



The JSE Limited Listings Requirements

BULLETIN 4 of 2008

15 SEPTEMBER 2008

Dear Subscriber

Please note that the existing Sections 3,11 and 16 have been amended to reflect 100 copies of the document instead of 200

Section 8.63 has been amended to reflect the references to the new SAMREC code as well as the new Section 12.

Section 12 has been amended in its entirety. The Principle changes include the following:

- The detail time table for submission of CPR's have been included.
- Detail disclosure requirements in section 12 have been replaced by reference to the new SAMREC code.
- Mineral companies are to comply with the SAMVAL code.
- The concept of an "Executive Summary" of the CPR has been introduced.
- Non Mineral companies with substantial mineral assets are to comply with this section.

This Bulletin also brings into effect the new Schedule 14 dealing with the requirements for share incentive and share option schemes. This schedule 14 has been amended in its entirety. The principal changes include the following:

- 14.1 – The adoption of, and any amendment to, share schemes must be approved by a 75% majority as opposed to the current 50% (will remain as an ordinary resolution). Furthermore, any shares held by existing participants may not participate in the vote should any changes be made to an existing scheme.
- 14.1(b) – The limit imposed by the JSE on the number of shares which may be issued through a share scheme is removed but a scheme will still be required to fix the number of shares that it utilises. This number may be increased with shareholder approval.
- 14.1(f) – All schemes must show the basis upon which awards are made and any changes to the basis requires shareholder approval.
- 14.12 and 14.13 – Rolling over (recycling) and back-dating of options are prohibited.

Section 3 Continuing Obligations

Disclosure of periodic financial information

Annual financial statements

3.21 In issuer's annual financial statements must be sent to the issuer's holders of securities and 100 copies sent to the JSE once they are issued. At the same time an abridged version of such annual financial statements ("abridged report"), complying with paragraphs 8.57 to 8.61, must be published. Although the audit report of the auditors need not be included in the abridged report, if such report is modified, details of the nature of such modification shall also be stated therein.

Directors

Dealing in Securities

3.63 An issuer, via its sponsor, must announce the following information:

- (a) details of all transactions (including off market transactions) in securities relating to the issuer by or on behalf of:
 - (i) a director and company secretary (held beneficially, whether directly or indirectly) of the issuer;
 - (ii) a director and company secretary (held beneficially whether directly or indirectly) of a major subsidiary company of the issuer;
 - (iii) any associate of 3.63 (a)(i) or (ii) above (collectively referred to for purposes of paragraphs 3.63 to 3.74 as "directors"); or
 - (iv) any independent entity, in terms of which, any party in paragraph 3.63(a)(i) to (iii) may derive any beneficial interest now or in the future; and

Section 8 Financial Information

Minimum contents of annual financial statements

8.63

- (m) Mineral Resources and Mineral Reserves
 - (i) Scope
 - (1) 8.63(m) applies to Mineral Companies. The JSE could require non-mineral companies with substantial mineral assets (as defined in section 12) to comply with these requirements.

3.21 amended with effect from 15 October 2008.

3.63(a)(i) amended with effect from 15 October 2007 and with effect 15 October 2008.

3.63(a)(ii) amended with effect from 15 October 2007 and with effect 15 October 2008.

3.63(a)(iv) amended with effect from 15 October 2007 and with effect 15 October 2008.

8.63(m)(i)(1) amended with effect from 15 October 2008.

-
- (2) Mineral Companies (which for purposes of this listings requirement, includes subsidiaries, joint ventures, associates and investments), are required to disclose the details contained in 8.63(m) on an attributable beneficial interest basis (ie beneficial “see through” basis).
 - (3) Mineral Companies may report on an aggregated attributable beneficial interest basis (“total basis”) where the required disclosure details in 8.63(m) have been previously disclosed and published by separately listed Mineral Companies in compliance with this listing requirement. If disclosure is made on a total basis, then the attributable beneficial interest percentage must also be clearly stated.
 - (4) Mineral Companies’ disclosure in accordance with 8.63(m) must be compliant with the SAMREC Code and parts of Table 1 and Section 12. The applicable relevant SAMREC Code Table 1 (Checklist and guidelines of reporting and assessment criteria) paragraphs are referred to throughout this requirement as follows: -[refer to Tx,xA,B or C]. Where the disclosure is not in accordance with a Section 12 or Table 1 paragraph, or incorporates a number of such paragraphs, it will be referred to as follows – [stand alone]
 - (5) Mineral Companies must disclose the full name, address, professional qualifications and relevant experience (including the name and address of the body recognised by SAMREC of which the Competent Person is a member) of the Lead Competent Person authorising publication of the information disclosed in terms of 8.63(m) [refer to T 11.]
 - (6) Mineral Companies must include a statement that they have written confirmation from the Lead Competent Person that the information disclosed in terms of 8.63(m) is compliant with the SAMREC Code and where applicable, the relevant Section 12 and Table 1 requirements , and that it may be published in the form and context in which it was intended [stand alone].
- (ii) Disclosure compliance
- (1) Where individual operations, projects or exploration activities are material to:
 - (a) Mining Companies, then 8.63(m)(iii) must be complied with in full (if any sub paragraph(s) is/are not applicable, an appropriate statement(s) must be made); or
 - (b) Exploration Companies, then 8.63(m)(iii) and 8.63(m)(iv) must be complied with in full (if any sub paragraph(s) is/are not applicable, an appropriate statement(s) must be made).
 - (2) Where individual operations, projects or exploration activities are not material to Mineral Companies, then only 8.63(m)(iii)(6) and 8.63(m)(iii)(8) require compliance disclosure.
- (iii) Mining Companies annual disclosure requirements
- Mineral Companies must disclose the following information,

where applicable, for the financial year/period under review as part of their annual reports:

- (1) a brief description of any exploration activities, exploration expenditures, exploration results and feasibility studies undertaken; [stand alone but refer to T4 and T5 for guidance.];
 - (2) a brief description of the geological setting and geological model; [refer to T 4.1];
 - (3) a brief description of the type of mining and mining activities, including a brief history of the workings or operations [refer to T 1.3];
 - (4) production figures, including a comparison with the previous financial year/period [stand alone];
 - (5) a statement that the company has the legal entitlement to the minerals being reported upon [refer to T 1.7 and T 5.1] together with any known impediments [stand alone] ;
 - (6) the estimated Mineral Resources and Mineral Reserves ("Mineral Resource and Reserve Statement") [refer to T 8];
 - (7) description of the methods and the key assumptions and parameters by which the Mineral Resources and Mineral Reserves [refer to T 7] were calculated and classified;
 - (8) a comparison of the Mineral Reserve and Mineral Resource estimates with the previous financial year/period's estimates together with explanations of material differences [stand alone];
 - (9) whether or not the Inferred Mineral Resource category has been included in feasibility studies, and if so the impact of such inclusion [refer to T 8(C)];
 - (10) any material risk factors that could impact on the Mineral Resource and Reserve Statement [refer to T 6 and T 9];
 - (11) a statement by the directors on any legal proceedings or other material conditions that may impact on the company's ability to continue mining or exploration activities, or an appropriate negative statement [refer to T 1.7];
 - (12) appropriate locality maps and plans [refer to T 1.5]; and
 - (13) a summary of environmental management and funding [refer to T 5.2].
- (iv) Exploration Companies – annual disclosure requirements
- In addition to the disclosure requirements in 8.63(m)(iii), Exploration Companies must disclose the following information as a part of their annual report, where applicable:
- (1) summary information of previous exploration work done by other parties on the property [refer to T 1.3];
 - (2) summary information on the data density and distribution [refer to T 4.1(A)(iii)];
 - (3) exploration results not incorporated in the Mineral Resource and Reserve Statement including the following, where applicable, or a qualified negative statement:
 - (a) the relationship between mineralization true widths and

-
- intercept lengths [refer to T 3.2(A)(iii)];
 - (b) data and grade compositing methods and the basis for mineral equivalent calculations [stand alone but refer to T 4.2(B)(i) and T 5.7(B)(iv)];
 - (c) for poly-metallic mineralisation or multi-commodity projects, separate identification of the individual components [stand alone];
 - (d) the representivity of reported results [refer to T 8(A)(i)];
 - (e) other substantive exploration data and results [refer to T 2.3(A)(ii)];
 - (f) comment on future exploration work stand alone but refer to Section 12.9 (g)(ii) and (iii)];
 - (g) the basic tonnage/volume, grade/quality and economic parameters for the exploration target [refer to SAMREC Code paragraph 19 and 20]; and
 - (h) sample and assay laboratory quality assurance and quality control procedures [refer to T 3.4];

Appendix to Section 11

Guidelines on the publication of information

The following table provides a summary of the requirements for publication of information relating to listed companies:

| Reference (section paragraph unless otherwise stated) | Information | No. of copies for JSE | Distribute to each shareholder | Publish in press in compliance with paragraphs 3.46 to 3.48 Note 4 | Publish through SENS in compliance with paragraph 3.45 |
|---|---|-----------------------|--------------------------------|--|--|
| 3.19 | Annual financial statements | 100 | Yes | No | No |
| 3.21 | Abridged annual financial statements (Abridged report) | 3 | No | No | Yes Note 1 |
| 3.22 | Preliminary annual financial information (Preliminary report) | 3 Note 3 | No Note 3 | No | Yes |

continued

3.19 contained in the table in Appendix to Section 11 amended with effect from 15 October 2008.

| Reference (section paragraph unless otherwise stated) | Information | No. of copies for JSE | Distribute to each shareholder | Publish in press in compliance with paragraphs 3.46 to 3.48 Note 4 | Publish through SENS in compliance with paragraph 3.45 |
|---|---|-----------------------|--------------------------------|--|--|
| 3.16 | Provisional annual financial statements (Provisional reports) | 100 | Yes | Yes | Yes |
| 3.15 | Interim Reports | 100 | Yes | Yes | Yes |
| 3.15 | Quarterly Reports | 3 Note 3 | No Note 3 | No | Yes |
| 3.11 | Dividend announcement | 3 | No | No | Yes |
| 3.19(a) | Notices of annual general meetings | 3 | Yes | No | Yes Note 1 |
| 3.49 | Circulars | 100 | Yes | No | No |
| 3.49 – 3.50 | Pre-listing statements and prospectuses | 100 | Yes | Yes Note 2 | Yes Note 2 |
| 3.46 – 3.48 | All announcements except those specifically detailed in this appendix | 3 | No | Yes | Yes |
| 3.59 | Changes to the boards of directors | 0 | No | No | Yes |
| 3.63 | Directors dealings in securities | 0 | No | No | Yes |
| 11.2 | Voluntary price sensitive announcements | 0 | No | No | Yes |
| 3.4(b) | Trading updates | 0 | No | No | Yes |
| 3.78 | Change of auditors | 0 | No | No | Yes |

3.16 contained in the table in Appendix to Section 11 amended with effect from 15 October 2008.

3.15 contained in the table in Appendix to Section 11 amended with effect from 15 October 2008.

3.11 contained in the table in Appendix to Section 11 amended with effect from 15 October 2007.

3.49 contained in the table in Appendix to Section 11 amended with effect from 15 October 2008.

3.49 – 3.50 contained in the table in the Appendix to Section 11 amended with effect from 15 October 2008.

Notes:

1. Details concerning the date, time and venue of the annual general meeting must be included in the abridged report.
2. Alternatively, an abridged version of the pre-listing statement/prospectus can be published through SENS and in the press.
3. If the applicant issuer elects to distribute to shareholders, then it must ensure that the JSE also receives 100 copies.
4. If an applicant issuer makes a voluntary publication in the press, there is no minimum information required but the applicant issuer must ensure that the information is not misleading.

Section 12

Mineral Companies and Companies with Substantial Mineral Assets

Scope of section

This section sets out the criteria for the listing of, and the additional disclosure requirements for, Mineral Companies, and in certain circumstances, substantial mineral assets of non Mineral Companies. The main headings of this section are:

- 12.1 Definitions
- 12.2 Guiding Principles
- 12.3 General
- 12.4 Readers Panel
- 12.5 Criteria for listing
- 12.8 Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by Mineral Companies
- 12.9 Competent Person's Report
- 12.10 Announcements

Definitions

- 12.1 The definitions set out in the SAMREC Code shall, unless the context otherwise indicates, apply in relation to this section.

For the purposes of this section, unless otherwise stated or the context otherwise requires, terms signifying the singular shall include the plural and vice versa and the following terms shall have the meanings set out below:

Note 3 to the Appendix to Section 11 amended with effect from 15 October 2008.
Section 12 replaced in its entirety with effect from 15 October 2008.

| Term | Meaning |
|----------------------------|--|
| Competent Person's Report | the public report prepared on mineral assets and projects, and signed by the lead Competent Person which complies with this section, the SAMREC code and the SAMVAL code. |
| Day | business day. |
| Exploration | the intentional searching or prospecting for any mineral, but not including mining. |
| Material | the JSE's definition of material (as contained in the definition section) together with that contained in the SAMREC Code must be considered when evaluating materiality. |
| Mineral Company | a company whose principle activity is that of mining and/or exploration. |
| Mining | any excavation of the earth, including the portion under the sea or under water or in any tailings, as well as any borehole, made for the purpose of winning a material or the exploitation of any mineral deposit in any other manner. |
| Readers Panel | a Panel of experts established by the JSE to advise the JSE in relation to compliance with SAMREC, SAMVAL and this section 12. |
| The SAMREC Code | the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves including the guidelines contained therein, as amended from time to time. The current version is on the website www.samcode.co.za . |
| The SAMVAL Code | the South African Code for reporting of Mineral Asset Valuation including the guidelines contained therein as amended from time to time. The current version is on the website www.samcode.co.za . |
| Substantial Mineral Assets | mineral assets of a non Mineral company which represent, or will represent, 25% or more of the total assets or revenue or profits of a non Mineral company. |
| SSC | the SAMREC/SAMVAL Committee. |

Guiding Principles

12.2 The JSE has adopted the SAMREC Code and the SAMVAL Code. All references in this section to the SAMREC Code and the SAMVAL Code will be deemed to include any other relevant code(s) which the JSE has approved.

General

12.3 The Listings Requirements apply to Mineral Companies and in certain circumstances to non Mineral companies with substantial mineral assets. If information required to be disclosed under this section is confidential

for legal and/or other reasons and the directors of the applicant issuer can prove to the satisfaction of the JSE that the applicant issuer's legitimate interests might be prejudiced if the information were to be disclosed, then the JSE may grant a dispensation from the requirement to make the information public.

Readers Panel

- 12.4 (a) The JSE will refer all Competent Person's Reports to the Readers Panel for approval.
- (b) Any material unresolved complaints concerning a Competent Person or Competent Valuator in respect of a Competent Person's Report will be referred by the JSE to the SSC who will in turn refer the complaint to the appropriate body under which the individual(s) is/are registered as professionals.
- (c) Competent Person's Reports must be submitted to the JSE for approval in accordance with the following time table:
- | | |
|---------|--|
| Day (D) | Action required |
| D | Notify the JSE that a Competent Person's Report will be submitted for approval. The notification must include the name of the applicant issuer, the type of commodity that is involved, the name of the Competent Person and/or Competent Valuator, the date on which the report will be submitted and a short description of the transaction/reason for the report. |
| D+10 | Signed Competent Person's Report to be submitted to the JSE before 10h00. This must be accompanied by a compliance checklist cross referencing every paragraph in this section together with the applicable sections in the SAM-REC and SAMVAL codes to the relevant part of the Competent Person's Report. |
| D+20 | JSE will make available the Readers Panel comments. Comments on second and third submissions of the Competent Person's Report will be made available within five days of submission to the JSE. |
- (d) If the Competent Person's Report is not approved by the Readers Panel after three submissions, at the discretion of the JSE, it may be referred to the SSC for a technical ruling, which ruling will be taken into account by the JSE in arriving at a decision.

Criteria for listing

- 12.5 The JSE may admit the securities of an applicant issuer to listing on the Main Board provided that the applicant issuer can demonstrate:
- (a) that, notwithstanding that the requirements of paragraph 4.28(c) and (d) are not satisfied, it has a reasonable spread of direct interests in mineral assets and has rights to actively participate in the manage-

ment of those assets, whether by voting or through other rights which give it influence in decisions relating to the assets;

- (b) to the satisfaction of the JSE that its management have satisfactory experience in mining and/or exploration depending on its business; and
- (c) that it, or its group (including companies in which the Mineral Company has investments) is in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant minerals.

12.6 The JSE may admit to listing on ALT^x the securities of an applicant issuer notwithstanding that the requirements of paragraph 21.3(j) are not satisfied, provided that it can demonstrate that it, or its group (including companies in which the Mineral Company has investments) is in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant minerals.

12.7 Applicant issuers with substantial mineral assets must demonstrate that they, or their group (including companies in which they have investments) are in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant minerals.

Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by Mineral Companies and by non Mineral Companies in respect of substantial mineral assets.

12.8 In addition to the relevant Listings Requirements applicable to pre-listing statements/listings particulars/prospectuses (as per Section 6) or Category 1 circulars (as per Section 9), the following information must be included in such documents where they are required to be prepared by Mineral Companies and by non Mineral Companies in respect of substantial mineral assets:

- (a) a Competent Person's Report, complying with:
 - (i) the SAMREC and SAMVAL Codes, (which for purposes of this requirement includes the guidelines in italics and Table 1 of the SAMREC and SAMVAL Codes); and
 - (ii) paragraph 12.9 of this section;
- (b) details of any direct or indirect beneficial interest, which each director (and his/her associates), Competent Person, Competent Valuator and where applicable related party, (as defined in Section 10 of the JSE Listings Requirements), has or, within two years of the date of the pre-listing statement, had:
 - (i) in any asset (including any right to explore for minerals):
 - (1) of the applicant issuer;
 - (2) which has been acquired or disposed of by, or leased to or by, the applicant issuer, including any interest in the consideration passing to or from the applicant issuer; and

-
- (ii) in the share capital of the applicant issuer;
 - (c) financial information in terms of Section 8 of the Listing Requirements to the extent that the applicant issuer has financial history;
 - (d) a statement by the directors of any legal proceedings that may have an influence on the rights to explore or mine, or an appropriate negative statement; and
 - (e) confirmation that the applicant issuer, or its group (including companies in which it has investments) is in possession of the necessary legal title or ownership rights to explore, mine or explore and mine the relevant minerals.

Competent Person's Report

12.9 A Competent Person's Report must comply with the SAMREC and SAMVAL Codes and must:

- (a) have an effective date (being the date at which the contents of the Competent Person's Report are valid) less than six months prior to the date of publication of the pre-listing statement, listing particulars, prospectus or Category 1 circular;
- (b) be updated prior to publication of the pre-listing statement, listing particulars, prospectus or Category 1 circular if further material data becomes available after the effective date;
- (c) if the Competent Person is not independent of the issuer, clearly disclose the nature of the relationship or interest;
- (d) show the particular paragraph of this section, the SAMREC Code (including Table 1) and SAMVAL Code complied with in the margin of Competent Person's Report;
- (e) contain a paragraph stating that all requirements of this section, the SAMREC Code (including Table 1) and SAMVAL Code have been complied with, or that certain clauses were not applicable and provide a list of such clauses ; and
include a statement detailing:
 - (i) exploration expenditure incurred to date by the applicant issuer and by other parties where available;
 - (ii) planned exploration expenditure that has been committed, but not yet incurred, by the applicant issuer concerned; and
 - (iii) planned exploration expenditure that has not been committed to by the applicant issuer but which is expected to be incurred sometime in the future, in sufficient detail to fairly present future expectations;
- (g) contain a valuation section which must be completed and signed off by a Competent Valuator in terms of and in compliance with the SAMVAL Code;
- (h) must be published in full, on both the JSE and applicant issuer's websites; and
- (i) be included in the relevant JSE document either in full or as an executive summary. The executive summary must be approved by the JSE (after approval by the Readers Panel) at the same time as the Compe-

tent Person's Report is approved by the JSE and the Readers Panel. The executive summary should be a concise summary of the Competent Person's Report and must cover, at a minimum, where applicable:

- (i) purpose;
- (ii) project Outline;
- (iii) location map indicating area of interest;
- (iv) legal aspects and tenure, including any disputes, risks or impediments;
- (v) Geological setting description;
- (vi) exploration programme and budget;
- (vii) brief description of individual key modifying factors;
- (viii) brief description of key environmental issues;
- (ix) mineral Resource and Mineral Reserve Statement;
reference to Risk paragraph in the full Competent Person's Report;
- (x) statement by the Competent Person that the summary is a true reflection of the full Competent Person's Report; and
- (xii) summary valuation table. Where the cash flow approach has been employed, the valuation summary must include the discount rate(s) applied to calculate the NPV(s) per share with reference to the specific paragraph in the Competent Person's Report. If inferred resources are used, show the summary valuation with and without inclusion of such inferred resources.

Announcements

- 12.10 (a) In addition to the other requirements under the JSE Listings Requirements, announcements by Mineral Companies and by non Mineral Companies in respect of substantial mineral assets must comply with the SAMREC Code insofar as they relate or refer to exploration results, Mineral Resources and Mineral Reserves and comply with the SAMVAL Code insofar as it relates to a valuation of mineral assets and announcements must state the name of the Competent Person/Competent Valuator and that the Competent Person/Competent Valuator:
- (i) has approved the information in writing in advance of publication; and
 - (ii) if the Competent Person/Valuator is not, independent of the issuer, clearly disclose the nature of the relationship or interest.
- (b) The JSE reserves the right to request the detailed information supporting the announced information and submit same for review by the Readers Panel, at the cost of the applicant issuer concerned, to assess compliance with the SAMREC and SAMVAL Codes. The approval mechanism in this instance is as per paragraph 12.4 above. Any non compliance with the SAMREC and SAMVAL Codes may result in a restatement and consequent re-publication of the information concerned.

Section 16 Documents to be Submitted to the JSE

Periodical returns

- 16.21 The JSE must be promptly furnished with the following:
- (a) 100 copies of:
 - 16.21 (b) a copy of the minutes of annual general meetings or general meetings should be furnished within 30 days of the holding of the said meeting. Should copies of these documents be sent to shareholders, a further 100 copies must be furnished to the JSE;

Extensions of listed options

- 16.22
- (d) (viii) 100 copies of the circular, which are to be sent to the JSE for distribution to broking members.

Schedule 14

Requirements for share incentive schemes

Share options schemes and share incentive schemes ("schemes") are to be used to incentivise staff and may not be used for trading purposes. The following provisions apply to all schemes involving the issue of equity securities (including options) by issuers (or trusts or special purpose vehicles formed for this purpose) to, or for the benefit of, employees and other persons involved in the business of the group, which result in a dilution of the shareholding of equity securities holders in the issuer or applicant. This includes the issue of equity securities from the authorised but unissued share capital, as well as the use of equity securities held in treasury. The rules set out below apply to schemes as contemplated for companies at listed company level and also apply to schemes of all subsidiaries of issuers which provide for the issue of equity securities in the listed holding company.

The JSE must be consulted on the application of these provisions to schemes intended to apply to employees of associates.

- 14.1 The scheme must be approved by equity security holders passing an ordinary resolution (requiring a 75% majority of the votes cast in favour of such resolution by all equity securities holders present or represented by proxy at the general meeting to approve such resolution) and must contain provisions relating to:
- (a) the category of persons to whom or for the benefit of whom securities may be purchased or issued under the scheme ("participants");

16.21(a) amended with effect from 15 October 2008.

16.21(b) amended with effect from 15 October 2008.

16.22(d) (viii) amended with effect from 15 October 2008.

Schedule 14 replaced in its entirety with effect from 15 October 2008.

-
- (b) the number of equity securities which may be utilised for purposes of the scheme must be stated and this number may not be exceeded without equity securities holders' approval as required above. Use of the wording "from time to time" or a percentage is prohibited;
 - (c) a fixed maximum number of equity securities for any one participant;
 - (d)
 - (i) the amount, if any, payable on application or acceptance, subscription or exercise, as the case may be;
 - (ii) the basis for determining the price (if any and regardless of the form that it takes) payable by participants and the period after or during which such payment must be made. This must be a fixed mechanism for all participants. Repricing of options is prohibited; and
 - (iii) the period in which payments, or loans to provide the same, may be paid;
 - (e) the voting, dividend, transfer and other rights, including those arising on a liquidation of the issuer, attaching to the securities and to any options (if appropriate);
 - (f) the basis upon which awards are made;
 - (g) the treatment of options (vested and unvested) in instances of mergers, takeovers or corporate actions; and
 - (h) the rights of participants who leave the employment of the issuer whether by termination, resignation, retirement or death insofar as their early departure from the scheme is concerned.
- 14.2 The provisions relating to the matters contained in 14.1 above cannot be altered without the prior approval of equity securities holders in accordance with 14.1 above excluding all the votes attaching to all equities securities owned or controlled by persons who are existing participants in the scheme. Only the equity securities which have been acquired in terms of the relevant scheme will be excluded from the said vote.
- 14.3
- (a) The scheme must provide, in the event of a sub-division or consolidation of securities for an adjustment to the number of equity securities that may be utilised in terms of 14.1(b) above and the amount payable in terms of 14.1(d) above. Such adjustment should give a participant entitlement to the same proportion of the equity capital as that to which he was previously entitled.
 - (b) The scheme may provide, in the event of a capitalisation issue, a special dividend, a rights issue or reduction of capital, for adjustment to the fixed maximum number in 14.1(c) above and the amount in terms of 14.1(d) above. Such adjustment should give a participant entitlement to the same proportion of equity capital as that to which he was previously entitled.
 - (c) The issue of equity securities as consideration for an acquisition, the issue of securities for cash and the issue of equity securities or a vendor consideration placing will not be regarded as a circumstance requiring adjustment in terms of 14.3(b) and (c).
 - (d) The company's auditors or other independent advisors acceptable to the JSE must confirm to the JSE in writing that any adjustments made

in terms of 14.3 are in accordance with the provisions of the scheme. Such written confirmation must be provided to the JSE at the time that any such adjustment is finalised.

- (e) Any adjustment made in accordance with 14.1(b) and (c) above must be reported on in the issuer's annual financial statements in the year during which the adjustment is made.
 - (f) Allocated equity securities which are not subsequently issued to the identified participant/s, for example as a result of forfeiture, must revert back to the scheme
- 14.4 Executive directors may not be appointed as trustees of schemes. Non-executive directors, subject to any restriction as contained in the Companies Act, may be appointed as trustees of the scheme, provided they do not benefit from the scheme.
- 14.5 The trustees may not be participants under the scheme.
- 14.6 The resolution to approve a scheme must make specific reference to the scheme and be accompanied by either the full scheme or a summary of the principal terms as set out in paragraphs 14.1 and 14.3 above and must be circulated to equity securities holders.
- 14.7 The scheme document, if not circulated to the equity securities holders, must be available for inspection by equity securities holders during normal business hours at the issuer's registered office and in Johannesburg. The full scheme must be open for inspection for a reasonable period of time (being not less than 14 days).
- 14.8 The issuer must summarise in its annual financial statements the number of securities that may be utilised for purposes of the scheme at the beginning of the financial year, changes in such number during the accounting period and the balance of securities available for utilisation for the purposes of the scheme at the end of the financial year.
- 14.9 With regards to the trading of shares on behalf of schemes, the following requirements apply:
- (a) equity securities may only be issued or purchased by a scheme once a participant or group of participants to whom they will be allocated, has been formally identified (e.g. applicants to whom options over securities have been issued);
 - (b) equity securities held in trust may only be sold:
 - (i) once the employment of a participant has been terminated or a participant is deceased; or
 - (ii) on behalf of the participant, once the rights of ownership have vested;
 - (c) unless a scheme explicitly provides for the purchase of securities through the market, in order to satisfy obligations in terms of the scheme, no purchases through the market will be permitted. Any shares purchased through the market will not be taken into account when calculating the number of shares utilised by the scheme; and
 - (d) the provisions of paragraphs 3.63 to 3.74 apply *mutatis mutandis* to any dealings by the issuer or a scheme involving securities relating to the scheme.

14.10 Equity securities held by a share trust or scheme will not have their votes at general/annual general meetings taken into account for the purposes of resolutions proposed in terms of the Listings Requirements. Such equities securities will also not be allowed to be taken into account for purposes of determining categorisations as detailed in Section 9.

General

- 14.11 Any issue of equity securities to employees which do not fall within the rules of an issuer's scheme will be treated as a specific issue for cash as contemplated in paragraph 5.51.
- 14.12 Rolling over (including the arrangement assuming that equity securities which have already vested and been issued in terms of the scheme, and which usually revert back to the number referred to in 14.1(b) after a 10 year period) is prohibited.
- 14.13 Back-dating of options i.e. the practise of issuing options retrospectively is not permitted. The date upon which the decision to issue options must be the date upon which all the components relating to the scheme i.e. the strike price etc. are determined.
- 14.14 The provisions of Schedule 14 become effective in respect of all share schemes approved by the JSE on or after 15 October 2008. All issuers will be required to make appropriate amendments to their existing schemes by no later than 1 January 2011. However, where options have been issued in terms of existing schemes these options will not be affected by any required changes to the scheme.

Yosheni Naidoo
LexisNexis
Editor: Business Division
yosheni.aidoo@lexisnexis.co.za
August 2008