ListCos to publish information in relation to any of the abovementioned actions taken.

2.2 Tabular summary

Listings requirement	Summary of provision
Section 1	Authority of the JSE
1.1 – 1.5	General powers of the JSE
1.1	The JSE has the power to grant, refuse, suspend or remove listings and to prescribe and amend the JSE Listings Requirements (“JSE LR”) applicable to JSE listed companies (“ListCos”), ListCo group directors and audit persons (audit firms, audit individuals, reporting accountants, reporting accountant specialists and IFRS advisers)
1.2	All listings on the JSE are granted subject to compliance by ListCo and its directors with the JSE LR and any additional conditions imposed by the JSE
1.3	Subject to judicial review and appeal provisions in the FMA, JSE rulings are final
1.4	Objection procedure against a JSE decision available to ListCos, ListCo group directors and audit persons
1.5	Appeal procedure against a JSE termination decision available to ListCos (NB! only two matters are appealable in the entire JSE LR)
1.6 – 1.16	Suspension and removal of securities
1.6 – 1.9	The JSE may suspend a listing if ListCo is in breach of the JSE LR and it is in the public interest to do so, including suspension if directors have not acted timeously to remedy a leak of price sensitive information

Listings requirement	Summary of provision
1.10	Voluntary application for suspension by ListCo directors when ListCo is in financial difficulty or there has been a leak of price sensitive information that is unable to be remedied by an announcement
1.11	Continuing obligations by ListCo during suspension – all JSE LR continue to apply, JSE and shareholder notifications required regarding status of remedy
1.12 – 1.13	The JSE may remove a listing if ListCo is in breach of the JSE LR and it is in the public interest to do so after taking note of ListCo representations
1.14 – 1.17	Voluntary application for removal of securities – complex procedure requiring director, JSE and shareholder approval
1.18 – 1.19	Redemption of listed redeemable securities
	Application to the JSE for the removal of redeemable securities from the List must be effected in accordance with the terms of the redeemable securities and in compliance with the relevant CA timetable
1.20	All listings are reviewed / revised by the JSE annually after receipt of the Schedule 2 Form D1 annual compliance certificate, together with ListCo's Annual Financial Statements, confirming compliance with the JSE LR by both ListCo and by ListCo's directors during the prior financial year / period ended
1.21 – 1.30	Censure and penalties, information and publication
	<p>Subject to consultation, the JSE is empowered to publicly or privately censure a ListCo and ListCo group directors in the event of a contravention of the JSE LR and may also impose a fine on such persons not exceeding the limit imposed by the FMA (being R7.5m per person escalated by CPI annually, commencing in 2013)</p> <p>The JSE may disqualify any person from holding the office of a director of a ListCo for any period of time. The JSE may terminate the accreditation of any audit person but may, currently, not impose any fine on such person</p> <p>In the event of non-payment of a fine the JSE may approach a competent court to obtain a civil judgement against the person concerned</p> <p>The JSE is empowered to require disclosure of information from ListCos and to convene investigations and hearings if necessary</p> <p>The JSE has an absolute discretion to publish information or require ListCos to publish information in relation to any of the abovementioned actions taken</p>
1.31 – 1.32	Amendments to the JSE LR
	Subject to the FMA, the JSE is empowered to amend the JSE LR through a public consultation process

3. MEMORANDUM OF INCORPORATION (“MOI”)

3.1 Narrative summary

Every ListCo is required to have a MOI that is in compliance with Schedule 10 of the JSE LR that has been approved by the JSE. SubCos of ListCo are not required to submit their MOI to the JSE for approval, but such MOI must not contain any provisions frustrating the application of the JSE LR on a group-wide basis by ListCo. The MOI requires continual compliance by a ListCo with the JSE LR. The MOI provides for alterations to various Companies Act requirements as provided for, *inter alia*, in Section 15 of the Companies Act.

4. SPONSORS

4.1 Narrative summary

Sponsors are JSE registered persons, being companies, sole proprietors or partnerships, which advise ListCos regarding the application of and compliance with the JSE LR. Sponsors are usually required to have at least three individual Approved Executives in their employ that are registered with the JSE who have expert knowledge of the JSE LR.

All ListCos are required to have a continually appointed independent sponsor. Sponsors are usually independent of ListCo but in some instances may not be independent, which then limits the advisory services able to be provided to such ListCo to routine administrative matters. There are complex rules contained in Schedule 16 that are applied in determining whether a sponsor is independent.

Sponsors have quite onerous responsibilities and are required to have an answer to every/ any question asked of them by a ListCo. They are required to approve and release all ListCo announcements on SENS and effect the listing of all ListCo shares onto the JSE List. They must check and submit all ListCo documentation requiring approval to the JSE.

If sponsors are ever in breach of their responsibilities, they may be censured and fined up to R1 million by the JSE. The JSE may deregister a sponsor in extreme circumstances. The JSE has broad powers of investigation and publication of information regarding sponsors.

4.2 Tabular summary

Listings requirement	Summary of provision
Section 1	Authority of the JSE
2.1	Sponsors must be qualified to be registered by the JSE
2.2 – 2.6A	Appointment and termination
	<ul style="list-style-type: none">ListCos require a continually appointed sponsor but may use other sponsors for corporate actionsListCos may terminate and appoint sponsors as required, which requires board approval, JSE notification and announcement on SENS
2.7 – 2.11	Responsibilities
	Sponsors are required to have expert knowledge of the JSE LR and must continually advise ListCos on the application and compliance of the JSE LR

Listings requirement	Summary of provision
2.13 – 2.16	Direct access
	<p>All communication by ListCo to and from the JSE must go via the sponsor</p> <p>Sponsors must approve and effect the SENS release of all ListCo announcements</p>
2.17 – 2.18	Disciplinary action
	<ul style="list-style-type: none"> • If a sponsor is in breach of the JSE LR the JSE is empowered to effect a public or private censure and a penalty up to R1 million • Sponsors have no right of objection in terms of Section 1.4 but have a right of appeal if the JSE proceeds with a deregistration process
Schedule 16 and 17	<ul style="list-style-type: none"> • Complex rules dealing with sponsor independence • Disclosures that are made when documents are submitted to the JSE for approval

The link in a successful partnership



Tamela acts as Joint JSE Sponsor to MTN Group Limited and JSE Sponsor to MTN Zakhele Futhi (RF) Limited

Tamela has been involved in the wider MTN group since 2013 recommending amendments to the JSE BEE board listings requirements to facilitate MTN Zakhele's move from an OTC counter to a JSE listed entity, its subsequent unwinding and delisting, and the replacement MTN Zakhele Futhi BEE transaction and listing thereof in 2019

Founded in 2008, Tamela continues to grow through its independent, niche corporate finance advisory offerings (listings, JSE sponsor services, rights offers, restructuring, DCM, ECM, BEE transactions and M&A).

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Tamela is an Authorised Financial Services Provider and JSE Sponsor.

5. CONTINUING OBLIGATIONS (INCLUDING TRADING STATEMENTS)

5.1 Sections 3.1, 3.2 and 3.3 and Sections 3.4 to 3.10

5.1.1 *Narrative summary*

Continuing obligations

A ListCo must comply with the JSE LR on a continual basis even if there is an overlap with another law. Such overlap often involves the South African Companies Act and may require two separate approvals for the same corporate action (“CA”).

A ListCo must have an appointed sponsor at all times.

General obligation of disclosure

ListCo must draft an information policy dealing with all principles concerning measurement, classification and disclosure of information (“Information Policy”).

Price sensitive information (“PSI”) is unpublished information, that is known with reasonable certainty and is deemed to have a material effect on ListCo’s traded security price (“security price”) when published on SENS. Information arising from corporate actions (“CA”) and unusual in the ordinary course of business (“ITOCOB”) events (“Events”) must be determined as being PSI or not.

Information will pre-qualify as PSI if it is deemed (by ListCo) to have a material effect on ListCo’s security price. “Material effect” does not rely upon the definition of “material” in the JSE LR, which as a rule of thumb is 10%. A reasonable measurement level for a material effect is any deemed increase or decrease in ListCo’s share price of 5% or more, determined using the measurement metrics of size and importance. Assuming a material effect of 5%, the size measurement metric will deem any information to pre-qualify with respect to a CA or ITOCOB event if the monetary size of the subject matter concerned is equal to or greater than 5% of ListCo’s market capitalisation. Any information that does not pre-qualify as PSI in terms of size (i.e. monetary size is less than 5% of ListCo’s market capitalisation) will pre-qualify if it is decided by ListCo that market perception and reaction to such information disclosure would have a material effect on ListCo’s security price.

Pre-qualified PSI will (finally) qualify as PSI when the probability of success of a CA or Event achieves “reasonable certainty”. Reasonable certainty is achieved when the probability of success is greater than 50% with no other competing probable outcomes of any material size.

There are therefore two steps required to qualify information as being PSI, firstly it must be deemed to have a material effect on ListCo’s security price and then, secondly, it must become reasonably certain that the CA or event will occur. When ListCo is in possession of PSI it is in a price sensitive period.

5.1.2 Tabular summary

Listings requirement	Summary of provision
Section 3	Continuing obligations
3.1 – 3.3	Compliance with the JSE LR
	<ul style="list-style-type: none"> ListCo must comply with the JSE LR on a continual basis even if there is a conflict ListCo must continue to comply with the “control over assets” rule that applied at date of first listing ListCo must continually have an appointed sponsor – for most ListCos the sponsor is also independent
3.4 – 3.10	General obligation of disclosure
3.4(a)	<ul style="list-style-type: none"> ListCo must determine whether information arising from any CA or any “not in the ordinary course of business” event qualifies as being PSI Practice Note 2/2015 must be applied in determining whether information qualifies as being PSI – this involves applying the metrics of size, importance and reasonable certainty PSI must be announced on SENS without delay (and usually in the press) unless it can be kept confidential

5.2 Inside information and the linkage to price sensitive information (“PSI”) – FMA Sections 77 to 82

5.2.1 Narrative summary

The FMA defines inside information as information concerning ListCo which, if it were made public, would be likely to have a material effect on ListCo’s security price, or on any JSE-listed derivative security in respect of any of ListCo’s shares. Because there is no definition of “material” in the FMA, inside information is deemed to be the same as PSI.

Any price sensitive period is therefore deemed to also be an inside period and all principles with respect to PSI apply, *mutatis mutandis*, to inside information.

Any person who receives inside information concerning ListCo becomes an Insider and if it/they commit an insider trading offence they are liable to up to a maximum civil liability of four times the profit made (or loss avoided) plus a R1 million penalty increased by the rate of CPI from 2013 (roughly 6% per annum compounded).

Separately – criminal sanction for, *inter alia*, insider trading carries up to 10 years in jail and/or up to a R50 million fine.

5.3 Insider trading

The insider trading offences and defences are summarised as follows:

<p>Offence 1</p>	<ul style="list-style-type: none"> • An Insider (being a person in possession of inside information concerning ListCo) dealing (including buying, subscribing or selling listed securities) directly or indirectly for his/her/ its own benefit in ListCo securities: <ul style="list-style-type: none"> – Defence 1 – the instruction to deal was given to a stockbroker before the person became an Insider; or – Defence 2 – all dealing parties were in possession of the same inside information
<p>Offence 2</p>	<ul style="list-style-type: none"> • A stockbroker or other person (agent) (stockbroker), already an Insider, dealing in listed securities for a client: <ul style="list-style-type: none"> – Defence 1 – the stockbroker is unaware that the client is an Insider; or – Defence 2 – the instruction to deal was given to a stockbroker before the client became an Insider; or – Defence 3 – all dealing parties – including the stockbroker – were in possession of the same inside information
<p>Offence 3</p>	<ul style="list-style-type: none"> • A stockbroker or other person (agent) (stockbroker), not an Insider, dealing in listed securities for a client that is an Insider and is aware that the client is an Insider: <ul style="list-style-type: none"> – Defence 1 – the instruction to deal was given to the stockbroker before the client became an Insider; or – Defence 2 – all dealing parties – including the stockbroker – were in possession of the same inside information
<p>Offence 4</p>	<ul style="list-style-type: none"> • An Insider discloses inside information to any other person; <ul style="list-style-type: none"> – Defence – disclosure was required in terms of employment or profession and not related to dealing in listed securities, e.g. auditing, legal agreement drafting, etc.
<p>Offence 5</p>	<ul style="list-style-type: none"> • An Insider encouraging or discouraging any person to deal or not deal: <ul style="list-style-type: none"> – Defence – none

5.4 Confidentiality and announcements – Sections 3.5 to 3.10

5.4.1 *Narrative summary*

Confidentiality of PSI (and inside information) is a myth. It will almost always be breached due to the ever-increasing number of persons becoming aware of such information over time who are not formally recorded as Insiders.

However, in order to maintain a manageable existence, ListCo will presume confidentiality is maintained provided ListCo is unaware of any overt PSI disclosures having been made to non-insiders (“disclosure breach”) and if ListCo’s traded share volumes and share prices do not deviate by an amount that is deemed to be indicative of a breach. Share volume and price movements of 5% or more from 20-day moving average volumes or prior day closing prices are reasonable pre-indicators of a breach of confidentiality.

Any pre-indicated disclosure breach must be immediately investigated and a determination made whether any volume or price move(s) can be explained by, or attributed to, general market forces such as a general market increase or decline, increase or decline of peer group ListCo’s volumes and/or prices, increase or decrease in Rand exchange rates, commodity price movements, etc. – and if no such explanation or attribution appears to be reasonable then a disclosure breach must be assumed to have occurred.

After any overt or assumed disclosure breach has occurred, ListCo must immediately contact (within minutes) any involved counterparty/ies (“counterparties”) and inform such counterparties of the disclosure breach and of ListCo’s obligation to immediately announce (probably within an hour) all known facts, including naming the counterparties, concerning the ITOCOB event or CA on SENS. Provided the counterparties agree, ListCo must then proceed to contact its sponsor and brief the sponsor to draft and release a detailed cautionary announcement on SENS and in the press. If the counterparties do not agree then ListCo must either: (i) terminate negotiations with the counterparties and brief the sponsor to draft an explanatory announcement on SENS and in the press stating that ListCo is not involved in any PSI negotiations, or (ii) agree with counterparties that negotiations will not be terminated and must immediately apply to the JSE for a suspension of ListCo securities trading. In the event of a suspension of ListCo securities trading, negotiations must be concluded within days and ListCo must then announce either a detailed cautionary announcement or explanatory announcement on SENS and in the press and apply for a resumption of share trading.

Cautionary announcements require further cautionary announcements to be published every 30 business days in order to apprise the market of progress concerning the CA.

Cautionary announcements will disclose all details that are known with reasonable certainty at such time.

It is important to note that confidentiality overrides reasonable certainty, but that certainty (100%) overrides confidentiality – which is why PSI does not need to be announced in a cautionary announcement when confidentiality is maintained and why “terms” must be announced immediately when agreement is reached.

5.4.2 Tabular summary

Listings requirement	Summary of provision
3.5 – 3.10	Confidentiality and announcements
3.5	PSI may not be released other than on SENS during JSE trading hours
3.6	PSI also qualifies as inside information in terms of the FMA and, in disseminating such information, ListCo must not commit the insider trading offence contained in Section 78(4)
3.7 and 3.9	<ul style="list-style-type: none"> • If confidentiality of PSI cannot be maintained or is breached an announcement is required immediately • An announcement of PSI must be effected as either a cautionary announcement or “terms” announcement (a terms announcement will contain all relevant information) if confidentiality is breached
3.8	All information that is price sensitive or required to be disclosed in terms of the JSE LR that is going to be released in any meeting or presentation must be announced on SENS prior to commencement of such meeting or presentation
3.10	Application for exemption from publishing PSI may be made to the JSE – this is never done as ListCo is given the power to determine when to publish anyway

5.5 Publication of trading statements – Section 3.4(b)

5.5.1 Narrative summary

Trading statements apply to two separate financial periods: firstly, to the interim period ending/ended with respect to the six-month interim period results and secondly, to the full financial year ending/ended with respect to the 12-month financial year results. Each trading statement is mutually exclusive of the other.

ListCo’s consolidated earnings per share (“eps”) and headline earnings per share (“heps”) must be calculated on a monthly basis. Alternatively, if ListCo is a property entity it may use distribution per share (“dps”) after announcing such base line information usage via SENS.

ListCo’s monthly consolidated eps and heps (or dps) must be used as a basis to internally forecast eps and heps (or dps) for two separate financial periods:

- Firstly, with respect to the interim period ending/ended – to the end of such interim period (“interim forecast”); and
- Secondly, with respect to the second half of the financial year – to the end of the financial year ending/ended for the full financial year (“financial year forecast”).

The respective interim forecast and financial year forecast must be compared either:

- To the respective prior year’s interim or financial year’s historical eps and heps (or dps) in cents; or
- To forecast eps and heps (or dps) in cents that have been published for the current interim period or current financial year (“base line information”).

When the respective interim forecast or financial year forecast is expected, with reasonable certainty, to be greater than or less than the relevant base line information by 20% or more with respect to eps or heps or 15% or more with respect to dps, a trading statement is required to be published on SENS.

The trading statement must disclose either:

- If range based – the relevant base line information, the forecast range of eps and heps (or dps) in cents and the percentage range increase or decrease (if equal to or less than 100%) compared to the base line information, and such range may not exceed 20% of the base line information [Guidance Letter 20 September 2018 indicates that range must be as specific as possible and not simply rely on 20%]; or
- If minimum based – the relevant base line information, the forecast minimum eps and heps (or dps) expected and the minimum percentage increase or decrease (if equal to or less than 100%) compared to the base line information. Where such minimum percentage trading statement is disclosed, further “minimum” trading statements are required until finally a trading statement is published with a range followed by publication of the financial results.

ListCo must determine from historical publication of results what eps and/or heps (or dps) percentage increase or decrease level(s) resulted in a material effect on ListCo’s security price. When such reasonably certain forecast of eps and/or heps (or dps) is reached in a relevant trading statement period, ListCo is in a price sensitive period and must apply all PSI principles.

The publication of a trading statement provides the market with an update of all financial PSI and therefore automatically results in the cessation of a price sensitive period that arose from ITOCOB trading conditions. The publication of a trading statement does not give rise to a cautionary period or a financial closed period.

ListCo may voluntarily publish a trading statement at a lower forecast eps and/or heps (or dps) threshold than the 20% or 15% level in order to terminate a price sensitive period.

5.5.2 *Tabular summary*

Listings requirement	Summary of provision
3.4(a) and 3.5 – 3.10	Confidentiality and announcements
3.4(b)	Trading statements apply to two separate financial periods: the interim period and the financial year/period, on a mutually exclusive basis (period ending/ed). Excluding Property ListCos, when ListCo is reasonably certain that forecast eps and/or heps for the relevant current period ending/ed will be greater than or less than – either the comparative historical prior (financial year) period eps and/or heps or forecast eps and/or heps for the current period ending/ed that were previously published as a specific forecast – then a trading statement must be announced on SENS.

Listings requirement	Summary of provision
	<p>Trading statements may be ranged based, with a maximum range of 20% of comparative historical eps and/or heps or forecast eps and/or heps. Alternatively, trading statements may be based on a minimum stated increase or decrease for eps and/or heps. A minimum-based trading statement requires a range-based trading statement to (eventually) be published prior to the period ended financial results being published.</p> <p>When forecast eps and/or heps fall outside the range of a published range-based trading statement or move materially “away” from a published minimum-based trading statement, a new trading statement must be published. The principles concerning PSI apply to the trading statement regime.</p>

6. FORECAST FINANCIAL INFORMATION

6.1 Narrative summaries

Forecast financial information is “triggered” by any statement or announcement referring directly or indirectly (i.e. financial data requiring interpretation and calculation – so-called “mosaic theory”) to any future period profits or losses and which contains eps or heps (or dps) disclosure or from which eps or heps (or dps) can be reasonably expected to be calculated.

There are two different types of forecasts, a specific profit forecast and a general profit forecast. Any disclosed forecast financial information must have been properly compiled in accordance with IFRS principles.

Specific profit forecast

A specific profit forecast is a forecast that discloses eps and heps as a number, percentage, range of numbers or percentages, or a minimum or maximum for a future period ending or for a period ended but not yet reported upon.

Trading statements are classified as specific profit forecasts.

A specific profit forecast, excluding trading statements, is usually published on a voluntary basis and may be included in a periodic financial information report or separately on SENS. Certain corporate actions require publication on SENS and in a circular, pre-listing statement (“PLS”), revised listing particulars (“RLP”) or in a prospectus.

If a specific profit forecast is included in an announcement only, usually in an interim report – or post financial year end in an Abridged, Preliminary or Provisional Report (and then in the annual report but not in the annual financial statements), it requires only ListCo directors’ approval. Inclusion in that part of the integrated report or AFS that is not covered by the auditor scope paragraph does not require auditor review.

If a specific profit forecast is published in the AFS (which is covered by the auditor scope paragraph), a circular, PLS, RLP or prospectus, it requires ListCo directors’ approval and must be auditor-reviewed by a JSE-accredited reporting accountant.

6.1.1 General profit forecast

A general profit forecast is a forecast that implies an eps and heps (or dps) level for a future period ending, or for a period ended but not yet reported upon, in comparison to a prior financial period ended, e.g. eps and heps (or dps) are expected to be greater than, less than or in line with last year's eps and heps (or dps).

If a general profit forecast is included in an announcement only, usually in an interim report – or post financial year end in an Abridged, Preliminary or Provisional Report (and then in the annual report but not in the annual financial statements), it requires only ListCo directors' approval.

A general profit forecast will not usually be published in the AFS, a circular, PLS, RLP or prospectus.

Any general or specific profit forecast publication requires the material assumptions and basis used in the forecast compilation to be disclosed in such publication.

Any "financial guidance" regarding future profits or losses relating to the current financial year or next financial year may only be disclosed in the form of a specific or general profit forecast.

Any guidance regarding future profits or losses relating to the third future financial year ending, measured from the current (first) financial year ending, may be made providing the information disclosed does not "trigger" a specific or general profit forecast, i.e. revenue without expenses, expenses without revenue, etc.

6.2 Tabular summary

Listings requirement	Summary of provision
Section 8	Financial information
8.1 – 8.56	<p>These JSE LR deal with the requirements to issue reports of historical financial information ("RHFI"), reports of <i>pro forma</i> financial information ("PFFI") and profit forecasts/estimates reports ("PFE") in respect of corporate actions and the issuance of PFE in the ordinary course of business.</p> <p>RHFI include historical financial information disclosures for the last three financial years for main board ListCos and one or two financial years for AltX ListCos and are only ever issued as part of a circular, PLS or prospectus with reporting accountant ("RA") audit review sign off (long form).</p> <p>PFFI reports show the effect of corporate action financial effects on RHFI and are able to be issued in long form or as part of an announcement only, which does not require RA sign off (short form). PFE includes all forecasts and estimates and can be issued in long or short form. PFE includes trading statements, general forecasts and specific forecasts. PFE in short form is typically included in the results paragraph of a periodic financial announcement.</p>

7. LISTCO PRESENTATIONS, INTERVIEWS AND BRIEFINGS

7.1 Presentations and interviews

7.1.1 *Narrative summary*

ListCo presentations concerning periodic financial information, Corporate Action(s) or ITOCOB events (“presentations”) and/or separate meetings with shareholders, the media or analysts (“meetings”) must be dealt with in the Information Policy.

Presentations and meetings must only be effected by authorised persons.

ListCo must ensure that authorised persons attend training concerning PSI/inside information principles contained in the JSE LR and FMA.

Authorised persons must be determined by ListCo.

Authorised persons must be briefed by ListCo prior to any presentation or meeting to ensure that no PSI is disclosed in the presentation or meeting.

Any meeting must be attended by at least two authorised persons.

Authorised persons must ensure that disclosure of PSI is not effected by body language actions.

Minutes of such meetings must be taken by one of the authorised persons.

Post a presentation or meeting, a review of the minutes is required by the ListCo to determine whether any PSI was inadvertently disclosed and, if so, immediate disclosure of same is required on SENS, and all policy principles applicable to PSI apply.

If any disclosure triggered a forecast, immediate compliance with the forecast JSE LR is required, resulting in communication with the JSE and announcement of the PSI and forecast information on SENS.

No expansion of previously disclosed information may be effected if it results in new PSI disclosures.

No corrections of analysts’ reports are allowed unless they are corrections of errors arising from previously published PSI.

All presentations of interim and financial year results (and any other periodic financial information presentations) require the relevant short form report to be published on SENS and placed on ListCo’s website before the presentation commences.

The actual presentation itself, which may contain PSI that is not included in the short form report, including forecast information, must be placed on ListCo’s website and must be referred to in the SENS announcement referred to above.

No PSI may be given out or discussed in any presentation that is not contained in the results and/or presentation published on SENS and on ListCo’s website.

Any unplanned PSI disclosures that are made during any presentation (such as answering questions, etc.) require immediate publication on SENS and if a forecast has been triggered, compliance with the JSE LR forecast requirements (detailed above) is required.

No “financial guidance” may be given to any person in a meeting or presentation regarding consensus analyst forecasts unless such “guidance” is supported by relevant PSI and/or forecast information already published on SENS and on ListCo’s website.

So-called “industry guidance” may only be given out if it does not “trigger” a profit forecast or new PSI and deals only with already known industry issues.

Any SENS announcement, whether voluntary or required by the JSE LR, must contain all known material facts concerning the subject matter of the announcement.

7.2 Internal briefings of employees and social media

7.2.1 Narrative summary

Internal briefings of employees should only contain public information unless the intention is to make such persons Insiders.

Any employees that are made Insiders must sign the insider register and comply with all PSI requirements.

ListCo must formulate a social media policy for ListCo and include same in its Information Policy.

If ListCo has its own social media platforms and disseminates information thereon, ListCo must appoint authorised persons to effect such disclosures in compliance with all principles contained in the Information Policy, noting that no social media platform is the equivalent of SENS disclosures regarding disclosure into the public domain.

A social media policy can be formulated to be very restrictive or less so. A very restrictive social media policy prohibits all access during working hours by employees to the various social media platforms such as Twitter, Facebook, Instagram, LinkedIn, etc.

Notwithstanding the general restrictiveness of the social media policy, the social media policy must prohibit any comment on any social media platform concerning any information relating to ListCo at any time i.e. inside or outside working hours.

8. ACQUISITIONS AND DISPOSALS OF LISTCO SECURITIES

8.1 Narrative summary

In terms of Section 122 of the Companies Act, any beneficial acquisition or disposal of ListCo securities that transits a 5% multiple of ListCo’s securities requires notification to ListCo by such shareholder on Form TRP 121.1 within three business days of acquisition/dealing.

Such disclosed information in turn requires immediate disclosure by ListCo on Form TRP 121.2 to the Takeover Regulation Panel.

Any beneficial acquisition or disposal transiting a 5% multiple is generally deemed to be PSI and, notwithstanding the exemption relating to disposals of less than 1% of ListCo securities, requires disclosure to the public and shareholders in the form of a SENS announcement within 48 hours of receipt of such information.

ListCo must obtain a share register each month from the transfer secretaries/agent in excel format which will list all “certificated” shareholders and all “dematerialised” shareholders down to one level below the nominee company.

A comparison of each monthly share register to the prior month must be effected to determine movements in beneficial share ownership.

Any 5% multiple that appears to have been transited and not notified to ListCo must result in immediate contact by the ListCo with such shareholder/person to immediately obtain the relevant transiting information and then effect relevant disclosures.

In the event of non-compliance by a shareholder with a request for transiting information, immediate notification of such fact must be made to the Takeover Regulation Panel resulting in a formal investigation.

9. DIRECTORS' DEALINGS

9.1 Narrative summaries

9.1.1 *Prohibited periods*

Prohibited periods comprise both price sensitive periods and closed periods.

Price sensitive periods are discussed above.

Closed periods are either cautionary closed periods or financial closed periods.

Cautionary closed periods commence when a cautionary announcement is published on SENS (and press) by ListCo – cautionary announcements are discussed above. Cautionary closed periods cease when a Terms Announcement is published, or a withdrawal of cautionary announcement is published on SENS (and press) by ListCo, i.e. success or failure.

Financial closed periods commence at ListCo's interim period end and financial year end. Such periods cease upon publication by ListCo on SENS of the interim results or first short form announcement post financial year end, being an Abridged, Preliminary or Provisional Report. If ListCo reports quarterly results in compliance with IAS 34 format, then each financial quarter ended will also give rise to a financial closed period which will cease upon publication of the quarterly results.

Directors' Dealings

Directors Dealings apply to ListCo directors, ListCo company secretary and ListCo prescribed officers (which includes employees with perpetual significant executive power and employees with periodic material executive power) and to directors and the company secretary of ListCo's major subsidiary companies ("SubCos") ("Affected Directors"). Major SubCos are SubCos that account for 25% or more of ListCo's consolidated revenue or consolidated gross assets.

Directors' Dealings are widely defined and include all (actual) beneficial purchases, sales or subscriptions of ListCo's securities, any agreement to beneficially purchase, sell or subscribe for ListCo's securities in future, any (actual) beneficial purchases, sales or subscriptions of any derivative over ListCo's securities (including in terms of ListCo's share incentive scheme), any agreement to beneficially purchase, sell or subscribe for any derivative over ListCo's securities in future (including in terms of ListCo's share incentive scheme) and any pledge or similar security arrangement (which requires further disclosure at various stages of such arrangement) of ListCo's securities or derivative instruments that are held beneficially.

Beneficial holdings are holdings over securities that either provide the holder with any (or all) rights over the security concerned (being any dividend right, voting right, conversion right, redemption right or final winding-up return of capital right) or the power to dispose of the security or its dividends (scopes in asset managers and nominee companies).

Affected Directors are only allowed to effect Directors' Dealings in "open periods". Directors' Dealings are prohibited during prohibited periods, i.e. non-open periods. Application may be made to the JSE by an Affected Director for permission to deal in a prohibited period if there is no discretion involved in the dealing, i.e. the director concerned has no alternative but to deal, must deal in terms of law or if a loss will be incurred in terms of an in the money option expiring, or similar circumstances.

Affected Directors are (therefore) required to obtain approval to deal from ListCo's Chairman or Dealing Approval Committee (if ListCo has constituted such a committee). There is no prescribed JSE LR time limitation in which dealing must occur after receiving approval, but market practice dictates a reasonable period which varies from immediately to a couple of days.

After dealing, an Affected Director must notify ListCo within three business days and ListCo must announce the dealing details (quite detailed – refer to JSE LR 3.63(b)) on SENS within 24 business hours.

Each Affected Director must instruct his/her asset manager in writing that such asset manager may not effect ListCo Share Dealings on behalf of the Affected Director unless the Affected Director concerned has instructed such asset manager in writing to effect ListCo Share Dealings. The Affected Director concerned must interrupt any discretionary mandate given by the Affected Director to the asset manager with respect to ListCo Share Dealings, i.e. a discretionary mandate cannot override this rule.

Each Affected Director must formally notify his/her Associates of the fact that the Affected Director is a director of ListCo (“Associate Notification”). If any Directors’ Dealing is effected by an Associate but no notification of such Directors’ Dealing is made to the Affected Director concerned – and the Affected Director had effected the Associate Notification – there is no breach of the Directors’ Dealings requirements by the Affected Director concerned. If, however, there was no Associate Notification effected and an Associate deals and does not inform the Affected Director, who then in turn does not inform ListCo, which in turn does not announce on SENS – this constitutes a breach of the Directors Dealings requirements by the Affected Director.

If any Directors’ Dealing is effected by an Affected Director in breach of the Directors’ Dealings requirements, notification of such Directors’ Dealing is required on SENS, and the JSE must be notified of the breach via ListCo’s sponsor at the same time.

Associates

Associates of Affected Directors include:

- Spouse(s) and minor children of such Affected Director (“Immediate Family”);
- Any trust (including trustees) that has declared or discretionary beneficiaries that include an Affected Director and/or Immediate Family;
- Any trust (including trustees) that is “controlled” (control in this instance is defined as being able to change 35% or more of the voting power of the trustees, the number of trustees and/or beneficiaries) by an Affected Director and/or Immediate Family;
- Any company that is controlled by an Affected Director and/or Immediate Family and/or by any trust or trustees detailed above (“controlled company”);
- Any controlled company’s holding company, SubCos, fellow SubCos or other company whose directors take instruction from the controlled company;
- Any other company that is itself controlled by the controlled company (measured at 35% plus share voting power control or board voting power control).

If company C is an associate of company B, and company B is an associate of company A, and company A is an associate of an individual, then Companies A, B and C are all associates of the individual.

Interesting examples of beneficial holdings include the following:

Example 1
 If a director of ListCo (“Affected Director”) is the 100% shareholder of a private company (therefore it is an Associate of such Affected Director) and is also the sole director of such private company – and the private company holds ListCo securities – the private company is a direct beneficial holder of ListCo securities and the Affected Director is an indirect beneficial holder of ListCo securities – therefore the Directors’ Dealings requirements apply to both the Affected Director and the Associate, respectively

Example 2
 If the structure in Example 1 did not include the Affected Director as a director of the private company – then the private company is the direct beneficial holder of ListCo securities, but the Affected Director is not an indirect beneficial holder – therefore the Directors’ Dealings requirements only apply to the Associate

Example 3
 If an Affected Director is one of three trustees of a trust – and such trust is such Affected Director’s associate – and the trust holds ListCo shares – the trust is a direct beneficial holder, but the Affected Director is not an indirect beneficial holder

Example 4
 If the Affected Director in the above trust structure was the sole trustee or one of two trustees, but with *de jure* control over trust decisions – then the Affected Director would be an indirect beneficial holder and the Directors’ Dealings requirements would apply to both the Associate and Affected Director, respectively

Associates of Affected Directors (“Associates”) are not subject to the same dealing prohibition as Affected Directors and may (therefore) effect Directors’ Dealings at any time without seeking approval from ListCo. Associates must therefore NEVER ask for clearance to deal from ListCo. However, if an Affected Director and an Associate are both beneficial holders of the (same) ListCo securities, then the Associate cannot deal without approval – not because the Associate requires approval but because the involved Affected Director requires approval.

Within 24 business hours of effecting Directors’ Dealings, an Associate must notify the Affected Director concerned of all pertinent dealing details (refer to Section 3.63(b)); and the Affected Director concerned will then, within a further 72 business hours, in turn, notify the ListCo of such information, who will then ensure publication on SENS within the next 24 business hours.

9.2 Tabular summary

Listings requirement	Summary of provision
3.63 – 3.74	<p>Directors' Dealings in securities</p> <ul style="list-style-type: none"> • Directors, prescribed officers and the company secretary of ListCo and the directors and company secretary of major SubCos of ListCo (SubCos that account for 25% of group revenue or group gross assets) are subject to compliance with Directors' Dealings ("Affected Director") • Dealings are broadly defined and include actual or agreed future purchases, sales, pledges or similar security arrangements (which requires further disclosure at various stages of such arrangement) and subscriptions of ListCo's listed securities or derivatives in respect thereof (including share incentive schemes that are equity settled) ("Directors' Dealings") • Affected Directors may not effect Directors' Dealings in prohibited periods (being price sensitive and/or closed periods) • Directors Dealings by Affected Directors require approval from ListCo's chairperson (or a committee). After dealing, notification is required by the Affected Director to ListCo within three business days with all relevant details • ListCo must announce all Directors' Dealings on SENS within 24 hours of receiving notification from the Affected Director • Associates of Affected Directors are free to effect Directors Dealings in any period but must notify the Affected Director concerned of the dealing within 24 hours of dealing. Affected Directors then have three business days to subsequently notify ListCo and ListCo then has 24 hours to announce on SENS. Affected Directors are required to pre-notify their associates that they are Affected Directors • Breaches in respect of not obtaining approval or effecting required notifications result in a JSE censure and penalty against the Affected Director

10. SHARE INCENTIVE SCHEMES

10.1 Narrative summary

Share Incentive Schemes (“Schemes”) most commonly adopted and used by ListCos are of three general types: dilutionary equity settled schemes (“DES Schemes”), non-dilutionary equity settled schemes (“NDES Schemes”) and share appreciation rights schemes (“SAR Schemes”).

The Schemes employ different principles.

A DES Scheme involves the issue of ListCo securities by ListCo (or vending out from a SubCo of ListCo any ListCo treasury securities), via the DES Scheme (which may incorporate a trust) to participants upon settlement of moneys owing by such participants within the vesting period(s), and subsequent sale by participants, usually via the DES Scheme, into the secondary market and ultimate receipt of cash proceeds by such participants.

An NDES Scheme does not include the ability of ListCo to issue ListCo securities or vend out ListCo treasury securities. Instead, it involves the NDES Scheme purchasing ListCo securities from the secondary market for participants and then the same mechanics of vesting, payment, sale into the secondary market and receipt of proceeds by participants.

A SAR Scheme is a cash-settled scheme that does not involve the issue, vending out or purchase of ListCo securities at all. It is therefore a remuneration scheme. However, the structure of the scheme is identical to a DES Scheme or NDES Scheme regarding the pre-tax cash amount payable to participants. The only difference is that the ultimate cash payment to participants is effected by ListCo and not from the secondary market. If ListCo is concerned by such state of affairs it will need to borrow moneys, issue securities for cash or adopt a DES Scheme or NDES Scheme.

If the structure of a DES Scheme or NDES Scheme employs a sale on loan account to participants, a contract of sale is required between participants and the Scheme, which then involves performance compliance, i.e. payment of the issue price per security, irrespective of whether the value of ListCo securities is “in the money” or not at the final vesting performance date. This is obviously problematic if security prices fall below the settlement price and has generally resulted in such Schemes becoming less popular in the market.

Schemes involving options or rights, be they DES Schemes, NDES Schemes or SAR Schemes have tended to evolve over time into having a zero-strike price as part of the option or rights characteristics, i.e. there is no consideration payable by participants per security or right and all/some securities or moneys are awarded upon satisfaction of all/some vesting conditions. The advantage of a zero-strike price is that any securities or “cash” rights always have value which satisfies the most important Scheme purpose of “locking in” valuable participants by having them receive some value for vested securities even if the ListCo security price has fallen over the vesting period(s) from inception date. Such Schemes also involve fewer ListCo securities or rights based on a number of ListCo securities due to their full “in the money” nature compared to an incremental benefit which excludes settlement of the cost of the security or right.

Both DES Schemes and NDES Schemes are subject to the Directors' Dealings requirements, subject to non-Affected Director participants, i.e. participants who are not directors of ListCo or major SubCos of ListCo, being able to sell vested securities during prohibited periods. This exemption solves only half of the problem. The problems not solved are firstly, Affected Directors cannot sell vested ListCo securities through the Scheme, and secondly, neither Affected Directors nor non-Affected Directors may be issued new securities or rights during prohibited periods.

SAR Schemes are not subject to compliance with the Directors' Dealings requirements and therefore do not suffer the problem detailed above. For this reason, SAR Schemes are gaining in popularity.

10.2 Tabular summary

Listings requirement	Summary of provision
3.92	Equity settled share incentive schemes
	The Directors' Dealings requirements apply <i>mutatis mutandis</i> to any equity settled share incentive scheme subject to non-Affected Director persons ("participants") being able to deal in vested securities during prohibited periods. The effect of this rule is that new/fresh issues of options, rights or securities may not be made to any participants or Affected Directors during a prohibited period.

11. AUDITOR ACCREDITATION

11.1 Narrative summary

Audit firms and audit individuals (“auditors”) require accreditation with the JSE in order to be appointed as auditors to ListCo. ListCo’s Audit Committee is required to perform a review on both the audit firm and audit individual and, if satisfied, will then recommend the appointment of the audit firm and audit individual to the board which will then effect appointment. ListCo’s Audit Committee (and board) will also perform this review on an annual basis and recommend the appointment or re-appointment of an audit firm and audit individual at the AGM. The JSE monitors on a continuing basis that neither the audit firm nor the audit individual is “disqualified”. The JSE has the power to disqualify an audit firm or audit individual if such person is found to be incompetent by the JSE’s Investigation Unit.

Any change of auditor (firm or individual) by ListCo requires notification to the JSE and the newly appointed auditor must be accredited with the JSE. The JSE requires reasons for any resignation or termination to be submitted to the JSE by ListCo and the audit firm concerned in order to determine whether there are any problematic matters that need to be dealt with by ListCo and the JSE. A change of auditor(s) is usually viewed as PSI and will be announced on SENS. The JSE has the power to require a content-specific SENS announcement to be published, if considered necessary.

11.2 Tabular summary

Listings requirement	Summary of provision
3.86 – 3.89	Auditor and reporting accountant accreditation
	<ul style="list-style-type: none"> • Appointment of auditors and reporting accountants by ListCo require such persons to be accredited with the JSE in terms of Section 22 of the JSE LR (“JSE accreditation”) • Any auditor or reporting accountant that loses JSE accreditation must be replaced by ListCo within 90 days • SubCos of ListCo are not required to be audited unless so required in terms of the Companies Act or ListCo’s MOI • The requirements of JSE accreditation apply to foreign domiciled primary listed ListCos and to foreign domiciled auditors, subject to any exemptions provided by the JSE
Section 22	<ul style="list-style-type: none"> • Accreditation by the JSE of audit firms (“AFs”), reporting accountants (“RA”), audit individuals (“Als”), reporting accountant specialists (“RAS”) and IFRS advisers (“IAs”) is required in order for these persons to be able to be engaged by ListCos. AFs Als audit and review periodic financial information of ListCos on an ongoing basis and RA and RAS audit and review RHF1, PFF1 and PFE produced in long form in circulars, PLS and prospectuses. IAs advise AFs, Als, RA and RAS on the correct application of IFRS • Details of the compliance requirements for the accreditation of audit persons (AFs, Als, RA, RAS and IAs)



Creating value through partnerships

Tamela acted as joint adviser to Exxaro on its replacement ESOP and, more recently, has been appointed as Joint JSE Equity Sponsor

Previously, Tamela acted as Corporate Advisor to Main Street 333 with regards to the unwinding of Exxaro's 2006 BEE transaction as well as the implementation of the Exxaro replacement BEE transaction.

The combination of Tamela's longstanding relationship with Main Street and Exxaro has highlighted Tamela's technical capability and has led to a successful ongoing partnership.

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Tamela is an Authorised Financial Services Provider and JSE Sponsor.



12. PERIODIC FINANCIAL INFORMATION

12.1 Narrative summaries

ListCo's AFS are subject to annual audit but its SubCos' AFS are not. This is not problematic as auditors will audit all SubCos' financial information in the audit of the consolidated group.

Interim results

Interim results cover the first six-month period of the financial year and must be compliant with IFRS, the SAICA Financial Reporting Guides, the Companies Act and any required JSE accounting disclosures ("JSE GAAP").

Interim results must be issued and published:

- on SENS in very short form with a link to the long form on the following basis:
<https://senspdf.jse.co.za/documents/2020/jse/isse/BIBLT/YourDocumentName.pdf>
(with the document name limited to 14 characters); and
- in the press (in shortened form) within three months of the interim period ended.

A short form announcement in the press requires disclosure of increases/decreases in revenue/operating results, heps, eps, dividend/distribution and nav ("Short Form Press Announcement Disclosures").

Failure to publish the interim results within four months of the interim period ended will result in the suspension of trading in ListCo securities at the beginning of month five.

Interim results must be auditor reviewed if the audit opinion contained in the prior year annual financial statements was modified, excluding an emphasis of matter or a reportable irregularity paragraph, i.e. it was qualified.

The Audit Committee and board must determine each year whether to have the interim results auditor reviewed if the audit opinion in respect of the prior financial year was not qualified by the auditors.

An auditor review conclusion must state the accredited audit firm name (and audit partner as good governance disclosure) and whether the review conclusion is unmodified or modified. If modified, the entire modification paragraph must be published.

The Audit Committee and board must determine whether ListCo wishes to forecast in the prospects paragraph and if so, ensure compliance with the forecast JSE LR.

Financial year-end results

Financial year-end results are contained in the audited Annual Financial Statements (“AFS”) and cover the 12-month period of the financial year (unless the financial year has been extended or shortened) and must be compliant with IFRS, the SAICA Financial Reporting Guides, the Companies Act and any required JSE GAAP (“GAAP”).

JSE GAAP requires disclosure of eps, segmental reports, heps reconciled to eps, ListCo’s directors beneficial interest in ListCo securities (including securities subject to pledge or similar security arrangement), spread disclosure comprising public and non-public interests (in accordance with JSE LR 4.25 but excluding the extended family of a director of ListCo) in ListCo securities, directorate changes, share incentive scheme options and shares balances, auditor changes, issues of shares for cash details, repurchased securities details, restrictive funding arrangement details (if applicable), base line trading statement information if not eps and heps, report on any forecast made for the year ended, remuneration of ListCo directors (and prescribed officers in terms of the Companies Act).

The AFS usually form part of the Integrated Annual Report (“IAR”). Integrated reporting for ListCos is voluntary. The other parts of the IAR are the Annual Report (“AR”) and the notice of Annual General Meeting (“AGM”). The AR is often referred to as the “front end” of the IAR.

The AR contains all governance disclosures, including a statement confirming compliance with both relevant laws of establishment (usually the Companies Act for SA domiciled public companies) and ListCo’s MOI and other non-GAAP disclosures (chairman’s report, CEO’s report, sustainable reporting, etc.) including material risks (which risks may be incorporated via a weblink to the website of ListCo). The AR is often referred to as the “front end” of the IAR.

The AR contains all disclosures not included in the AFS or notice of AGM.

This includes governance disclosures confirming compliance with relevant laws of establishment (usually the Companies Act for SA domiciled public companies), ListCo’s MOI, the King IV Principles and the specific corporate governance principles contained in the JSE LR. Other disclosures include non-GAAP disclosures such as the Chairman’s report, the CEO’s report, the CFO’s report, sustainability framework reporting and a list of material risks (which risks may be incorporated via a weblink to the website of ListCo).

The AFS (usually the entire IAR) should be issued by ListCo within three months of the relevant financial year ended unless any particular matter makes such issue impossible, in which case such issue must then be effected by ListCo within four months of the financial year ended.

If the AFS (or IAR) is issued within three months of financial year-end, and no other announcement has been made in respect thereof, on the date of issue ListCo must publish an Abridged Report on SENS. The content of the Abridged Report is extracted from the AFS and is therefore audited and must be compliant with IFRS Interim Reporting disclosures, applied *mutatis mutandis*, to the financial year-end results and position (“Summarised AFS Content” or “short form Report”). The Abridged Report must also disclose the date, time and place of the AGM (“AGM Details”) if the notice of AGM is issued at the same time. Publication in the Press is voluntary and will be determined by ListCo.

If a voluntary Preliminary Report, containing Summarised AFS Content but no AGM details, is published by ListCo on SENS (only – press publication is voluntary) within three months of the financial year end, before the issue of the AFS (or IAR), ListCo must ensure that the content of such report is either auditor-reviewed or audited.

If the AFS (or IAR) is issued after publication of a Preliminary Report, before the expiry of three months post the financial year end, and the content of the AFS has not changed from the previously published content of the Preliminary Report, then a No Change Report must be published on SENS (only – press publication is voluntary) on such date of issue by ListCo. If the content of the AFS has changed from the previously published content of the Preliminary Report, then an Abridged Report must be published on SENS (only – press publication is voluntary) by ListCo. Both a No Change Report and an Abridged Report must contain AGM Details, provided notice of the AGM has been given.

If the AFS (or IAR) is not issued within three months of financial year end, notwithstanding that a Preliminary Report may or may not have been published on SENS (only – press publication is voluntary), a Provisional Report must immediately be published on SENS and in the Press (in shortened form containing the Short Form Press Announcement Disclosures detailed under Interim reporting above) by ListCo. The content of the Provisional Report is identical to the content of a Preliminary Report and must be either auditor-reviewed or audited. Even if a Preliminary Report has been published on SENS within three months of the financial year end, and the content of the Provisional Report is identical thereto, a Provisional Report must (still) be published on SENS and in the Press, excluding AGM Details by ListCo.

Any short form press announcement dealing with AFS results must disclose audit report, key audit matters and the type of audit opinion issued, including disclosure of any modifications in full and a weblink to Listco's website.

ListCo must ensure that all short form Reports name the accredited audit firm (and accredited audit partner as good governance disclosure) and state whether the opinion or conclusion is modified. If an opinion or conclusion is modified, ListCo must ensure that the modification is disclosed in such Report, in full.

ListCo must determine whether a forecast is to be included in the prospects paragraph of a short form Report and if so, ensure compliance with forecast reporting.

ListCo must ensure that all short form Reports and the IAR are placed on ListCo's website on the date of issue.

ListCo must ensure that the compliance certificate is provided to the JSE, electronically, on the date of publication of the IAR.

ListCo must ensure that delivery of the notice of AGM is effected using any of the delivery mechanisms allowed in the Companies Act, including delivery using non-registered mail in terms of Section 6(9)(b) of the Companies Act.

Covid-19 Guidance Letters

In March 2020 the JSE recognised that the Covid-19 lockdown consequences ("Covid-19") may affect the business models of ListCos. Accordingly, the JSE commenced issuing Guidance Letters to assist ListCos regarding the impact of Covid-19 ("Impact").

The following is a timeline summary of the Guidance Letters which remain relevant for 2021:

10 March 2020 Guidance Letter – Impact on JSE LR

- Reference made to JSE LR compliance regarding PSI disclosures, material risk disclosures and IFRS measurement disclosures resulting from Covid-19
- ListCos that have difficulty complying with periodic financial reporting obligations should approach the JSE via the sponsor to seek guidance / exemptions

Commentary

This guidance letter content remains relevant for 2021

17 March 2020 Guidance Letter – Impact on Issuer Regulation

- JSE personnel to work remotely and engage through telephonic and digital channels
- No change to normal documentation submission timetables
- Additional time will be provided for responses to the JSE concerning any matter in terms of which the JSE has requested a response

Commentary

This guidance letter content remains relevant for 2021

19 March 2020 Guidance Letter – Impact on Shareholder Meetings

- Notes that calling general meetings (“GMs”) and AGMs on a virtual basis is allowable if done in compliance with the Companies Act – provided the MOI does not prohibit same

Commentary

This guidance letter content remains relevant for 2021

25 March 2020 Guidance Letter – Impact on Financial Reporting

- ListCos that have difficulty complying with timing, content completeness and assurance by auditors regarding periodic financial reporting should approach the JSE via the sponsor to request a Reporting Variation Ruling (“RVR”)
- A successful RVR must be disclosed on SENS together with nature, reasons and expected timing to normalisation
- Quarterly Reporters (ListCos that issue IAS 34 compliant quarterly reports) that are unable to report quarterly must comply with Trading Statement disclosures
- PSI must be disclosed with regard to Covid-19 issues / disruptions
- Trading statements should be used for less than 20% trigger differences if considered important by ListCo

Commentary

This guidance letter content remains relevant for 2021

26 March and 26 June 2020 Guidance Letter and FSCA Notice – Impact on REITs

- Any REIT concerned with its ability to comply with the ongoing Section 13 “REIT Test” must engage with the JSE
- FSCA FMA Notice 6 of 2020 extends the 4 (four) month period (post financial year end during which REITs must pay the relevant 75% distribution to holders) to 6 (six) months with respect to financial years ending 29 February 2020, 31 March 2020, 30 April 2020, 31 May 2020, 30 June 2020, 31 July 2020, 31 August 2020 and 30 September 2020.

Commentary

This guidance letter content remains relevant for 2021

30 March, 2 April and 21 April 2020 Guidance Letters – Impact of Dividend Changes

- Deals with cancellations, changes and postponements of dividends
- JSE guidance:
 - a dividend is incapable of being cancelled once announced and after FD has occurred
 - however – if the timing of payment is extended after initial announcement – then the initial dividend payment dates (LDT, RD, PD) fail and must be announced again and then payment effected in terms thereof
- Companies Act compliance requirements
 - ListCo directors normally have power to declare and pay dividends – subject to ListCo passing the solvency and liquidity test (“S + L test”) at date of board approval
 - However, If ListCo fails to pay the dividend within 120 days of board approval, then the board must reconsider the S + L test – if ListCo fails the reconsidered S + L test – THEN – the dividend may not proceed and is then effectively “cancelled”
- Any “cancelled” dividend would require engagement with the JSE

Commentary

This guidance letter content remains relevant for 2021

1 April 2020 Guidance Letter – Listed Instruments

- Notes that PSI disclosures apply to listed instruments (Section 19 securities and debt securities) with regard to Covid-19 disruptions
- If terms and conditions require amendment the JSE will assist in expediting the process

Commentary

This guidance letter content remains relevant for 2021

3 April, 1 June and 8 July 2020 Guidance Letter and FSCA Notices – Extension of Financial Reporting

- In terms of 3 (three) of FSCA Notices, Equity and Debt ListCos are granted:
 - a 2 (two) month extension for year end financial reporting in respect of years ended (“Y/E”) 31 December 2019, 31 January 2020, 29 February 2020 and 31 March 2020, 30 April 2020, 31 May 2020, 30 June 2020 and 31 July 2020; and
 - a 1 (one) month extension for interim period end (“IPE”) financial reporting in respect of periods ended 31 May 2020, 30 June 2020 and 31 July 2020
- The extension effectively provides for 6 (six) months post Y/E in which to issue audited AFS (“AFS”) and 4 (four) months post IPE in which to issue an Interim Report
- The breach provisions applicable to Provisional Reports and issue of AFS are equally extended by two months, resulting in suspension of trading being effected only 6 (six) months post Y/E with respect to a Provisional Reporting breach and 7 (seven) months post Y/E with respect to an issue of AFS breach
- The breach provisions applicable to Interim Reports are extended by 1 (one) month, resulting in suspension of trading being effected only 5 (five) months post IPE

Commentary

This guidance letter content has expired regarding Interim Reporting but remains relevant for AFS for Y/E of 31 July 2020

14 April 2020 Guidance Letter – Disclosure of general share repurchases (General ROS')

- Any ListCo that considers a General ROS', effected by either ListCo or SubCo, below the mandatory incremental cumulative 3% disclosure threshold to be PSI, must announce such General ROS' details, being the date(s), high / low price and number of securities repurchased

Commentary

This guidance letter content remains relevant for 2021

17 April 2020 Guidance Letter – Capital Raising

- Reminder of timetable compliance requirements for rights offers, issues for cash and vendor placings that may be used to raise capital due to Covid-19 stress
- JSE will be sympathetic to ruling applications for exemption from issuing circulars and shareholder approval if ListCo is availing itself of the Rescue Bid procedures
- JSE rights offer approval timetable reduced from 10 bd to 5 bd, other CAs may apply for a reduced approval timetable and all documents for inspection only need to be placed on ListCo's website

Commentary

This guidance letter content remains relevant for 2021

24 April 2020 Guidance Letter – Financial Reporting

- Emphasises Accounting and Auditing matters with respect to Covid-19 problematic financial matters
- COVID-19 Taskforce formed to align regulators = JSE, FSCA, SAICA, IRBA
- Accounting matters - SAICA
 - <https://www.accountancysa.org.za/covid-19/saica-resources/covid-19-ifrs/> = guidance on IFRS issues including post balance sheet events, going concern, judgements. estimates
- Auditing matters - IRBA
 - <https://www.irba.co.za/guidance-for-ras/general-guidance/covid-19> = guidance for auditors regarding Covid-19 matters, mainly going concern

Commentary

This guidance letter content remains relevant for 2021

25 May 2020 Guidance Letter – Reflecting Impact in Financial Results

- Full and detailed disclosure required in AFS / Interim disclosure of:
 - estimates / judgements; and
 - risk disclosure in terms of IFRS 7 (Financial Instruments: Disclosures)
- Application of IFRS
 - IAS 34 = interim, prelim, provisional and abridged reports – explanation of significant events / transactions; specific disclosure of write down of inventories, change in business / economic circumstances affecting fair values, loan defaults; other specific disclosure of unusual items, changes of estimates vs prior period, post period events, significant changes in second six months disclosed in AFS
 - IAS 1 = expanded disclosure in IAS 34 format to explain covid-19 effects, additional line item disclosure to explain expanded disclosure, material disclosures but no "extraordinary" titling, other disclosures deemed relevant – disclosure of non-financial information is allowed provided there is clear disclosure thereof
 - IFRS 8 (segments) and IFRS 15 (Revenue) disaggregation disclosure is helpful for investors to understand current and future impacts of Covid-19

- Covid-19 Financial Analysis = allowed in terms of General Principles of the JSE LR and must be transparent, not misleading, understandable, reliable, consistent, not clash with Section 8 (IFRS, pro forma, governance disclosures) - labels, detailed calculations and explanation of consistency issue may be used / required – may also trigger pro forma disclosure compliance

Commentary

This guidance letter content remains relevant for 2021

26 May 2020 Guidance Letter – Impact on Property Entities Trading Statements

- Deals with property entities trading statement disclosures and general price sensitive PSI disclosures
- Most property entities disclose distribution per share (“DPS”) and not eps / heps (“EPS/HEPS”) or the alternative net asset value per share (“NAVPS”) in their trading statements
- If distributions are being deferred because of Covid-19 then DPS will cease to be a relevant trading statement measure – in which case EPS/HEPS or NAVPS must be adopted for trading statements and the relevant announcement made of such change
- Property entities are reminded that (general) PSI may also be required to be announced separately from trading statement disclosure with respect to issues affecting distribution

Commentary

This guidance letter content remains relevant for 2021

10 September 2020 Guidance Letter

- Focus is on disclosure in respect of continuing obligations and capital raisings
- General principle disclosures emphasised = timeous PSI disclosure obligations
- Capital raising focus areas for disclosures include:
 - Business insights comprising uncertainties, forward looking information affecting income statements and balance sheets
 - Cash flow disclosure in compliance with IAS 7, IFRS 7 disclosures re liquidity
 - Specific fund-raising circular disclosures require business insights, prospects and explanation regarding use of funds
 - Frequent reporting on Covid-19 impact in advance of PSI triggered disclosure and trading statement disclosures
 - Trading statement disclosures must include true minimums not “20%”
 - Inclusion of the following new disclosures in capital raising documents and increase of authorised share capital circulars are required:
 - material loans (7.A.15);
 - material risks (7.F.7); and
 - business insights (refer above)
- Rights offer disclosure caution - shorten the period between initial “intention” announcement and DD – try and announce all terms on DD, including underwriting details and business insights
- Underwriting disclosures in circulars are now expanded to include fees payable on all / part of capital raising, to whom paid and why fees are considered reasonable
- Governance caution to not “advantage” persons regarding PSI disclosures regarding capital raising CAs and fee negotiations for placing / underwriting

Commentary

This guidance letter content remains relevant for 2021

12.2 Tabular summary

Listings requirement	Summary of provision
3.11 – 3.25	Disclosure of periodic information
3.11 – 3.13	All distribution payments (dividends, interest and property distributions) or decision to not distribute must be announced and effected in compliance with the CA timetable requirements
3.14	A restatement of previously published financial results requires notification to the JSE within 24 hours of publication
3.15, 3.17, 3.18 and 8.57 – 8.61	Interim reporting
3.15 and 8.59	<ul style="list-style-type: none"> • Interim reports are required to be published on SENS and in the press for the six-month interim period ended (“Interim Period”) and for the 12-month period ended (“Second Interim Period”) if ListCo extends its financial year end • Interim Periods ended give rise to financial closed periods, which then cease upon publication of the interim report • ListCos that voluntarily choose to be “Quarterly” reporters will publish quarterly reports after each financial quarter period ended in compliance with IAS 34 (“IFRS Interim Results disclosure”) • Quarterly periods ended also give rise to financial closed periods, which then cease upon publication of the quarterly report
3.17	If an interim report is not published within three months of the interim period ended ListCo is warned over the course of the next month, and if the interim report is still not published, ListCo’s securities are suspended, which suspension will only be lifted after publication of the interim report
8.57 – 8.58 and 8.61	Interim reports must be issued and presented on a consolidated basis that is compliant with disclosures in accordance with IFRS (IAS 34), the Companies Act and JSE GAAP (<i>inter alia</i> , heps) (“Interim Report Compliance”)
3.18 and 8.60	<ul style="list-style-type: none"> • Interim reports for the Interim Period do not require auditor review unless the last annual financial statements (“AFS”) were qualified. Interim reports for the Second Interim Period require auditor review • An interim report that is auditor reviewed must state the name of the auditor, whether the review conclusion is modified (if so disclosure of same is required in full and must also be submitted to the JSE within 24 hours of publication) or not, that the review complied with ISRE 2410 and that the auditor’s review report may be inspected at ListCo’s registered office (“Auditor Review Requirements”)
3.16 – 3.24	Financial year-end reporting
3.19	<ul style="list-style-type: none"> • Within six months of financial year end ListCo must issue audited AFS, place same on ListCo’s website and deliver a copy thereof, or a summarised version thereof, plus notice of AGM to ListCo shareholders • Financial years ended give rise to financial closed periods, which cease upon publication of the first report (Abridged, Preliminary or Provisional Report)

Listings requirement	Summary of provision
3.16	<ul style="list-style-type: none"> • If ListCo has not issued audited AFS within three months, irrespective of whether a preliminary report has been published or not, it must publish a provisional report on SENS and in the press • If ListCo publishes a provisional report followed by the issue of audited AFS, at date of issue of the audited AFS either a “no change report” will be published on SENS (if there are no changes in the numbers in the AFS versus the provisional report) or an abridged report if there are changes
3.18 and 8.60	<ul style="list-style-type: none"> • Provisional reports must comply with Interim Report Compliance (for the financial year/period ended) and require auditor review which must be in compliance with the Auditor Review Requirements
3.17	<ul style="list-style-type: none"> • If a provisional report is not published within three months of the financial year / period ended ListCo is warned over the course of the next month, and if the provisional report is still not published, ListCo’s securities are suspended, which suspension will only be lifted after publication of the provisional report
3.22	<ul style="list-style-type: none"> • ListCo may choose to voluntarily publish a preliminary report on SENS (only) within three months of year/period end which must comply with Interim Report Compliance (for the financial year/period end) and require auditor review which must be in compliance with the Auditor Review Requirements • If ListCo publishes a preliminary report followed by the issue of audited AFS (within three months of year/period end), at date of issue of the audited AFS either a “no change report” will be published on SENS (if there are no changes in the numbers in the AFS versus the preliminary report) or an abridged report if there are changes (highlighting changes)
3.18 and 8.57 – 8.61	Provisional reports must comply with Interim Report Compliance (for the financial year/period ended) and require auditor review which must be in compliance with the Auditor Review Requirements
3.23	If audited AFS are not published within three months of the financial year / period ended ListCo is warned over the course of the next two months, and if the audited AFS are still not published by the end of month five, ListCo’s securities are suspended on day one of the sixth month, which suspension will only be lifted after issue of the audited AFS
3.24	The JSE has a discretion to waive suspension regarding the non-timeous issue of the audited AFS
3.25	Details the modifications that can be contained in an auditor’s report
3.46	Short form press announcement compliance and disclosure content
Section 8	Financial information
8.57 – 8.64	These JSE LR deal with the required disclosure contents of short form periodic financial reporting (interim, preliminary, provisional and abridged reports) and long form periodic financial reporting (audited AFS and AR), both of which requires disclosure compliance with IFRS, the Companies Act, the SAICA Financial Reporting Guides and JSE GAAP (JSE-specific financial disclosures)

Listings requirement	Summary of provision
Covid-19 Guidance Letters	Guidance provided to assist ListCos with respect to compliance and disclosure concerning continuing obligations and CAs as a result of Covid-19 business distress

13. CORPORATE GOVERNANCE

13.1 Narrative summary

The JSE LR have two separate ListCo disclosure requirements concerning corporate governance.

The first disclosure requirement concerns a general narrative statement confirming compliance with the King IV principles contained in the King IV Report (“King or King IV”). This is necessary because King IV assumes compliance with the King IV principles. The second disclosure requirement concerns a confirmatory statement that ListCo has complied with the mandatory governance requirements contained in the JSE LR.

The first disclosure statement in the AR confirming compliance with the 16 (+ 1 if relevant) principles contained in King IV may be in the form of a general narrative statement, explaining that sufficient practices have been complied with per principle to evidence and support compliance with each principle. In order to be able to make such statement, ListCo must have examined and determined application and compliance with each of the 462 practices contained in King IV. Provided all, or enough, practices per principle have been applied and complied with by ListCo, ListCo may make such statement.

There are various ways in which ListCo may disclose compliance with the principles and practices of King IV. ListCo could create and publish a table on its website cross referencing each practice per principle to the relevant committee charter, thereby evidencing application and compliance by way of the content of the governance charters. Alternatively, ListCo may publish a more summarised table and cross reference only the principles to the relevant charters. ListCo may even choose to provide no tabular cross reference and to merely state compliance with the principles. The required annual disclosures arising from King IV must be made somewhere. Such disclosures could be included in the detailed table described above or made separately in the AR (and in the AFS where relevant, such as the audit committee chairman’s report).

Secondly, ListCo is required to comply with the specific corporate governance requirements contained in Section 3.84 (specific governance requirements) on a continual basis and is therefore required to confirm such compliance in each AR or AFS (if applicable). The specific governance requirements that require compliance and disclosure are as follows:

- There is a policy evidencing a clear balance of power and authority at board level, with no director having unfettered decision-making powers. This is usually effected by a “one director one vote” policy contained in the MOI and in the Board Charter with all important matters being voted upon as a resolution in board meetings or by round robin resolution with a required simple majority vote passing the resolution;
- There is a separately appointed CEO and separately appointed chairman. If the chairman is not independent there must also be a separately appointed lead independent director (“LID”), who “stands in” for the chairman when the chairman is conflicted;

- The following committees have been appointed: an Audit Committee, a Remuneration (or similar) Committee and a Social and Ethics Committee. All other committees are voluntary. The mandate of, composition of, number of meetings held by, and any other relevant disclosure of each committee must be disclosed in the AR;
- There is included in the AR and referred to in the notice of AGM (or contained in the notice of AGM or GM) a brief CV of each director being elected or retiring by rotation and being re-elected in AGM (or GM in special circumstances);
- There is categorisation and disclosure of the capacity of each ListCo director as executive, non-executive or independent non-executive, using the King independence indicators and Companies Act requirements to determine independence;
- There is an appointed executive financial director. With JSE permission a Financial Director (“FD”) may be employed on a part-time basis;
- There must be disclosure by the Audit Committee in the AR (or AFS) that it has:
 - Satisfied itself of the appropriateness of the FD’s experience and expertise;
 - Ensured that the issuer has established appropriate financial reporting procedures and that those procedures are operating throughout the group;
 - Reviewed the incumbent audit firm’s:
 - Last IRBA review decision and findings letter;
 - The audit firm’s own internal last annual International Standards of Quality Control 1 review conclusions and remedial actions;
 - A seven-year legal review of the audit firm’s disciplinary matters;
 - Is satisfied with the result and has recommended re-appointment of the audit firm and engagement partner to the board for inclusion in the AGM notice. Guidance Letter issued in this regard on 24 July 2020; and
 - Ensured that the notice of AGM contains an ordinary resolution for the appointment of the external auditor;
- There must be disclosure in the AR that the board has considered and has satisfied itself of the competence, qualifications and experience of the company secretary;
- There must be disclosure of, and compliance with, the achievement to date of a board-adopted broad-based diversity policy (specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience) detailing voluntary targets achieved or to be achieved;
- The remuneration policy and the implementation report must each be voted on in the AGM each year on a non-binding basis. If either resolution achieves a 25%> vote against it – ListCo must then engage with these dissenting shareholders and record any remedial action (or not) taken in the following year’s AR. Details and timing of engagement to be disclosed to shareholders via the AGM results announcement; and
- CEO and CFO attestation as to fair presentation of the AFS and effectiveness and adequacy of internal controls. Guidance Letter issued in this regard on 17 July 2020 and SAICA released guidance in August 2020.

13.2 Tabular summary

Listings requirement	Summary of provision
3.84	Specific corporate governance
	<p>The following specific corporate governance requirements must be complied with and must have such compliance disclosed in the Annual Report ("AR") by ListCo:</p> <ul style="list-style-type: none"> (a) adoption of a balance of power and authority policy; (b) appointment of a separate CEO and chairman; (c) appointment of, <i>inter alia</i>, a King-compliant audit committee and remuneration committee; (d) disclosure of a brief CV of directors being appointed or rotated in the AGM; (e) disclosure of the capacity of each ListCo director, being executive, non-executive or independent non-executive; (f) appointment of an executive financial director ("FD"); (g) that the audit committee considered and is satisfied: <ul style="list-style-type: none"> (i) with the appropriateness of the expertise and experience of the FD; (ii) that financial reporting procedures are operating on a group-wide basis; (iii) with the results of the review of its audit firm for purposes of re-appointment (or not) and will report the above in the AR; and (iv) that the notice of AGM contains the auditor appointment resolution; (h) that the board has considered and is satisfied with the competence, qualifications and experience of the company secretary and will report same in the AR; (i) disclosure of a broad based diversity policy and voluntary targets; (j) two separate non-binding simple majority resolutions on the remuneration policy and implementation report must be included in the notice of AGM and engagement effected with dissatisfied shareholders if \geq 25% of entitled votes are cast against either resolution; and (k) an attestation statement by the CEO and FD stating that the AFS fairly present and that internal controls are adequate and effective
8.57 – 8.64	<p>These JSE LR deal with the required disclosure contents of short form periodic financial reporting (interim, preliminary, provisional and abridged reports) and long form periodic financial reporting (audited AFS and AR), both of which require disclosure compliance with IFRS, the Companies Act, the SAICA Financial Reporting Guides and JSE GAAP (JSE-specific financial disclosures)</p>

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14. CORPORATE ACTIONS (“CA”)

14.1 Narrative summary

Circular and announcement compliance

CAs effected by ListCos require compliance, *inter alia*, with both the JSE LR and the Companies Act (collectively referred to as “Both”).

Director approval of a CA is the same for Both, i.e. an approved directors’ resolution.

Announcements will be either SENS only or SENS and the press. SENS announcements are required to be in long form and use English as a medium. Furthermore, a SENS Announcement should disclose all required matters in terms of the JSE LR and the Companies Act. Announcement in the press, where required in terms of the JSE LR or voluntarily if ListCo so desires, allows for a summarised short form of the long form SENS Announcement to be published in one widely distributed newspaper, in any one official language with relevant warnings concerning the summarised nature of the announcement.

If a CA requires a circular to be issued to shareholders, the content of the circular must be in compliance with the JSE LR and must be approved by the JSE via three electronic submissions to the JSE.

If a CA requires approval by shareholders, the circular will include a notice of general meeting unless it is being effected in an AGM in which case the notice is in respect of an AGM. The notice will contain the relevant required resolution(s). Voting includes shareholders present in person or by proxy representation. A CA may require more than one resolution in which case the notice will include all relevant resolutions. If each resolution is mutually exclusive of the other resolutions, then it is contemplated that some may be passed, and some may fail. If, however, a CA requires two separate shareholder resolution approvals in terms of the Companies Act and JSE LR, respectively, in order for the CA to become unconditional and be capable of implementation, the two resolutions will then be structured on an inter-conditional basis so that if one fails, they both fail, thus preventing a conflict of laws. Furthermore, a resolution may require structuring in order to not allow certain shareholders to vote on such resolution because they are considered to be “tainted”, resulting in an “independent” shareholder vote. This is commonly applicable with regard to the JSE LR and Takeover law and less so with regard to Chapters 1 to 4 of the Companies Act.

Fairness opinions

If a CA requires a fairness opinion (“FO”) to be issued to shareholders by the ListCo board, the board will first obtain an FO from an independent professional expert (“IPE”) and use such FO as a basis for determination of the board FO. It is possible for a board FO to differ from an IPE FO. The purpose of an FO is usually to provide information to shareholders to enable them to make an informed decision concerning any required action to be taken by shareholders reading the CA, usually voting with respect to the JSE LR. A JSE FO scopes in value and price together, which works if a CA does not need to separate value per share from price per share.

If value and price require separation, then the principles in Takeover law are usually applied and the FO becomes a “fair and reasonable” opinion (“F+R Opinion”) with a separate opinion on a value range dealt with by the “fair” opinion and a separate opinion on price dealt with by the “reasonable” opinion. Takeover law requires an F+R Opinion for all takeover transactions.

14.2 Pre-listing statements and revised listing particulars

If an initial listing application or an acquisition issue of securities by an existing ListCo requires the issuance of a pre-listing statement (“PLS”) or revised listing particulars (“RLP”), such issuance will be in standalone PLS form for an initial listing and will be attached to an acquisition circular as RLP for an existing ListCo.

14.3 Solvency and liquidity test and working capital statements

A CA may require a solvency and liquidity test (“SLT”) to be performed by ListCo with regard to the Companies Act for certain “impoverishment” CAs. The equivalent JSE LR is a working capital statement (“WCS”). Both SLT and WCS require the ListCo board to be satisfied that post a CA the fairly valued assets of the ListCo group will exceed the fairly valued liabilities of the ListCo group (solvency test) and that ListCo will be able to settle all known liabilities in the next 12-month period (liquidity test).

14.4 Takeover law compliance

Certain CA also trigger Takeover law requirements in Chapter 5 of the Companies Act. The two types of CA that trigger Takeover law are firstly, Fundamental Transactions (being Section 112 disposals of the majority or more of ListCo’s fairly valued gross or net assets, Section 113 amalgamations or mergers and Section 114 schemes of arrangement) and secondly, any other CA giving rise to an actual change of shareholder control (affected transaction triggering a mandatory offer) or possible change of shareholder control (general offer triggering a proposed affected transaction) of ListCo. Takeover law transactions (usually) require the issuance of an F+R Opinion. Fundamental Transactions require a special resolution to be approved by shareholders, upon which an offeror and concert parties may not vote, i.e. taint is applied to ensure only “independent” shareholders vote.

15. CORPORATE ACTIONS DEFINITIONS USED IN THE TABLES

15.1 Narrative summary

The tables summarise compliance with the JSE LR, Chapters 1 to 4 of the Companies Act and Takeover law (Chapter 5 of the Companies Act). Reference to the Companies Act must be read to include compliance with any foreign corporate law(s) applicable to foreign domiciled primary ListCos. Certain compliance requirements are explained and defined in the CA tables but the following defined compliance requirements are provided as they are “generic” in nature.

15.2 Resolutions

- An ordinary resolution requiring >50% shareholder approval with all shareholders being able to vote is described as “ordinary resolution >50% all vote”;
- An ordinary resolution requiring >50% shareholder approval with participating shareholders and associates being unable to vote is described as “ordinary resolution >50% independent vote”;
- An ordinary resolution requiring 75% or more shareholder approval with all shareholders being able to vote is described as “ordinary resolution 75%+ all vote”;
- An ordinary resolution requiring 75% or more shareholder approval with participating shareholders and associates being unable to vote is described as “ordinary resolution 75%+ independent vote”;
- A special resolution requiring 75% or more shareholder approval with all shareholders being able to vote is described as “special resolution 75%+ all vote”;
- A special resolution requiring 75% or more shareholder approval with participating shareholders and associates being unable to vote is described as “special resolution 75%+ independent vote”;
- A special resolution requiring 85% or more shareholder approval with all shareholders being able to vote is described as “special resolution 85%+ all vote”.

15.3 Change of control

- A CA giving rise to “change of control” (“Change of Control”) of a ListCo effected by a subscriber (issue for cash), underwriter (rights offer) or asset vendor (acquisition issue to settle assets acquired by ListCo) subscribing for ListCo voting shares, resulting in 35%+ voting power control for such person of ListCo (“controlling shareholder”), gives rise to the Takeover law requirement of the controlling shareholder having to make a mandatory offer to all “minority” shareholders of ListCo (excluding controlling shareholder and concert parties) at the highest price paid in achieving control measured in terms of a look back period of six months prior to an “offer period” commencing (“Mandatory Offer”); and
- A CA involving a possible/probable Change of Control may be structured to avoid a Mandatory Offer by incorporating a condition in the CA whereby ListCo obtains (independent) “minority” shareholder approval in GM = ordinary resolution >50% independent vote – either prior to the CA being effected or as part of the CA resolution approvals – in GM – waiving the requirement for a Mandatory Offer subject to Takeover Regulation Panel (“TRP”) approval thereto – which is assumed as being obtained (“Waiver Approval”).

15.4 Abbreviations used in the tables

- SLT = solvency and liquidity test in terms of Section 4 of the Companies Act has been passed;
- WCS = JSE working capital statement – same requirements as the SLT;
- FO = fairness opinion in terms of the JSE LR;
- F+R Opinion = fair and reasonable opinion in terms of Takeover law;
- Material Shareholder = shareholder holding currently – or in the last 12 months held – either a 10% beneficial interest in ListCo securities or ListCo’s holding company’s securities (“H Co”), i.e. measured at two levels on an either/or basis;
- Related party (“RP”) = directors of the ListCo or of ListCo’s holding company H Co – currently or in the last 12 months (“Group Directors”), Material Shareholders, any adviser that has or had in the last 12 months a beneficial interest in ListCo or any ListCo Associate; a principal executive officer of ListCo – currently or in the last 12 months (probably a “prescribed officer” in terms of the Companies Act); a listed property entity’s management company (“Manco”); a controlling shareholder of a Manco; any Associates of the above; and
- Public = any person excluding shareholders of ListCo that are ListCo directors or directors of any ListCo SubCos or Associates thereof; shareholders beneficially interested in 10% or more of the ListCo security class concerned, trustees of ListCo group share incentive schemes or of ListCo group pension funds; any person with trading restrictions over ListCo securities for a period exceeding six months from date of listing of such securities; prescribed officers of ListCo; parents, siblings (includes step and half siblings) and major children of both a ListCo director and his/her spouse.

15.5 Tabular summary

Listings requirement	Summary of provision
Section 5	Methods of bringing securities to listing which includes a large number of corporate actions that involve issuing and listing securities. Refer to the corporate action tables
Section 6	At date of initial listing, a pre-listing statement (“PLS”) is required to be issued or alternatively a prospectus will be issued if an offer is made to public persons (“PLS/prospectus”). Thereafter a PLS/prospectus will be issued in respect of a new class of security being listed. For existing ListCos, a PLS will be required to be issued (on a continuing obligation basis) if >50% of shares in issue are issued for an acquisition, measured over a rolling three-month period, or a reverse takeover is effected in respect of a large acquisition
Section 7	Listing particulars contained in this section are used to populate PLS, prospectuses and circulars
Section 8	Financial information
8.1 – 8.56	These JSE LR deal with the requirements to issue reports of historical financial information (“RHFI”), reports of <i>pro forma</i> financial information (“PFFI”) and profit forecasts/estimates reports (“PFE”) in respect of corporate actions and the issuance of PFE in the ordinary course of business. RHFI include historical financial information disclosures for the last three financial years for main board ListCos and one or two financial years for AltX ListCos and are only ever issued as part of a circular, PLS or prospectus with reporting accountant (“RA”) audit review sign off (“long form”). PFFI reports show the effect of corporate action financial effects on RHFI and are able to be issued in long form or as part of an announcement only, which does not require RA sign off (“short form”). PFE includes all forecasts and estimates and can be issued in long or short form. PFE includes trading statements, general forecasts and specific forecasts. PFE in short form is typically included in the results paragraph of a periodic financial announcement
8.57 – 8.64	These JSE LR deal with the required disclosure contents of short form periodic financial reporting (interim, preliminary, provisional and abridged reports) and long form periodic financial reporting (audited AFS and AR), both of which require disclosure compliance with IFRS, the Companies Act, the SAICA Financial Reporting Guides and JSE GAAP (JSE-specific financial disclosures)
8.65 – 8.66	The Financial Reporting Investigation Panel (“FRIP”) is a partnership between the JSE and SAICA which investigates complaints in relation to non-compliance with financial disclosures by ListCos
Section 9 and Section 10	Acquisitions and disposals effected by ListCo groups. Refer to the corporate action tables

Listings requirement	Summary of provision
Section 11	The required contents of circulars, PLS, prospectuses and announcements in respect of corporate actions are covered in detail per corporate action. The appendices contain useful summary information
Section 16	Circulars, PLS, prospectuses and supporting documents require, in terms of various corporate actions including an initial listing, submission to and approval from the JSE in terms of a 10-business day timetable

15.6 Corporate action tables

Schedule 2, Form H (Corporate Action Timetable) of the JSE LR has been amended effective Friday, 12 March 2021.

Cash dividend	
CA description	<i>Pro rata</i> payment of cash to shareholders from retained income
JSE approval required	Directors' approval only unless MOI requires shareholder approval
	Announcement of declaration required in Interim (SENS and press), preliminary (SENS), provisional (SENS) or abridged Report (SENS and press) – sponsor approval (Announcement required)
	Circular required (circular) only if MOI requires shareholder approval
	If shareholder approval required = ordinary resolution >50% all vote
	Timetable – Last date to trade (“LDT”), record date (“RD”) and payment date (“PD”) applicable
Companies Act approval required	No PLS / RLP or WCS or fairness opinion (“FO”) required
	As per JSE approval above
	Solvency and liquidity test to be passed (“SLT passed”)

Scrip dividend	
CA description	<i>Pro rata</i> payment to shareholders of cash dividends with an alternate election to receive capitalisation issue shares (“cap issue”)
JSE approval required	Directors' approval only unless MOI requires shareholder approval
	Announcement required – refer to cash dividend – will also provide volume weighted average price (“VWAP”) pricing for cap issue
	Circular – dealing with election of cash or shares
	If shareholder approval required = ordinary resolution >50% all vote
	Timetable – LDT, RD and PD applicable
	No PLS/RLP or WCS or FO required

Scrip dividend (continued)	
Companies Act approval required	As per JSE approval above
	SLT passed for cash portion
	If increase of authorised shares required = special resolution 75%+ all vote (increase of authorised shares required)
	If shares are par value and increase of authorised shares required – requires conversion to no par value shares before authorised share increase = special Resolution 75% all vote (convert PV to NPV required)
	If \neq > 30% voting shares to be issued = special resolution 75% all vote required in terms of Section 41(3) (30% Section 41(3) 75% rule required)
Capitalisation issue (“cap issue”)	
CA description	<i>Pro rata</i> issue of capitalisation shares to shareholders for no consideration
JSE approval required	Directors’ approval only unless MOI requires shareholder approval
	Announcement required (SENS and press)
	Circular required only if MOI requires shareholder approval
	If shareholder approval required = ordinary resolution >50% all vote
	Timetable – LDT, RD and PD applicable
	No PLS / RLP or WCS or FO required
Companies Act approval required	As per JSE approval above
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 75% rule required – refer to scrip dividend above
CA description	<i>Pro rata</i> issue of shares to shareholders for a cash consideration per share
JSE approval required	Directors’ approval to proceed and to approve rights offer price (should be at a reasonable discount to recent share price)
	Announcement required (SENS and press)
	Circular – contains all rights offer details
	Listing of letters of allocation (“LAs”) and Timetable – LDT, RD and PD applicable
	No PLS/RLP or WCS or FO required
	As per JSE approval above – circular content also satisfies Companies Act

Capitalisation issue ("cap issue") (continued)	
Companies Act approval required	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 75% rule required – refer to scrip dividend above
	<i>Pro rata</i> issue of shares to shareholders for a cash consideration per share
Takeover law	If a subscription or underwriting results in a controlling shareholder – then either a Mandatory Offer must be made, or a Waiver Approval obtained (if controlling shareholder emerges, mandatory offer or waiver approval required)

Rights offer – non-renounceable	
CA description	<i>Pro rata</i> issue of shares to shareholders for a cash consideration per share
JSE approval required	Directors' approval to proceed and to approve rights offer price but maximum discount is 10% to the 30-day VWAP
	Announcement required (SENS and press)
	Circular – contains all rights offer details
	Timetable – LDT, RD and PD applicable
NO LAs listed	No PLS / RLP or WCS or FO required
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 75% rule required – refer to scrip dividend above
Takeover law	If controlling shareholder emerges mandatory offer or waiver approval required

Specific issue of shares for cash to a non-RP (“Specific IFC”) – accelerated Specific IFC to non-RP = same	
CA description	Biased subscription issue of any number of shares or options/ convertible securities to any non-RP person at any price to raise cash or to settle a monetary liability or monetary expense (Unlimited specific issue to non-RP)
JSE approval required	Directors’ approval to proceed and approve subscription price (usually at a discount (“Discount”))
	Announcement required (SENS and press)
	Circular – contains all Specific IFC details
	Shareholder approval required if issue > 1/4 of no. of issued shares or price is at a discount to 30-day VWAP = ordinary resolution = 75%+ independent votes (>1/4 and discount price = ordinary resolution 75%+ indep. vote)
	Timetable
	No PLS/RLP or WCS or FO required
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If => 30% voting shares to be issued = special resolution 85% all vote required in terms of Section 41(3) read with Section 65 10% rule (30% Section 41(3) 85% rule required)
Takeover law	If controlling shareholder emerges, mandatory offer or waiver approval required

Specific issue of shares for cash to a ListCo director (related party (“RP”))	
CA description	Unlimited specific issue to a ListCo director (“RP”)
JSE approval required	Directors’ approval to proceed and approve subscription price (“Discount”)
	Announcement required (SENS and press)
	Circular – contains all specific IFC details
	>¼% and discount price = ordinary resolution 75%+ indep. vote
	If issue price = discount to 30-day VWAP = FO required stating whether “fair” or “not fair” to indep. shareholders because ListCo director is a RP (FO required if price = discount to 30-day VWAP and shareholder = RP)
	Timetable
	No PLS/RLP or WCS required

Specific issue of shares for cash to a ListCo director (related party ("RP")) (continued)	
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 85% rule required – refer to specific IFC above
	If securities issued to a director, prescribed officer or related person = special resolution 85%+ all vote required in terms of Section 41(1) read with Section 65 10% rule (Section 41(1) 85% rule)
Takeover law	If controlling shareholder emerges, mandatory offer or waiver approval required

Specific issue of shares for cash to a material shareholder ("RP")	
CA description	Unlimited specific issue to a material shareholder ("RP")
JSE approval required	Directors approval to proceed and approve subscription price ("Discount")
	Announcement required (SENS and press)
	Circular approval required
	>1/4% and discount price = ordinary resolution 75%+ indep. vote
	FO required if price = discount to 30-day VWAP and shareholder = RP
	Timetable
	No PLS/RLP or WCS required
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required or Section 41(1) 85% rule required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(3) 85% rule required – refer to specific IFC above
Takeover law	If controlling shareholder emerges, mandatory offer or waiver approval required

Accelerated specific issue of shares for cash to an RP	
CA description	Unlimited specific issue to a RP
JSE approval required	Directors approval to proceed and approve subscription price
	Announcement required (SENS and press)
	Circular approval required but approval time is only 48 hours
	>1/4% and discount price = ordinary resolution 75%+ indep. vote
	If issue is to RP = no discount to 30-day VWAP is allowed
	Timetable – saves 8 bd of JSE approval time – rest of timetable is the same
	No PLS/RLP or WCS required
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If 30% Section 41(1) or 41(3) 85% rule required – refer to Specific IFC above
Takeover law	If controlling shareholder emerges, mandatory offer or waiver approval required

General issue of shares for cash (“General IFC”)	
CA description	Biased subscription issue of a limited number of listed shares or options/convertible securities (convertible into listed securities) to public shareholders/persons (“Public Persons”) at a limited discount price to raise cash or to settle a liability or expense during the approval period
JSE approval required	Number of securities that may be issued limited to less than 30% of number in issue at date of giving notice of AGM (or special GM) (“Base Number”) Initial shareholder approval required in AGM (or special GM) = ordinary resolution = 75%+ all votes – approval expires at next AGM or after 15 months (“approval period”)
JSE approval required	Initial shareholder approval required in AGM (or special GM) = ordinary resolution = 75%+ all votes – approval expires at next AGM or after 15 months (“approval period”)
JSE approval required	Subscription/strike price limited to a 10% discount to 30-day VWAP at (each) date of issue – there may be many different issues in approval period
JSE approval required	If issue is options / convertibles and strike price >10% discount to 30-day VWAP = FO Required and must be “fair”
JSE approval required	Each issue may only be made to Public Persons
JSE approval required	Directors approval required to proceed with each issue (usually at a discount)
JSE approval required	Announcement required (SENS and press) – for all issues that reach 5% of the number of shares in issue at date of notice of AGM/GM and thereafter
JSE approval required	Circular approval required or circular content included in notice of AGM
JSE approval required	Timetable
JSE approval required	No PLS/RLP or WCS required
Companies Act approval required	As per JSE approval above – circular content also satisfies Companies Act
Companies Act approval required	No SLT or Section 41(1) 85% rule or Section 41(3) rule required
Companies Act approval required	If increase of authorised shares required – refer scrip dividend – effect in AGM
Companies Act approval required	If convert PV to NPV required – refer to scrip dividend above – effect in AGM
Takeover law	If controlling shareholder emerges, mandatory offer required

Specific repurchase of <5% of ListCo shares by ListCo from a non-RP shareholder	
CA description	Biased repurchase of <5% of ListCo shares from any ListCo non-RP shareholder at any price
JSE approval required	Directors' approval required to proceed
	Shareholder approval required = special resolution = 75%+ indep. votes
	Number of shares limited to <5% in this example
	Repurchase price unlimited
	Repurchase made from a non-RP shareholder in this example
	Announcement required (SENS and press)
	Circular approval required
	Repurchases during prohibited periods ("PP") are prohibited unless a programme detailing the number of securities to be repurchased over a period of time is submitted to the JSE outside of a PP and a stockbroker (or similar) is instructed to proceed to repurchase on an independent basis (PP prohibition or programme exemption compliance required)
	Timetable
WCS required but no FO	
Companies Act approval required	As per JSE approval above
	SLT required
	Repurchased shares "issue" status cancelled in terms of Section 35 (cancelled)
Takeover law	If a non-participating shareholder becomes a controlling shareholder as a result of increased voting power arising from a repurchase from other shareholders a mandatory offer must be made, e.g. 34.9% moves to 36.7% if 4.9% repurchased from other shareholders (if controlling shareholder, emerges mandatory offer required)

Specific repurchase of <5% of ListCo shares by ListCo's SubCo(s) from a non-RP	
CA description	Biased repurchase of <5% of ListCo shares by ListCo's SubCo(s) from any ListCo non-RP shareholder at any price
JSE approval required	Directors' approval of ListCo and SubCo required to proceed
	Shareholder approval required = special resolution = 75%+ indep. votes
	Number of shares limited to <5% in this example
	Repurchase price unlimited
	Repurchase made by ListCo's SubCo from a non-RP shareholder
	Announcement required (SENS and press)
	Circular approval required
	PP prohibition or programme exemption compliance required
	Timetable
	WCS required but no FO
Companies Act approval required	As per JSE approval above
	SLT required
	Repurchased shares are not cancelled, i.e. remain in issue in terms of Section 35 and Section 48 (not cancelled)
	Repurchased shares have no voting power whilst SubCo remains a SubCo in terms of Section 48(2) and are titled "treasury shares"
	If ListCo provides a loan to SubCo(s) to repurchase ListCo shares – Section 44 and Section 45 require compliance = special resolution = 75%+ all vote – plus – SLT – plus – F+R by the board (Sections 44 and 45 compliance required)
Takeover law	If controlling shareholder emerges, mandatory offer required

Specific repurchase of <5% of ListCo shares by ListCo from an RP shareholder	
CA description	Biased repurchase of <5% of ListCo shares by ListCo from an RP shareholder (either a ListCo director or material shareholder) at any price
JSE approval required	Directors' approval required to proceed
	Shareholder approval required = special resolution = 75%+ indep. votes
	Number of shares limited to <5% in this example
	Repurchase price unlimited
	Repurchase made by ListCo from an RP shareholder in this example
	Announcement required (SENS and press)
	Circular approval required
	FO required if price = premium to 30-day VWAP (because shareholder = RP)
	PP prohibition or programme exemption compliance required
	Timetable
WCS required	
Companies Act approval required	As per JSE approval above
	If RP shareholder = ListCo director = approval required in terms of Section 48(8)(a) = special resolution = 75%+ all vote (Section 48(8)(a) Compliance)
	SLT required
	Repurchased shares cancelled
Takeover law	If controlling shareholder emerges, mandatory offer required

Specific repurchase of <5% of ListCo shares by ListCo's SubCo(s) from an RP shareholder

CA description	Directors' approval of ListCo and SubCo required to proceed
JSE approval required	Shareholder approval required = special resolution = 75%+ indep. vote
	Number of shares limited to <5% in this example
	Repurchase price unlimited
	Repurchase made by ListCo's SubCo from an RP shareholder
	Announcement required (SENS and press)
	Circular approval required
	FO required if price = premium to 30-day VWAP (because shareholder = RP)
	PP prohibition or programme exemption compliance required
	Timetable
	WCS required
	Directors' approval of ListCo and SubCo required to proceed
Companies Act approval required	As per JSE approval above
	No Section 48(8)(a) compliance required – Section 48(8) N/A to SubCos
	SLT required
	Repurchased shares not cancelled and have no voting power
	If ListCo provides loan to SubCo(s) = Sections 44 and 45 compliance required
Takeover law	If controlling shareholder emerges, mandatory offer required

Specific repurchase of >5% of ListCo shares by ListCo from any shareholder	
CA description	Biased repurchase >5% ListCo shares by ListCo from any shareholder at any price
JSE approval required	Directors' approval of ListCo and SubCo required to proceed
	Shareholder approval required = special resolution = 75%+ indep. votes
	Number of shares limited to >5% in this example
	Repurchase price unlimited
	Repurchase made by ListCo's SubCo from any shareholder
	Announcement required (SENS and press)
	Circular approval required
	FO required if price = premium to 30-day VWAP if shareholder = RP
	PP prohibition or programme exemption compliance required
	Timetable
WCS required	
Companies Act approval required	As per JSE approval above
	Section 48(8)(b) Compliance requires compliance with Section 114 and Section 115 (Scheme of Arrangement) = special resolution 75%+ indep. vote
	F + R opinion required
	SLT required
	Repurchased shares cancelled
Takeover law	Scheme of arrangement compliance and F + R opinion detailed above
	If controlling shareholder emerges, mandatory offer required

General repurchase of ListCo shares by ListCo or ListCo's SubCo	
CA description	Biased repurchase of <5% of ListCo shares by ListCo or up to 10% of ListCo shares by ListCo's SubCo – both through the secondary market
JSE approval required	<p>Directors' approval of ListCo and SubCo required to proceed</p> <p>Initial shareholder approval required in AGM (or special GM) = special resolution = 75%+ all votes – approval expires at next AGM or after 15 months (approval period)</p> <p>Number of shares limited to 20% per financial year – however – practically – this is limited <5% with respect to ListCo or up to 10% for ListCo's SubCo – dictated by the Companies Act</p> <p>Repurchase price limited to a 10% premium to the 5-day VWAP</p> <p>Repurchases made through secondary market therefore no knowledge of who selling shareholder is – therefore no concern with RP shareholders selling</p> <p>Announcement required (SENS and press) for each 3% threshold reached</p> <p>Circular approval required or circular content included in notice of AGM</p> <p>PP prohibition or programme exemption compliance required</p> <p>Timetable</p> <p>WCS required</p>
Companies Act approval required	<p>As per JSE approval above</p> <p>No Section 48(8)(b) compliance required</p> <p>SLT required</p> <p>Repurchased shares cancelled if ListCo repurchases but not cancelled and have no voting power if ListCo's SubCo(s) repurchases</p> <p>If ListCo provides loan to SubCo(s) = Sections 44 and 45 compliance required</p>
Takeover law	If controlling shareholder emerges, mandatory offer required

Payment to shareholders	
CA description	Directors' approval of ListCo and SubCo required to proceed
JSE approval required	Capital payment of cash or assets to ListCo shareholders by ListCo
	Directors' approval of ListCo
	Payment is of cash or assets as a capital payment from share capital, share premium or stated capital to shareholders
	If payment is made <i>pro rata</i> for cash or listed securities, no sh/h approval required
	If payment is non- <i>pro rata</i> or is non-cash or non-listed securities – shareholder approval required = ordinary resolution >50% all vote
	Announcement required (SENS and press) – all details
	Circular approval required
	Timetable – LDT, RD and PD applicable
Companies Act approval required	WCS required
Companies Act approval required	As per JSE approval above
	SLT required as this is a capital distribution
Takeover law	Not applicable

Odd lot offer	
CA description	Offer and expropriation mechanism made by a third party or by ListCo or ListCo's SubCo to ListCo shareholders holding an odd lot of ListCo shares
JSE approval required	Directors' approval of ListCo and SubCo required to proceed
	Mechanism is an offer to acquire odd lots and if shareholders elect not to sell, they retain the odd lot holding – if shareholders do not elect the odd lot holdings are expropriated, i.e. forced selling
	Mechanism may be effected as a third party offer or as a repurchase
	Odd lot holding default definition = between 1 and 99 shares – but the 99 may be increased based on breakeven trading cost
	Shareholder approval required = special resolution = 75%+ all vote – if effected using a repurchase mechanism – refer to repurchase CAs
	Shareholder approval also required for the odd lot CA itself = ordinary resolution >50% all vote
	Offer price = market price or premium thereto plus all costs
	Announcement required (SENS and press) – all details
	Circular approval required
	PP prohibition or programme exemption compliance required if effected as a repurchase – not required if effected as a third-party offer
	Timetable – LDT, RD and PD applicable
WCS required if effected as a repurchase	
Companies Act approval required	As per JSE approval above
	Refer to repurchase CA for required compliance
Takeover law	If controlling shareholder emerges, mandatory offer required
	Panel approval required as this is a split class offer

Alteration of capital	
CA description	Per security class – creation of a new class, variation of rights, conversion from PV to NPV, increase of authorised share capital, subdivision, consolidation, cancellation
JSE approval required	Directors' approval of ListCo
	Shareholder approval required = special resolution 75%+ all vote
	Announcement required (SENS and press) – all details
	Circular approval required
	Timetable – LDT, RD and PD applicable
	No WCS or FO required
Companies Act approval required	As per JSE approval above
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend
Takeover law	Not applicable

Acquisitions and disposals	
CA description	Acquisition or disposal of assets (“acq/disp”) by ListCo or ListCo’s SubCo(s)
JSE approval required	Directors approval of ListCo
	Categorisation percentage determined by dividing consideration receivable/payable by adjusted market cap (excl. treasury shares) or by dividing acq shares issued by adjusted ListCo shares in issue (excl. treasury shares) then used for categorisation
	Arm’s length acq/disp involves non-RP acq/disp
	Arm’s length acq/disp categorisation percentages and compliance = <ul style="list-style-type: none"> • In the ordinary course of business (ITOCOB) acq/disp exempt up to 10% • Not ITOCOB acq/disp are exempt up to 4.9% • Acq/disp from 5%+ (Not ITOCOB) and >10% (ITOCOB) to <30% is a Category (Cat) 2 transaction – requires ann. (SENS + press) (Terms Ann.) but no shareholder approval • Acq/disp from 30%+ (for ITOCOB and Not ITOCOB) is a Cat 1 transaction – requires Terms Ann. + circular + shareholder approval = ordinary resolution >50% all vote
	RP acq/disp categorisation percentages and compliance = <ul style="list-style-type: none"> • RP ITOCOB acq/disp are exempt up to and including 10% • RP acq/disp =/<1/4% Not ITOCOB are exempt • All small RP, Cat 2 RP and Cat 1 RP transactions require a FO • RP acq/disp <5% but >1/4% are “small RP transactions” – requires Terms Ann. only provided FO opinion “fair” – if not fair – circular + shareholder approval required = ordinary resolution >50% indep. vote (No RP + Assoc) • RP acq/disp from 5%+ Not ITOCOB and >10% ITOCOB – both – up to <30% is a Cat 2 RP transaction – Terms Ann. + circular + shareholder approval required = ordinary resolution >50% independent vote (no RP + Assoc = indep. Vote) • RP acq/disp from 30%+ (for ITOCOB and Not ITOCOB) is a Cat 1 RP transaction – Terms Ann. + circular + shareholder approval required = ordinary resolution >50% indep. Vote
	Not ITOCOB aggregation rules apply to piecemeal acq/disp effected over a rolling 12-month period – very complex rules
	Acq = 100%+ and/or change of control triggers a reverse takeover = requires RLP and review of listing by the JSE
	Issue of ListCo shares => 30% for an acq requires RLP to be issued
	Timetable
If a vendor sells assets to ListCo and requires cash settlement – ListCo may issue ListCo shares for cash at up to a 10% discount to a 3 or 30-day VWAP to any persons and use the subscription cash to settle the vendor (“vendor placement”)	
WCS required for all Cat 1 transactions	

Acquisitions and disposals (continued)	
Companies Act approval required	As per JSE approval above
	No SLT required
	If increase of authorised shares required – refer to scrip dividend above
	If convert PV to NPV required – refer to scrip dividend above
	If disp >50% – Section 112 compliance required – shareholder approval required = special resolution 75%+ independent vote
Takeover law	If Section 112 compliance required = F + R opinion required
	If controlling shareholder emerges, mandatory offer required or waiver approval obtained

Voluntary delisting	
CA description	Delisting of ListCo shares from the JSE on a voluntary basis
JSE approval required	Directors' approval of ListCo
	Shareholder approval required = ordinary resolution >50% independent vote
	An offer must be made to all ListCo shareholders by a person – either ListCo as a repurchase offer or a third-party offer
	A F + R opinion is required, and the opinion must be “fair”
	Announcement required (SENS and press) – all details
	Circular approval required
	Timetable – LDT, RD and PD applicable
No WCS required	
Companies Act approval required	As per JSE approval above
Takeover law	Not applicable

16. DIFFERENT TYPES OF LISTCOS

16.1 Narrative summary

The following tables summarise the required listing criteria for different types of companies seeking a listing on the JSE.

16.1.1 Section 4 – Main board ListCos

The table below applies to a company seeking a listing on the main board of the JSE (“main board”) that is not a SPAC, mineral company, property entity, investment entity, secondary listing or AltX company applicant.

Listing criteria	Section 4 – Main board		
	Historical criteria 1	Historical criteria 2	Historical criteria 3
Subscribed capital + reserves – minority interest – NDR – intangible assets not fairly valued in last six months (“Capital”)	R50m ¹	R500m ²	R500m ³
Minimum number of shares issued	25m	25m	25m
Public shareholding compliance	20% per listed equity class	20% per listed equity class	20% per listed equity class
Financial criteria			
Number of years audited AFS, and	3 ¹	3 ²	1 ³
Min pre-tax headline earnings last Y/E	R15m ¹	<R15m ²	R15m ³
Maturity status of business	Mature	Mature	Development stage ³
Control criteria	Independent group business or Active management participation over majority of investments ¹	Independent group business or Active management participation over majority of investments ²	Independent group business or Active management participation over majority of investments ³

¹ If applicant HAS three years audited AFS PLUS a minimum R15m pre-tax headline income at last Y/E, THEN minimum Capital = R50m at date of application for listing i.e. cannot qualify by raising capital as part of listing application

² If applicant HAS three years audited AFS BUT <R15m pre-tax headline income at last Y/E, THEN minimum Capital = R500m at date of application for listing i.e. cannot qualify by raising capital as part of listing application

³ If applicant HAS one year audited AFS PLUS R15m pre-tax headline income at last Y/E, THEN minimum Capital = R500m at date of application for listing i.e. cannot qualify by raising capital as part of listing application

16.1.2 Section 4.32 – BEE Segment

The JSE first introduced the BEE Segment in 2011. The BEE Segment enabled the listing of BEE securities by Issuers who meet the basic listing criteria of Sections 4, 19, 20 or 21 where trading is restricted to BEE-compliant persons pursuant to the use of a BEE contract. Between 2011 and 2015, only one BBBEE scheme was listed on the BEE Segment. The JSE amended the BEE Segment in 2015 to accommodate the listing of a broader range of BEE schemes without affecting the then existing listings.

The key 2015 amendments:

- Introduced an alternative mechanism to list and trade BEE securities, i.e. where the applicant issuer's securities are listed and traded pursuant to the use of a Verification agent (L.R. 4.32 (b) (ii)); 4.32B);
- Addition of Section 15 basic listing criteria to cater for the listing of investment holding companies as BEE securities; and
- Other consequential amendments to Section 19 and Section 1 definitions such as "issuer BEE verification agent"; "verified BEE participant".

Because the JSE is designed for unrestricted and freely tradeable shares, notwithstanding the ability of Issuers to list restricted securities in terms of 4.32; the JSE recently re-emphasised that ListCos that are proposing any form of restricted transferability must consult the JSE in order to discuss the details of the restriction and must obtain a ruling from the JSE.

16.1.3 Section 4 – Special Purpose Acquisition Companies ("SPACs")

The table below applies to cash companies seeking a listing on the main board as a SPAC.

Listing criteria	Section 4 – Main Board
	Historical criteria
Subscribed capital	R500m
Minimum number of shares issued	25m
Public shareholding compliance	20% per listed equity class
Financial criteria	cash
Minimum shareholding by directors	5%
Maturity status	Immature SPAC – plan for acquisition(s) of Viable Assets within 24 months of listing
Control criteria	No business

16.1.4 Section 12 – Mineral companies

The table below applies to mineral companies seeking a listing on the main board.

Listing criteria	Section 12 – Main Board
Subscribed capital + reserves – minority interests – NDR – intangible assets not fairly valued within six months	R50m (refer to 16.1.1 footnote 1)
Minimum number of shares issued	25m
Public shareholding compliance	20% per listed equity class
Financial criteria	
Number of years audited AFS, and	N/A
Min. pre-tax headline earnings last Y/E	N/A
Maturity status of business	Exploration / Mining – with legal entitlement to relevant rights
Control criteria	Independent group business or Active management participation over majority of investments

16.1.5 Section 13 – Property entities

A ListCo that only/predominantly owns property and receives rental income from such property may apply to list as a property entity onto the main board in accordance with either historical or forecast criteria in the table below.

Listing criteria	Section 13 – Main Board	
	Historical compliance	Forecast compliance
Subscribed capital + reserves – minority interests – NDR – intangible assets not fairly valued within six months	R50m (refer to 16.1.1 footnote 1)	R50m
Minimum number of shares issued	25m	25m
Public shareholding compliance	20% per listed equity class	20% per listed equity class
Financial criteria		
Number of years audited AFS, and	3	N/A*
Min. pre-tax headline earnings rental revenue for last Y/E	R15m	R15m>*
Maturity status of business	Mature	Immature
Forecast pre-tax headline earnings (two forecast financial periods)		
Contracted rental revenue forecast	N/A	R15m>*

Listing criteria	Section 13 – Main Board	
	Historical compliance	Forecast compliance
Minimum contracted + near contracted rental revenue / total rental revenue required for each forecast period	N/A	75%>*
Control criteria	Independent group business or Active management participation over majority of investments	Independent group business or Active management participation over majority of investments

* Indicates a linkage that gives rise to a variation of the listing criteria

Real Estate Investment Trusts (“REITs”) are tax driven property entities that must comply with the following Section 13 REIT requirements in order to be recognised as a REIT on the main board.

- Must be a listed property entity (refer to above)
- Directors undertake to comply with Distribution Provisions
- Distribution Provisions require:
 - 75% of total distributable profits to be distributed within four months of financial Y/E subject to the SLT
- Distributable profit comprises gross income (Income Tax Act) less deductions and allowances (excluding the qualifying distribution itself)
- Gross asset value as per latest historical or *pro forma* group AFS (GAV at fair value) must be a minimum of R300m
- At least 75% of revenue must be derived from rental revenue
- Directors must confirm that current or future year distributions qualify for deduction in terms of section 25BB(2) of the Income Tax Act
- Gearing against the property portfolio may not exceed 60% of GAV as per latest historical or *pro forma* group AFS

16.1.6 Section 14 – Pyramid companies

It is virtually impossible to list a pyramid structure onto the main board. A pyramid structure comprises two ListCos, the one is the listed holding company (“pyramid”) of the underlying listed SubCo (“controlled company”) and the pyramid receives either 75% attributable income and/or 50% underlying fair asset value on a consolidated group basis from the controlled company.

Any application to list a pyramid may only be effected following a “full” unbundling. The controlled company must have been listed for one or two years prior to the application. The mechanism of a full unbundling combined with the existing underlying asset rule are almost impossible to comply with and no new pyramid listings have been granted in decades.

16.1.7 Section 15 – Investment companies

A ListCo holding a portfolio of non-controlled assets over which it has little, or no control may apply for a listing onto the main board as a “passive” Investment Company in terms of Section 15.

The criteria for listing include:

- A subscribed permanent capital of R500 million;
- Being classified by FTSE as an “Investment Company”;
- Not being required to comply with a profit history as per Section 4 – instead management must have sufficient and satisfactory experience in Investment Company asset management;
- It must not have any specific group business providing trading income – its income must be derived wholly/mainly from investment held i.e. dividends or capital profits upon disposal;
- It must have an investment policy reflecting the above criteria;
- It may list with a complete portfolio or with cash only; and
- It may have a Manco – but if so, the Manco must hold at least 10% of the Investment Company, must be independent of the Investment Company directors and must have the relevant asset management experience.

16.1.8 Section 18 – Secondary Dual ListCos

General

- A dual listing involves all issued shares of a ListCo being listed on more than one stock exchange
- Dual listings can be primary or secondary
- ListCos may choose where their primary listing resides – subject to JSE classification
- JSE Primary Listings must comply with all JSE LR
- Secondary Listings:
 - JSE Secondary dual listings (“Secondary Listings”) have to comply with primary exchange listing continuing obligations and with minimal JSE LR continuing obligations (for details of compliance with continuing obligations applicable to secondary listings refer to Section 18.20)
 - Secondary Listing applicants must confirm that the company is in full compliance with its primary stock exchange requirements – JSE can request a letter
 - Confirm its primary listing is on a JSE foreign approved exchange (“approved exchange”), being:
 - The Australian Securities Exchange;
 - The London Stock Exchange – including premium and standard listings;
 - The NYSE;
 - The Toronto Stock Exchange;
 - The Nasdaq Stock Market;
 - Euronext Amsterdam;
 - Euronext Brussels;
 - Frankfurt Stock Exchange;
 - Luxembourg Stock Exchange;
 - SIX Swiss Exchange; or
 - any other exchange that is acceptable to the JSE
 - AltX secondary listings applications require that either the primary listing is on an approved exchange or that the primary exchange is a WFE member exchange

- If the foreign applicant is not incorporated in the country in which the approved exchange is domiciled, the JSE must be consulted regarding approval of the secondary listing and additional disclosures in respect thereof may be required
- Confirm that its non-SA primary listing board/exchange is at least equivalent to the JSE secondary listing market, i.e. offshore senior market = JSE main board and offshore junior market (e.g. AIM) = JSE AltX
- For non-approved exchanges, the 24-month trade volume and value on the JSE must be $\leq 50\%$ of total trade volume and value measured at each financial year end
- Both main board and AltX Secondary Listings require a sponsor (AltX does not require a DA)
- AltX Secondary Listings directors are not subject to the DIP or share lock-up
- Secondary Listings must either be spread compliant on the market concerned (main board = 20% and AltX = 10%) or satisfy the JSE clearance/settlement division of scrip availability
- ListCo primary listings may only be moved to a foreign exchange and simultaneous application made for a secondary listing on the JSE if the foreign exchange is an approved exchange and ListCo independent shareholder approval is obtained

16.1.9 Section 21 – AltX ListCos

Listing criteria	Section 21 – AltX	
	Criteria 1	Criteria 2
Subscribed capital + reserves – minority interests – NDR – intangible assets not fairly valued within six months	R2m	R2m
Appointment required	Designated Adviser (“DA”)	DA
Director training required	Directors Induction Programme	Directors Induction Programme
Minimum number of shares issued	25m*	25m*
Spread requirement	10% of listed equity class	10% of listed equity class
Shares of directors and DA locked up	50% for 2 – 3 years	50% for 2 – 3 years
Financial criteria		
Number of years audited AFS, or	3	N/A
Forecast required	N/A	2 financial years
Maturity status of business	Start up or mature	Start up or mature

Listing criteria	Section 21 – AltX	
	Criteria 1	Criteria 2
Control criteria	Independent group business at date of listing or Active management participation over majority of assets at date of listing	Independent group business at date of listing or Active management participation over majority of assets at date of listing

* *Implicit rule – actual criteria is silent*

There are a number of variations applicable to the CA tables with respect to AltX ListCos, notably, *inter alia*, general issues for cash may be effected up to a 50% level compared to 15%, acquisition and disposal Cat 1 transactions commence at 50% not 30%, small RP transactions are between 10% and 50%.





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