



The JSE Limited Listings Requirements

BULLETIN 2 of 2008

15 JULY 2008

Dear Subscriber

Please note that the existing Schedule 16 in your binder has been amended. These changes become effective from the 18 August 2008.

Schedule 16

Sponsors

This schedule contains certain Listings Requirements applicable to sponsors and should be read with Section 2.

Introduction

- 16.1 This schedule sets out the Listings Requirements of the JSE pertaining to the eligibility criteria of sponsors.
- 16.2 A sponsor may be a company, partnership or sole proprietor with sufficient executive staff to execute all sponsor requirements and responsibilities in accordance with the Listings Requirements.
- 16.3 The responsibilities of a sponsor are set out in Section 2.

Qualifications for approval

- 16.4 A sponsor must satisfy the JSE:
 - (a) that it is competent to discharge the responsibilities of a sponsor; and
 - (b) that it accepts the responsibilities of a sponsor and agrees to discharge those responsibilities at all times to the satisfaction of the JSE.

Eligibility criteria

16.5 The following criteria must be met by a sponsor in order to satisfy the JSE that it is competent to fulfil the role of sponsor:

(a) **Employment of staff with relevant experience**

- (i) a sponsor will be expected to have staff who have considerable relevant corporate finance experience;
- (ii) a sponsor must be able to demonstrate to the JSE's satisfaction, that at least three of its executive staff:
 - (1) were registered as Approved Executives by the JSE as at 15 August 2008 and will continue to be so classified subject to paragraphs 16.5(a)(iv) and 16.14; or
 - (2) have passed an examination* as approved by the JSE from time to time ("the examination"); and each have relevant practical experience in advising on the general application of the Listings Requirements under the supervision of an Approved Executive in accordance with schedule 16.5(a)(iii).#

Such executive staff will be classified as Approved Executives and recorded as such by the JSE.

- (iii) An Approved Executive who is providing the supervision referred to in paragraph 16.5 (a)(ii) above must :
 - (1) notify the JSE in writing at the commencement of the relevant period providing full details of the candidate; and
 - (2) declare to the JSE at the end of the relevant period that the candidate is suitable to be an Approved Executive who will be able to properly fulfil all the responsibilities of a sponsor.

If a candidate moves from one employer to another and wishes to continue with his/her programme of practical experience, then arrangements must be made in order that an Approved Executive with the new employer continues with the necessary supervision. Before embarking on this exercise, the Approved Executive must obtain full details of the candidate's previous experience.

- (iv) From time to time the JSE will arrange courses relating to the Listings Requirements and all Approved Executives must attend these in order to remain registered.

* The examination will be preceded by a course but attendance will be voluntary unless a candidate failed the examination after which attendance will be compulsory before being allowed to write the examination again.

A person who has a relevant degree at the commencement of the period will be required to serve two years under the supervision of an approved executive whilst others will be required to serve five years.

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- (v) the sponsor's approved executives must not have been:
 - (1) convicted of an offence resulting from dishonesty, fraud or embezzlement;
 - (2) censured or fined by a self regulatory organisation, or recognised professional body;
 - (3) barred from entry into any profession or occupation; or
 - (4) convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act, or been a director or alternate director or officer of a company at the time such company was convicted of any similar offence;
 - (vi) if the relevant criteria detailed in 16.5(a)(i) to (iv) above are not satisfied, the JSE may still accept the applicant as a sponsor but not as a DA, provided that such sponsor has demonstrated to the JSE's satisfaction that it has the necessary expertise and adequacy of staff to properly discharge the responsibilities of a sponsor. In such instance such sponsor must have at least one executive approved as an approved executive by the JSE. In this instance the JSE will record whichever executive staff members have qualified for approved executive classification as well as the details of the other sponsor staff employed ("employment status"). The JSE reserves the right to review such sponsor's status if and when there is any change to such sponsor's employment status, which must be notified to the JSE within 48 hours of such change.
- (b) **Adequate supervision of staff**
- (i) a sponsor must ensure that all staff who do not qualify for classification are supervised and managed by approved executives whenever they are involved in sponsor activities; and
 - (ii) a sponsor must have appropriate controls and procedures to ensure that staff involved in sponsor activities do not act beyond their authority.
- (c) **Sufficiency of staff**
- (i) arrangements must be in place to ensure that a sufficient number of approved executives are always available to ensure that the sponsor's responsibilities are properly discharged at all times.
- (d) **Independence**
- (i) a sponsor must provide an undertaking that it will not act as a sponsor to any organisation of which it is not independent (except with the specific approval of the JSE);
 - (ii) a sponsor must provide confirmation of its independence for each corporate action in which it acts as sponsor by completing Schedule 17 and submitting same to the JSE. A sponsor must also ensure it is independent of any client to whom it provides

16.5(a)(vi) in Schedule 16 amended with effect from 15 October 2007.

sponsor services/advice but which will not necessarily become the subject of a corporate action and will not require the completion of Schedule 17;

(iii) the question of a sponsor's independence must be determined in respect of each corporate action or other instance according to the following requirements:

- (1) a sponsor may not control, be controlled by, or be under the same control as an applicant issuer unless the sponsor is acting as joint and non lead sponsor. For this purpose, control is as defined in the definitions section of the Listings Requirements;
- (2) the above will not apply to investment entities where the sponsor's interest arises by virtue of the holdings of its non managed discretionary clients;
- (3) a normal business relationship between an applicant issuer and any company which is part of the sponsor's group will not usually prohibit a potential sponsor from acting. However, relationships that would give the sponsor's group a material interest in the success of a listing, or other corporate action may result in the sponsor not being independent, and, in such instances, the JSE must be consulted;
- (4) a sponsor may be the auditor and/or tax adviser and/or the reporting accountant to the applicant issuer, provided the JSE is satisfied that there is an adequate segregation of roles within the sponsor's group;
- (5) any director or employee of the sponsor that has a significant interest in an issuer, being 3% or more for purposes of this requirement, or is material to the director or employee, must not be involved in advisory activities of the sponsor in relation to such applicant issuer;
- (6) an investment in an issuer that is material to the sponsor will result in such sponsor not being regarded as independent of such issuer unless the JSE decides otherwise; and
- (7) in any case of doubt, the JSE must be consulted;

Notwithstanding the above requirements the JSE recognises that it is impossible to anticipate all circumstances under which a sponsor would be deemed not to be independent and accordingly reserves the right to determine the independence of a sponsor after having reviewed the declaration made by the sponsor in Schedule 17.

The application process

- 16.6 Applications to become a sponsor must be made to the JSE by submitting the sponsor application form (as set out in 16.21 below).
- 16.7 An applicant will be required to nominate a person to act as the primary contact with the JSE concerning the application.
- 16.8 The JSE will advise the applicant of the result of the application in writing.

Fees

- 16.9 The relevant fees as determined by the JSE from time to time are available on the JSE's website "www.jse.co.za".
- 16.10 If annual subscription fees payable by a sponsor are not paid by 31 January of any year, no document from such sponsor will be accepted for submission to the JSE until the fees have been paid in full.

Register

- 16.11 A register of sponsors will be published by the JSE.

Designations

- 16.12 A sponsor will be able, but not required, to state on its business documentation that it is a sponsor registered with the JSE, and may similarly disclose its approved executives.

Continuing requirements***Annual confirmation***

- 16.13 Each time the annual subscription is paid, sponsors are required to advise the JSE whether or not it still meets the eligibility criteria, and specifically, whether or not it continues to have a minimum of three approved executives in its employ.
- 16.14 Individuals who wish to remain as registered Approved Executives must submit a sworn affidavit to the JSE by no later than 31 January of each year confirming that they were actively involved in providing advice on the application of the Listings Requirements during the previous twelve months and that they will continue doing so in the next twelve months. Failure to make this submission will result in the removal of the individual from the register.

Issues affecting approved executive status

- 16.15 Whenever an approved executive of a sponsor resigns and moves employment to another sponsor, such person must notify the JSE.

Issues affecting sponsor status

- 16.16 A sponsor, excluding sponsors appointed in terms of 16.5(a)(vi) above, must inform the JSE within 48 hours, in writing, if any of its approved executives leave its employment (including the situation where an approved executive is no longer physically present in the sponsors offices and providing advice to issuers), and, if such departure causes the sponsor to have less than three approved executives in its employ it will have a period of three months in which to re-satisfy the eligibility criteria detailed

in 16.5 above, failing which (unless the JSE provides dispensation in terms of schedule 16.5(a)(vi)) the sponsor's status will be suspended until such criteria are satisfied. The JSE will publish such details of the suspension of sponsors.

- 16.17 A sponsor may resign as a sponsor by giving written notice to the JSE and the relevant applicant issuer.
- 16.18 If the departure of approved executives results in a sponsor no longer having any approved executives, the JSE will suspend the sponsor's status, announcing same through SENS, until the sponsor re-qualifies in accordance with 16.5.
- 16.19 If at any time the JSE considers that a sponsor or approved executive is no longer competent, the JSE may suspend the sponsor or approved executive on reasonable notice to the sponsor. If the sponsor or approved executive is dissatisfied with the JSE's decision in this regard they should notify the JSE in accordance with paragraph 1.4 of Section 1.
- 16.20 Notwithstanding acceptance by the JSE of a sponsor's resignation, or withdrawal by the JSE of a sponsor's status, the sponsor shall continue to be subject to the jurisdiction of the JSE for a period of one year following the resignation or withdrawal of status.
- 16.21 A sponsor must immediately notify the JSE by e-mail, facsimile and letter if any of the events below occur (failure to make full and timely disclosure to the JSE may result in disciplinary action against the sponsor):
- (a) any of the sponsor's approved executives are:
 - (i) convicted of an offence resulting from dishonesty, fraud or embezzlement;
 - (ii) censured or fined by a self regulatory organisation, or recognised professional body;
 - (iii) barred from entry into any profession or occupation; or
 - (iv) convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act, or was a director or alternate director or officer of a company at the time such company was convicted of any similar offence; or
 - (b) an approved executive ceases to meet the criteria for approved executive classification.

Sponsor application form

- 16.22 Details of the sponsor application form to be submitted by the applying sponsor to the JSE are as set out below.

SPONSOR APPLICATION FORM

1. Name of applicant
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2. Trading name (if different)
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Tel: Fax:
Website: e-mail:
Address:
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3. Nature of entity (private company, public company, unlimited company, partnership, sole trader)
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4. Name of contact person and contact details
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5. Is the applicant a member of any self regulating organisation or recognised professional body (specify)?
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6. Which corporate financial services does the applicant intend offering?
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7. Provide full details relating to schedule 16.5 of all executive staff (provide a suitably detailed table).
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8. Names and other details of executive staff that will be involved in sponsor activities

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9. What procedures and controls are in place to ensure that personnel do not act outside their authority?

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10. Please state any other information that you may think is relevant to your application.

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11. With respect to your approved executives, have any of them ever been:

(a) Convicted of an offence resulting from dishonesty, fraud or embezzlement? If yes, provide details.

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(b) Censured or fined by a self regulatory organisation, or recognised professional body? If yes, provide details.

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(c) Barred from entry into any profession or occupation?

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(d) Convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act, or was a director or alternate director or officer of a company at the time such company was convicted of any similar offence? All such convictions must be disclosed even though they may now be "spent convictions".

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12. Applicant's undertaking to the JSE Limited

We hereby apply for approval as a sponsor as defined in the Listings Requirements of the JSE Limited. Should such application be successful we undertake to:

(a) be bound by and discharge our responsibilities as a sponsor under the Listings Requirements as amended from time to time;

(b) advise the JSE, in writing, without delay, of our resignation or dismissal from a sponsor appointment, giving details of any relevant facts or circumstances;

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- (c) provide a description of any interest held by the sponsor, the sponsor's group, and any partner or director of that firm in the issuer or its subsidiaries, or by the issuer in the sponsor;
 - (d) acknowledge that the JSE may censure us if the JSE considers that we are in breach of our responsibilities, and that the JSE may publicise the fact that it has done so; and
 - (e) apply the spirit of the Listings Requirements and uphold the integrity of the JSE.

We declare that the information supplied is complete and correct, and we agree to comply with the additional notification requirements.

We have read the eligibility criteria for a sponsor and believe that this application conforms to the criteria (except as specifically notified to you with this application).

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Signature

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Name of signatory

.....
Position

.....
Date

.....
Signature

.....
Name of signatory

.....
Position

.....
Date

.....
Sponsor

(initials and surname of approved executive)

Transitional requirements

1. The new eligibility criteria will become effective on 18 August 2008.
2. Parties who were approved executives as at 15 August 2008 will continue to be classified as approved executives. Such parties will only be required to attend the courses stipulated in schedule 16.5(a)(iv) in order to remain registered. The JSE will notify all affected parties of their status.
3. Sponsor firms have until 18 August 2008 to submit full details of their existing staff members who they believe have relevant practical experience which may be taken into account in terms of schedule 16.5(a)(ii). This submission must include full details of the staff member, the period of relevant practical experience and the name of the approved executive under whose supervision the staff member will work. The JSE will consider whether to approve such candidates as approved executives once they have completed the examination in terms of schedule 16.5(a)(ii) and upon receipt of the declaration in terms of schedule 16.5(a)(iii)(2). All applications received after 18 August 2008 must be in full compliance with schedule 16.

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