
GEN – General – Eskom Holdings SOC Limited

Censure imposed by the JSE on Eskom Holdings SOC Limited (“**Eskom or Issuer**”)

The JSE hereby informs stakeholders of the following findings in respect of Eskom:

1. Eskom, a state-owned entity, is listed on the JSE as an issuer of debt securities. As such, Eskom has a continuing obligation to comply with the JSE Debt Listings Requirements.
2. In 2020, the JSE implemented specific rules for state-owned entities or municipalities governing, inter alia, the disclosure of policies and treatment of Domestic Prominent Influential Persons and Loans and Procurement to related parties. According to these provisions in section 7 of the Debt Listings Requirements, an issuer is required to have in place and publish the following on its website:
 - 2.1. a policy on the disclosure and treatment of domestic prominent influential persons who are board members and prescribed officers in respect of any dealings by the issuer with domestic prominent influential persons, together with a register of such; and
 - 2.2. a policy on the disclosure and treatment of loans and procurement with any related party, domestic prominent influential persons and prescribed officers, together with a register of such, (collectively “**the policies and registers**”).
3. Eskom failed to comply with the provisions of the Debt Listings Requirements after its promulgation in 2020. Consequently, in September 2021, Eskom applied to the JSE for an extension to finalise the relevant policies and registers and the JSE granted Eskom an extension to 28 February 2022. Thereafter and in terms of the extended timeline granted by the JSE, Eskom notified the market in a SENS announcement published on 29 November 2021 that the policies and registers would be available on its website by 28 February 2022. However, Eskom failed to abide by the terms of their own extension request and after confirming such to shareholders in the SENS announcement. Eskom submitted a further extension request to the JSE on 22 December 2022 for an extension until 31 July 2023 to publish the outstanding policies and registers. However, by 31 July 2023, Eskom had not fulfilled its commitment to publish the relevant policies and registers.
4. Despite Eskom’s repeated undertakings to the JSE, Eskom’s current register of loans and procurement with any related party, domestic prominent influential persons and prescribed officers, has not been published

on its website, in clear disregard of the provisions of the Debt Listings Requirements. Even in those instances where the required policies and registers were published on the website, such publications were not made timeously and exceeded the time frames undertaken by Eskom and granted by the JSE.

5. Accordingly, the JSE found Eskom to be in breach of paragraphs 7.9, 7.10, 7.15 and 7.16 of the Debt Listings Requirements for failing to timeously publish the policies and registers.
6. Domestic prominent influential persons, by virtue of their positions, can have significant influence over the Issuer's operations and financial decisions. Without transparent disclosure of how these individuals are treated and involved in the Issuer's affairs, there is a risk of conflicts of interest that can undermine investor confidence. Similarly, disclosing loans and procurement involving related parties is crucial. Transparent reporting allows noteholders to assess the fairness and integrity of these transactions. Failure to disclose such information deprives noteholders of crucial insights into potential risks and the Issuer's true financial health.
7. For these reasons and with reference to the JSE's findings of breach, the JSE has decided to impose on Eskom a public censure and a fine of R3 million (three million rands), of which the fine is wholly suspended for a period of three years, on condition that Eskom is not found to be in breach of similar provisions of the Debt Listings Requirements during the period of suspension.

2 August 2024