|  |
| --- |
| **The below represents a consolidation of the provisions of a specific corporate action in:**   * Section 5: Methods and Procedures of Brining Securities to Listing; * Section 11: Circulars, Pre-Listing Statements/Prospectuses and Announcements; and * Section 16 Documents to be Submitted to the JSE,   that will be included a new General Corporate Actions Section.  Each corporate action will be structured as follows, in alphabetical order:   * Specific requirements ; * Announcement; * Contents of circular; * Submission to the JSE.   **Definitions will be updated as required.**  **Original paragraph numbers are maintained for consultation purposes and will be renumbered on the clean simplified version.** |

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| --- |
| **Number 5: Issues for cash** |

Relevant Definitions: Definitions Section

|  |  |  |
| --- | --- | --- |
| weighted average traded price |  | the total value of the securities traded divided by the total number of securities traded over a prescribed period of time. If the securities have not traded for the prescribed period of time, the JSE must be consulted. |

Issues for cash

General5.49 An issuer proposing to issue equity securities for cash must first offer those securities to existing holders of equity securities pro rata their holdings unless a specific or general authority to issue shares for cash is obtained in terms of the Requirements.

5.50 Equity securities which are the subject of the issue must be of a class already in issue or represent securities or rights that are convertible into a class already in issue.

5.50 An issue of equity securities for cash (which includes the issue for the extinction of a liability, obligation or commitment, restraint, or settlement of expenses): must be approved by equity securities holders in general meeting:[[1]](#footnote-1)

(a) specifically in terms of 1.7; or

(b) generally in terms of 1.10.

*[moved down – specific requirements for a general authority]*

5.51 Approval from holders of equity securities is not required for a once-off issue for cash, where the dilution is equal to or less than 0.25% (calculated by taking the number of equity securities to be issued and dividing it by the number of listed equity securities, excluding treasury shares prior to the issue).and the discount does not exceed 10% of the weighted average traded price of such securities measured over the 30 business days prior to the date that the price of the issue is agreed. *[align with general discount provisions]*

. *[moved up]*

5.54 The JSE may waive some or all of the specific requirements pertaining to an issue for cash, if it is satisfied that [Schedule 11] (dealing with Rescue Operations) has been met.

5.55 Where any issue for cash constitutes an “affected transaction” as defined in the Act, the transaction must be referred to the Panel.[[2]](#footnote-2)

*[moved to Section 2]*

5.56 If an issuer wishes to issue treasury shares, such issue must comply with the issue of shares for cash provision as if a fresh issue of equity securities.[[3]](#footnote-3)

Specific requirements Specific issue

5.51 An issuer must obtain approval in general meeting through an ordinary resolution. Parties and their associates participating in the issue must be excluded from voting: [vote reduced to 50%]

*moved up – see general]*

*[moved to general and contents of circular below]* *[moved to contents of circular below]* *[moved to contents of circular below]* *[moved to contents of circular below]*

*[moved up]*

11.19B (a) Issuers may undertake an accelerated specific issue, through an expedited approval process and prescribed circular in the format available on the JSE Forms Portal.

**Announcement**

**Specific issue**

11.20 The issuer, after it has agreed the terms, must immediately release an announcement containing details of the issue, including:[[4]](#footnote-8)

(a) the number and price of the securities to be issued;

(b) the weighted average traded price of the equity securities over the 30 business days prior to the date that the issue is agreed;

(c) the name of the subscriber, including beneficial owner. If a related party, confirmation of that fact and the nature of the related party;

(d) if the issue is to a related party, a statement by the independent members of the board whether the issue is fair insofar as the equity securities holders (excluding the related party, its associates) of the issuer are concerned;

(e) total consideration to be received and intended use of funds; and

(f) a detailed narrative on the impact of the issue on the financial statements , if not settled in cash.[[5]](#footnote-9)

Contents of circular

Specific issue

11.19A The following must be included in the circular, which must be sent to equity securities holders within 60 days of publication of the announcement:[[6]](#footnote-10)

(a) the notice of general meeting;

(b) a detailed narrative on the impact of the issue on the financial statements;

(c) name of the subscriber, including beneficial owner. If a related party confirmation of that fact and details of the related party classification.;

(d) the number of equity securities to be issued;

(e) the discount to the weighted average traded price of the equity securities over the 30 business days prior to the date that the issue is agreed;

[*repetitive – see above]*

(f) total consideration to be received and intended use of funds;

(g) if the issue is to a related party, a statement by the independent members of the board whether the issue is fair insofar as the equity securities holders (excluding the related party, its associates) of the issuer are concerned;

(h) if the issue involves the issue of options/convertible securities that exceeds the discount limitation in […], a statement must be included by the board confirming whether the issue is fair insofar as the equity securities holders (excluding the related party/ies) of the issuer are concerned;

(i) the required resolution seeking approval from equity securities holders;

*[itemised above]*

*[see above]*

(j) the following paragraphs of Section 7:

|  |  |
| --- | --- |
| **Paragraph** | **Nature of statement** |
| 7.A.1 | Name, address and incorporation |
| 7.A.4 or 7.A.5 | Share capital of the company |
| 7.B.1 | Directors and management[[7]](#footnote-12)# |
|  | *[no reg value]* |
| 7.B.17(b) | Preliminary expenses and issue expenses |
| 7.B.20 | Directors’ interests in securities |
| 7.B.22 | Responsibility statement |
| 7.B.23 | Responsibility of directors, managers and advisers |
| 7.C.14 | Market value of securities |
|  | [n/a] |
|  | *[no reg value]* |
| 7.D.5 | Prospects |
|  | An explanation, including supporting information (if any), of the intended use of the funds |
| 7.G.1 | Documents and consents to be available for inspection |

# The items above must only be included in circulars if there is any direct change in respect of such disclosure items, if not, an appropriate negative statement must be included.

*[moved up]*

*[moved up under general][moved up under general]*

*[refer below]*

*[refer below]*

*[moved to Section 2]*

**Specific requirements**

General issue

5.52 An issuer must obtain approval in general meeting through an ordinary resolution and comply with the following : [vote reduced to 50%]

[*moved up under general]* (b) the equity securities must be issued to public shareholders and not related parties, provided related parties may participate in terms of the bookbuild process described in (b);[[8]](#footnote-16)

(c) related parties can participate in a general issue through a bookbuild process provided – [[9]](#footnote-17)

(i) the general authority approval by shareholders expressly affords the ability to the issuer to allow related parties to participate in a general issue through a bookbuild process;

(ii) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be “*out of the book*” and not be allocated shares; and

(iii) equity securities must be allocated equitably “*in the book*” through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild*.*

(c) the authority must represent a specified number of securities, excluding treasury shares, being less than 30% of the applicant’s listed equity securities as at the date of the notice of general meeting, provided that:[[10]](#footnote-18)

(i) the general authority shall be valid until the issuer’s next annual general meeting or for 15 months from the date on which the general issue authority was approved, whichever period is shorter, subject to any other restrictions set out in the authority by the issuer;

*[covered in preamble]*

*[covered in preamble]*

*[logical]*

(v) in the event of a sub-division or consolidation during the general authority period, the existing authority must be adjusted accordingly to represent the same ratio;

(d) the maximum discount at which equity securities can be issued is 10% of the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue is agreed. *[see general]*

. *[moved up]*

[*moved down]*

**General issue**

11.22 The issuer must release an announcement under a general authority once it has issued, on a cumulative basis, 5% or more of the issued share capital (excluding treasury shares), prior to that issue, the issuer must release an announcement including :

(a) the number of securities issued;

(b) the discount to the weighted average traded price of the equity securities over the 30 business days prior to the date that the issue is agreed;

(c) the name of the subscriber, including beneficial owner;

(c) total consideration to be received and the intended use of the funds

General issue

11.21 An issuer seeking a general issue authority must prepare a circular or include the a resolution in a notice of general meeting, addressing the specific requirements for a general issue.

Options and convertible securities

5.53

(a) Where options/convertible securities, excluding executive and staff share schemes, are granted/issued for cash, , the issuer must:[[11]](#footnote-23)

(i) obtain a specific authority from equity securities holders to issue options/convertible securities I terms of 1.7; and

(ii) obtain a general authority from equity securities holders to issue options/convertible securities in terms of 1.10. The resolution must expressly allow for the issue of options/convertible securities, and the strike price may not exceed a 10% discount to the weighted average traded price of such equity securities measured over the 30 business days at the date of issue of the options/convertible securities.[*incorporated]*

Submission to the JSE

16.18 The following must be submitted to the JSE:[[12]](#footnote-25)

(a) the circular or notice of general meeting;

(b) the application for listing available on the JSE Forms Portal;

[*no regulatory value]* (d) exchange control approval, if applicable;

(e) any experts’ consents appearing in the circular; and

(f) . *[Fees covered under the new Section 5 Continuing Obligations]*

*[Repetitive – covered above]*

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-8)
5. [↑](#footnote-ref-9)
6. [↑](#footnote-ref-10)
7. [↑](#footnote-ref-12)
8. [↑](#footnote-ref-16)
9. [↑](#footnote-ref-17)
10. [↑](#footnote-ref-18)
11. [↑](#footnote-ref-23)
12. [↑](#footnote-ref-25)