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| Simplification Ground Rules | |
| 1 | Testing regulatory relevance, is the requirement still current and does it serve a regulatory objective? |
| 2 | Converting complex language construction into plain language, whilst maintaining regulatory objective |
| 3 | Cutting red-tape a continuing focus |
| 4 | Articulating what is absolutely necessary by clearly expressing purpose |
| 5 | Removing ultra long sentences, legal jargon and archaic words |
| 6 | Maintaining the chain of thought through a sensible chronologic regulatory approach |
| 7 | Removing ambiguity, duplication and administrative matters |
| 8 | Harmonising outdated legal style drafting in a simplified uniform style to support issuers and sponsors |
| 9 | Amendments which are not considered simplification will be highlighted |

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| Key Amendments to Section 1 – Authority of the JSE |

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|  | Text  *Note: Paragraph references refer to the current Requirements, unless otherwise stated* | Rationale |
| 1 | Scope of Section | Reduced significantly to deal with core listings requirements, being Sections, Schedules and Practice Notes. In terms of the existing and new definition of “*Listings Requirements*”, the Scope of Section does not form part of the Requirements. |
| 2 | General powers of the JSE  Paragraph 1.1(a)-(g)  The general powers of the JSE have been removed. | The JSE powers emanate from the FMA, as such general enabling provision included referring to the FMA. |
| 3 | New Definition   * “*Regulated parties*” * “*Requirements*” | Avoids repeating the list of regulated parties each time, being reference to issuers, directors, officer, employees and agents.  Definition amended to refer to the “*Requirements*”, rather than “*Listings Requirements*” and text simplified.  Global amendment. |
| 4 | General principles  New Paragraph 1.2 (new version)  The general principles have been moved to Section 1, from the Introduction.  The general principles have been copied *verbatim* into Section 1, save as amended. | Currently the delegation of authority by the JSE board to Issuer Regulation is recorded in the Introduction of the Requirements under the heading “*Competent Authority*”, which currently forms part of the Requirements. It is intended that the Introduction, going forward, no longer forms part of the Requirements.  The delegation from the JSE board to Issuer Regulation is an internal JSE function, however important enough to be recorded in the Introduction section of the Requirements but does not form part of the Requirements. If the JSE board delegation is amended, there is no need to consult the market and amend the Requirements. The Introduction is therefore removed from the definition of “*Requirements*”, in order to be freely amend and update the delegation when required.  Also, the General Principles support the application and interpretation of the Requirements and has been moved to Section 1 from the Introduction Section, to become part of the Requirements.  The definition of “*Requirements*” has been amended accordingly, as advised above. |
| 5 | General principles  New Paragraph 1.2 (new version)  The discretion of the JSE has been removed to modify the application of the Requirements based on the general principles.  Text removed: “*The JSE may modify the application of the Requirements, where the JSE considers that the strict application to be in conflict with the General Principles.”* | The FMA requires the JSE to make and enforce its listings requirements and the provision conflicts with that statutory mandate. |
| 6 | Suspensions and Removals  Paragraphs 1.6-1.10, and 1.12-1.17  Consolidated the different approached to suspension and removals, “*at the instance of JSE*” and “*at the instance of issuer*”.  Wording has been added to paragraph 1.17 where reference is made to the Companies Act, in order to have similar application for foreign issuers in terms of equivalent legislation. | Removal and suspension powers are universal and there should be no difference in approach, save where shareholders approval is being sought. |
| 7 | Suspensions  Paragraph 1.10(d)  Reference to Section 23(6) of the Companies Act has been removed as it has bearing on external companies and the outcome is already covered as a suspension event. | Registration of external companies are regulated by CIPC, with the appropriate sanction to cease doing business. The ceasing of doing business is already a suspension event. |
| 8 | Objections and appeals  Paragraphs 1.4 and 1.5  New heading for “*Objections and Appeals*”, and also moved down in the Sections after the removal of listings. | It makes more sense to move this section down. Currently we deal with objections and appeals in the first five paragraphs, which seems a bit out of place. We need to deal with suspension and removal events first, followed the by objections and appeals. |
| 9 | Annual revision of the List  Paragraph 1.20(a)  Timing of annotation amended to align with process applied to annual reports in Section 3. | Alignment with Section 3. |
| 10 | Power to require information & publication  Paragraphs 1.26 – 1.29  Aligned with the provisions of the FMA. | Alignment with FMA. |
| 11 | Liability  Paragraph 1.30  Mirrored the liability provisions with the FMA and expanded in line with the JSE Equity Rules. | Alignment with FMA and expanded in line with the JSE Equity Rules. |