Preface

The Executive Committee of the JSE Securities Exchange South Africa ("the JSE") approved the amendments to the Listings Requirements in March 2003 which accompanied a complete rewrite and reprint of the Listings Requirements ("the 2003 Listings Requirements"). The 2003 Listings Requirements are the result of a rewrite process that commenced in 2001, including comment received from the public on a consultation draft issued in mid 2002, current JSE practices that have become precedents since the last rewrite in 2000 and changes arising from a grammatical, legal and sensibility review.

The 2003 Listings Requirements become effective on 1 September 2003 and have been aligned with international best practice, which will enhance the status of a JSE listing and will increase investor confidence in the South African equities market.

A brief synopsis of the major changes incorporated into the 2003 Listings Requirements is as follows:

- the Listings Requirements now apply to and require compliance by directors in their individual capacities;
- listed companies have a right of objection in respect of JSE decisions;
- listed companies have a right of appeal where the JSE decides, at its instance, to terminate a listing;
- the JSE is able to suspend a listing when it deems it to be in the public interest to do so;
- the JSE is able to terminate a listing when it deems it to be in the public interest to do so;
- the maximum penalty able to be imposed on listed companies is R1 000 000;
- listed companies are required to have a permanent sponsor at all times;
- sponsors are required to apply the spirit of the Listings Requirements and uphold the integrity of the JSE;
- sponsors eligibility criteria requires executives to have advised on a minimum number of transactions in an individual capacity;
- sponsors independence requirements have been strengthened;
- the JSE has the right to investigate sponsor applications which do not appear to be correct;
- disciplinary action against sponsors includes a penalty of up to R250 000;
- control is now defined in accordance with the Securities Regulation Code on Take-overs and Mergers;
- continuing obligations include details concerning trading statements;
- second interim reports covering the second six months of an extended financial year are required;

- the voting for "issues for cash" and "repurchases of securities" will no longer exclude controlling shareholders;
- when listed companies wish to delist they must make an offer to minorities and obtain a fair and reasonable statement;
- listed companies are required to comply with International Financial Reporting Standards for all years commencing during 2005;
- listed companies are required to publish abridged annual financial statements on SENS on the date of issue of their annual financial statements;
- the publication of voluntary preliminary annual financial statements on SENS requires a review by the auditors;
- the requirements for the production of a report of historical financial information and accountants report have been clarified;
- certain requirements of King II have been made mandatory; however, contrary to popular belief, the JSE is not enforcing compliance with the remainder of King II's principles, but does require annual disclosure of compliance with the principles;
- guidance has been issued concerning fair and reasonable statements;
- guidance has been included concerning the use of treasury shares;
- the 40% limit relating to specific share repurchases has been scrapped;
- requirements have been included for payments to shareholders;
- fair and reasonable statement requirements have been tightened up in respect of issues of options and repurchases;
- pre-issue trading is now allowed for new listings;
- directors of listed companies and of major subsidiaries will require clearance prior to trading in their listed company's securities;
- directors dealings disclosures have been expanded to include options, rights and derivatives over listed securities;
- directors emolument disclosures have been widened to include a greater variety of fees and fees received on a group wide basis and share purchase schemes;
- closed periods and their effects have been defined;
- preliminary and issue expenses require detailed disclosure of individual advisors expenses;
- auditors reports are required to take account of certain financial information disclosures contained in the Listings Requirements;
- reference is included to the GAAP Monitoring Panel and to censures and penalties for non-compliance with GAAP;
- category 3 transactions now include the previous category 4 transactions;
- the JSE has the right to request a fair and reasonable statement on any transaction where the values appear to be anomalous, not fairly valued or inappropriate;
- categorisation workings are required at the date of submission of announcements and circulars;
- the threshold for related party transactions has been reduced from 10% to 0.25%;

- the JSE has the right to classify a transaction as a related party transaction where the transaction gives rise to unusual vested interests or rights; and
- the annual compliance declaration requires confirmation that directors have complied with the Listings Requirements.

I would like to thank the Listings team headed by Doug Doel and Andre Visser for their tireless efforts and also Keith Rayner for his contribution to the process.

JOHN BURKE
DIRECTOR: LISTINGS DIVISION
1 June 2003