

8 April 2014

Sponsors and Designated Advisers

PROCEDURE FOR APPROVAL OF DOCUMENTATION

Paragraphs 16.3 and 16.4 of the JSE Listings Requirements (the “**Requirements**”) address the procedure for approval by the JSE of documents submitted through a sponsor pursuant to paragraph 16.2 of the Requirements.

The above paragraphs address the three step approval process, being (i) informal comments, (ii) informal approval and (iii) formal approval, as well as the JSE’s turnaround times for comments/approval. Based on our experience, documents submitted to the JSE from first submission to formal approval generally take up to four submissions over a period of approximately four to six weeks. This can of course be sooner or later depending on the complexity of the document and/or issues raised.

It has come to our attention that on several occasions the number of submissions made have exceeded five and/or it has taken a period of between five and eight months to obtain formal approval from the JSE, notwithstanding the strict turnaround times imposed on the JSE for comments/approval.

A prolonged submission process (both in number of submissions and the period of time in respect of submissions) is not a favourable situation for the JSE, sponsor or the issuer for various reasons and has been identified as an area of risk for the JSE. A submission to the JSE must be well prepared by the sponsor and the issuer to ensure that an objective and focused review can be applied by the JSE within (i) a reasonable number of submissions and (ii) a reasonable period of time. Taking into account the high volume of submissions dealt with by a Corporate Finance Officer (“**CFO**”) at any point in time, it is imperative that the submission process remains current and active to ensure objective consideration of the document as a whole (without piecemeal considerations over a substantial period of time).

Timing in respect of Procedure for Approval

In order to minimise the risk and encourage an active review process, the JSE hereby wishes to draw your attention to the revised approach in respect of the procedure for the approval of documentation.

The procedure for approval must not exceed five submissions and a period of three months. In the event that (i) the number of submissions and/or (ii) the period is exceeded, the JSE may elect to reject the submission as a whole. The sponsor will be allowed to resubmit, however, this submission will be treated as a first submission and will be allocated to a new CFO and second reader for consideration and review. The reason for this approach is that CFOs are required to undertake an objective and focussed review on the document as a whole within a reasonable period of time. Several submissions, as well as submissions over a lengthy



JSE Limited Registration Number: 2005/022939/06
One Exchange Square, Gwen Lane, Sandown, South Africa.
Private Bag X991174, Sandton, 2146, South Africa. Telephone:
+27 11 520 7000, Facsimile: +27 11 520 8584, www.jse.co.za

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period of time, (i) will inevitably have a negative impact on the review process and (ii) may impact the time a CFO has allocated to other complete and timely submissions.

We do accept that there may be valid reasons for a delay in the submission process, however, we would encourage issuers and sponsors to discuss any matters which may cause a delay in the submission and review process with the JSE or motivate the reason/s for the delay adequately during the submission process. In these circumstances the provisions above may not be applied by the JSE.

We further believe that this revised approach will improve the quality of first submissions, as there have been instances where first submissions have been made without certain material information being included, merely for the sake of getting the document into the JSE review process.

We trust that this approach will improve the submission and review process for the benefit of the JSE, sponsors and issuers.

Should you have any queries regarding the content of this letter please contact Alwyn Fouchee at alwynf@jse.co.za.

Yours faithfully

A handwritten signature in black ink, appearing to be 'A F Visser', written over a large, faint circular watermark or background mark.

**A F VISSER: GENERAL MANAGER
ISSUER REGULATION**