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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 aadministrative 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| 8 | Harmonising outdated legal style drafting in a simplified uniform style to support issuers and sponsors |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 New Section 4 – Corporate Governance |

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|  | Text  *Note: Paragraph references refer to the current Requirements, unless otherwise stated* | Rationale |
| 1 | Corporate Governance  Introduction of a new Section 4 – Corporate Governance:   * Paragraph 3.84; * Paragraphs 4.8(a)-(c); * Paragraphs 7.F.8 and 7.F.9; * Paragraph 8.62(a); * Paragraph 21.5; * Paragraph 21.3(e); and * Paragraph 10.16(g) of Schedule 10. | Considering the significance of Corporate Governance, as with other peer exchanges, corporate governance will receive it owns standalone section.  Furthermore, the approach on corporate governance on secondary listed companies have also been clarified. See new paragraphs 4.8 and 4.9.  A Corporate Governance Table has been added to assist with the application of the corporate governance provisions on listing and on an on-going basis.  The new Sections to date are as follows:   * Section 1: Powers of the JSE; * Section 2: Sponsors & Designated Advisers; * Section 3: Conditions of Listings (not yet released, existing Section 4); * Section 4: Corporate Governance; and * Section 5: Continuing Obligations (previous Section 3). |
| 2 | Independent non-executive directors  New paragraph 4.2(c)  Incorporated reference to Practice 28 of the King Code in the independence assessment of non-executive directors. | Providing more clarity on the independence assessment of directors. |
| 3 | Rotation: Independent non-executive directors  New paragraph 4.3  Copied paragraph 10.16(g) of Schedule 10 (Requirements for MOI) to Section 4.  Clarified that, in relation to a new applicant issuer, all non-executive directors must retire at the first annual general meeting.  Furthermore the JSE clarified the approach on the rotation of non-executive directors. A third of all non-executive directors must retire at each annual general meeting. In determining the one-third, the longest serving non-executive directors must retire first. | Rotation of non-executive directors is an important governance principle and should therefore be elevated to Section 4.  In line with the King Code recommendation, the board should establish arrangements for periodic, stagged rotation of its directors so as to invigorate its capabilities by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity. [Principle 7 recommended practice 12] |
| 4 | Adoption of King Code  New paragraph 4.5(a)  Introduced the requirement for the adoption of the King Code, on a new listing, into Section 4 and removed it from Section 7 (Listing Particulars) and 8 (Financial Information). | Consolidation of corporate governance provisions. |
| 5 | Chair  New paragraph 4.5(d)  Amended to state that the chair cannot be an executive director. | The JSE supports the recommendation in the King Code, that the chair should be independent. |
| 6 | AltX: Appointment of FD  New paragraph 4.6(b)  Removed the obligation to appoint an financial director in terms of paragraph 21.3(e) and and introduced into the new Section 4. | Consolidation of corporate governance provisions. |
| 7 | CEO & FD Sign Off  New paragraph 4.7  Following the Financial Reporting Disclosure amendments through Bulletin 1 of 2023, the statements by the CEO and FD are now required to be contained in the annual financial statements and not in the annual report. | Alignment with Bulletin 1 of 2023. |
| 8 | Directors and company secretary  Paragraphs 4.8 (a)-(c)  Removed corporate governance provisions from the existing paragraph 4.8(a)-(c) (Listing Conditions) and introduced into the new Section 4. | Consolidation of corporate governance provisions. |

*Drafting notes: Consolidation of corporate governance provisions.*

* *Remove paragraph 3.84 from existing Section 3;*
* *Remove paragraphs 4.8(a)-(c) from existing Section 4;*
* *Remove paragraphs 7.F.8 and 7.F.9 from existing Section 7;*
* *Remove paragraph 8.62(a) from existing Section 8; and*
* *Remove paragraph 21.5 (corporate governance) from existing Section 21.*
* *Remove paragraph 21.3(e)(appointment of FD) from existing Section 21.*