



JOHANNESBURG STOCK EXCHANGE

16 February 2012

Dear Sponsors/Designated Advisors and Company Secretaries

LATE ANNOUNCEMENTS AND THE 28 DAY RULE

It has come to our attention that many issuers and/or sponsors/designated advisors are breaching the Listings Requirements ("LR") in relation to late announcements of corporate actions as well as not adhering to the 28 day rule with regard to the posting of circulars.

For your ease of reference we have extracted paragraphs of the LR that are relevant to this letter:

In respect of transactions:

Paragraph 9.15:

"In the case of a Category 2 transaction, the issuer must publish an announcement containing the following details of such transaction immediately after the terms have been agreed. Notwithstanding the fact that it may not be possible to include all the details required (such as the financial effects) and that there may be outstanding conditions precedent, this should not prevent issuers from immediately publishing the announcement as required:"

Paragraph 9.20:

"Upon the terms of a Category 1 transaction being agreed, the issuer must:

- (a) immediately comply with the requirements for a Category 2 transaction and state within the announcement that the transaction is subject to shareholders' approval and that a circular to shareholders will be issued in compliance with 9.20 (b); and
- (b) within 28 days, dispatch a circular to shareholders containing a notice of general meeting to obtain their approval and any agreement effecting the transaction must be conditional upon such approval being obtained. The JSE may, in its sole discretion, extend this period provided that there is sufficient justification to do so."

Paragraph 10.4:

"If an issuer, or any of its subsidiaries, proposes to enter into a related party transaction or, if the JSE determines that a transaction is a related party transaction, the issuer must:

- (a) make an announcement containing:
 - (i) the information specified in paragraph 9.15;..."



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F Evans (CFO) Non-Executive Directors: HJ Borkum
(Chairman), AD Botha, ZL Combi, MR Johnston, DM Lawrence,
A Mazwai, NS Nematswerani, N Nyembezi-Heita, N Payne
Alternate Directors: JH Burke, LV Parsons

Paragraph 10.9:

“A circular in respect of a related party transaction must be issued within 28 days of the publication of the terms announcement, must comply with the general requirements relating to circulars set out in Section 11 and must also include...”

In respect of a specific issue of shares for cash; specific repurchase and specific payments the LR provides that a circular must be sent to shareholders within 28 days of the publication of the announcement relating to the corporate action. Furthermore such an announcement must be published immediately after the terms of the corporate action have been agreed to.

In announcing these corporate actions we have found that issuers are not involving sponsors/designated advisors in the transaction process thus the sponsor/designated advisor does not have a sufficient degree of prior knowledge to immediately draft and release an announcement. In other instances where the sponsor/designated advisor are involved in the transaction process they only start drafting the announcement post the signing of the agreement. We suggest that templates be drafted as early as possible to avoid an unnecessary delay in the announcement and that sponsors/designated advisors are kept informed of the developments as the transaction progresses. Furthermore, we have also found that in many instances the issuer and/or the sponsor/designated advisor delay the announcement in order to try and comply with the 28 day rule. This is not acceptable.

Late announcements cannot be condoned, since, in the absence of a fully informed market, the risk of insider trading increases, there is the possibility of creating a false market and the lack of knowledge of the transaction can be detrimental to shareholders and investors. It should be noted that where it is not possible to include all of the required details, issuers must include a cautionary/further cautionary in the announcement, together with the stated intention to announce the missing details at a later stage once these have been finalised.

In relation to the 28 day rule in most instances where we have found that issuers are not able to comply with the rule it is because they have not considered the various regulatory requirements. Once again this probably stems from the fact that they have not involved their sponsors/designated advisors in the process. In other instances the issuers and/or sponsors/designated advisors delay the process as they are working on a number of transactions with the aim of aggregating all the transactions into one circular. These reasons cannot justify non-compliance with the LR.

Notwithstanding the above we are aware of the fact that there might be unplanned issues which may delay the process. In this situation issuers and their sponsors/designated advisors should approach the JSE before, and not after, the termination of the 28 day deadline in order to request an extension. Please note that such requests should be directed at the Corporate Finance Division of Issuer Services and not the Investigations Unit.

Finally, we have generally, during 2011, limited our actions to imposing private censures on issuers and sponsors/designated advisors. Going forward we shall be taking a more stringent approach and imposing harsher censures. We thus urge issuers and sponsors/designated advisors to put systems and lines of communication in place in order to avoid breaching the relevant provisions of the LR.

Yours faithfully

A handwritten signature in black ink, appearing to read 'E. Saaiman', written in a cursive style.

E.Saaiman
Head: Investigations Unit
Issuer Services Division