GEN – General – Consultation process on proposed changes to Listings Requirements regarding company secretaries

As part of the process of implementing our Listings Requirements relating to financial directors (“FD”), it has come to our attention that several companies have a joint company secretary and FD. This scenario could classify the FD as part time which is prohibited in terms of paragraph 4.8(b) of the Listings Requirements. The existing Listings Requirements is also silent on a company secretary also fulfilling another executive director role.

King III highlights the very important role of the company secretary with an arms length relationship with the board and the Companies Act makes it compulsory for companies to have one.

The JSE is therefore considering an amendment to the Listings Requirements so that company secretaries, who must be appointed in terms of the Companies Act, cannot be a director (in any capacity) of the company. This does not mean that the company secretary must be a full time employee of the company. In fact, it may in be necessary and advisable to contract with an external company that provides Company Secretarial services, in order to secure the necessary expertise. We are proposing that the Listings Requirements will have a reasonable transitional period for existing listed companies, with an effective date of 1 January 2013.

The proposed Listings Requirements are available on the JSE’s website and interested parties are invited to submit their comments by no later than 18 November 2011. Comments can be submitted electronically to [thandekam@jse.co.za](mailto:thandekam@jse.co.za).

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