

## Memorandum

**Date:** 18 July 2012  
**Subject:** Changes to Listings requirements – Summary circulars

### 1. Background: Summary Circulars

Section 6(11) of the Companies Act 71 of 2008 (the “**Act**”) makes provision for a summary document, record or statement to be sent to shareholders. The summary document must however comply with any prescribed requirements.

Both the Act and Regulations do not stipulate any prescribed requirements for a summary document as it relates to the contents for circulars. In order to align the JSE Listings Requirements (the “**LR**”) to the Act, the JSE, as a licensed exchange, hereby prescribes (as contemplated in the Act) the minimum requirements to be included in a summary circular as required pursuant to the LR.

### 2. JSE Listings Requirements – Proposed Amendments

In order to ensure that all the relevant information is indeed included in the summary circular, an issuer issuing such summary circular will have to comply with all the prescribed requirements for summary circular as prescribed by the LR.

The JSE intends to add an additional sub-paragraph to paragraph 2.8 of LR, to include a provision that the summary circular as contemplated above must be reviewed and approved by the Sponsor of an issuer, in accordance with the prescribed requirements, before release. The Sponsor will have to provide such written compliance declaration to the JSE.

The summary circular must contain a notice of availability pursuant to the provision of the Act. As such, the cover page of the summary circular must include a warning statement in bold and in capital letters stating clearly, *inter alia*, the fact that the document is merely a summary and that the full contents of the circular, in compliance with the LR, may be viewed on the issuer’s website where the issuer’s website is operational. Details of the full website address must be disclosed. The circular, which forms the subject matter of the summary circular, will require the formal approval of the JSE before dispatch of the summary circular (as approved by the Sponsor). In addition, it will have to be dispatched in accordance with the Regulations to the Act.



Section 11 will be amended to make provisions for summary circulars as well as the prescribed requirements in respect thereof.

***The Listings Requirements will be amended as follows;***

**Section 2.8 – Sponsors**

*2.8 (k) provide confirmation to the JSE that information contained in the summary circular as per Appendix 2 to Section 11 has been reviewed and approved by the sponsor before it is released and is in compliance with the Listings Requirements.*

**Section 11 – Circulars, pre-listing statements and announcements**

**Summary circulars, pre-listing statements and prospectuses**

*11.56 An issuer may dispatch or issue a summary document, record or statement to be sent to shareholders with respect to any corporate event as per the Listings Requirements. The summary document may be prepared on the circular/document/prospectus/pre-listing statement approved by the JSE. The summary document must be reviewed and approved by the sponsor as confirmation of compliance to Appendix 2 to Section 11 of the Listings Requirements before it is released. The sponsor is required to provide such confirmation to the JSE before the summary document is dispatched or issued. The summary circular must contain a notice of availability on the issuer's website pursuant to the provision of the Act. As such, the cover page of the summary circular must include a warning statement in bold and in capital letters stating clearly, inter alia, the fact that the document is merely a summary and that the full contents of the circular/document/prospectus/pre-listing statement, in compliance with the Listings Requirements, may be viewed on the issuer's website. Details of the full website address must be disclosed. The circular, which forms the subject matter of the summary circular, will require the formal approval of the JSE before dispatch of the summary circular (as approved by the Sponsor). In addition, it will have to be dispatched in accordance with the Regulations to the Act.*

*Appendix 1 to Section 11  
Guidelines on publication of information  
(no changes to the existing requirements)*

***Appendix 2 to Section 11  
Information to be included in summary circulars***

The following information must be contained in the summary in respect of circulars as far as such information is applicable to the corporate action:

1. Description of the corporate action and the rationale for the corporate action.
2. The parties involved in the corporate action.
3. If there is a related party; a paragraph as to whether the corporate action is fair or not to shareholders, in terms of the independent fairness opinion where applicable.
4. Which parties are excluded from voting and why.
5. The Director's recommendation /opinion on the corporate action.
6. Steps to be taken by shareholders and election rights.
7. Directors' responsibility statement in respect of the summary.
8. What is the purchase consideration /price and the discount /premium or what are the terms of the offer.
9. What are the financial effects in terms of:
  - NAV(Net Asset Value) per share
  - NTAV(Net Tangible Asset Value) per share
  - EPS(Earnings Per Share)
  - HEPS (Headline Earnings Per Share).
10. The outstanding conditions precedent.
11. Effective date.
12. The timetable of the corporate action as per the Listings Requirements.
13. Any other significant terms.
14. Irrevocable undertakings received.
15. Name change details of old and new name.
16. Changes to the board of directors as a result of the corporate action.
17. Notice of availability of the circular/document/prospectus/pre-listing statement approved by the JSE.
18. Statement that the document is a summary and full contents of the circular may be viewed on the issuer's website.
19. Details of the issuer's website.
20. Statement that in the case of any conflict between the summary circular and the full document, the full document will be definitive.

Additional information required in summary circulars for revised listing particulars:

1. The reason for the document.
2. Business summary.
3. Directors' information.
4. Directors' responsibility statement.
5. Responsibility statement by other relevant parties where necessary.
6. Capital structure.
7. Working capital statement.
8. In respect of property companies, a summary valuation.
9. In respect of mining and exploration companies, the mineral resource and reserve statement and summary valuation.
10. Disclosure of directors' interests.

Additional information required in summary circulars if sale or subscription; renounceable rights offers; rights offers and claw back offers:

1. Underwritten/not. If applicable, details of the underwriter and underwriter's commission payable.
2. Minimum subscription/not.
3. Details on over-subscription.
4. Details of excess applications if applicable.

*The summary circulars must be accompanied by the notice of meetings or annual general meeting, proxy and voting forms in full form complying with the Listings Requirements.*

