



**JSE Limited
Listings Requirements**



BEE Act

means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)

BEE Codes

means the Broad-Based Black Economic Empowerment Codes of Good Practice gazetted from time to time under the BEE Act in terms of Code 100 - the Measurement of the Ownership Element of Broad-Based Black Economic Empowerment

BEE compliant person

means as interpreted by the courts, from time to time –

- (a) as regards a natural person, one who falls within the ambit of the definition of “black people” in the relevant BEE ownership scheme;
- (b) as regards a juristic person having a shareholding or similar member’s interests, one who falls within the ambit of the definitions of BEE controlled company or BEE owned company, using the principles for determining control or ownership as contemplated in the BEE ownership scheme;
- (c) as regards any other entity, any entity similar to a BEE controlled company or BEE owned company using the principles for determining control or ownership as contemplated in the BEE ownership scheme which would enable the issuer of securities owned or controlled by such entity to claim points or obtain similar BEE recognition attributable to the entity’s ownership of the securities pursuant to the BEE Codes or applicable legislation which imposes a BEE obligation

BEE contract

the prescribed contract, comprising generic terms applicable to

“Auditing Profession Act” definition introduced with effect from 1 May 2011.

“audit firm” definition introduced with effect from 1 September 2008 and amended with effect from 1 April 2010.

“auditor” definition introduced with effect from 1 September 2008.

“balance sheet” definition introduced with effect from 1 April 2010 and deleted with effect from 30 September 2014.

“BEE Act” definition introduced with effect from 1 February 2011.

“BEE Codes” definition introduced with effect from 1 February 2011.

“BEE compliant person” definition introduced with effect from 1 February 2011 and amended with effect from 4 August 2015.

all applicant issuers, which the proposed beneficial owner of BEE securities and, if the beneficial owner is not to be the registered owner, the proposed registered owner of BEE securities, must conclude, in terms of which, inter alia:

- (a) the beneficial owner, and the proposed registered owner, if applicable, warrants that he is a BEE compliant person;
- (b) the necessary restrictions, limitations and requirements are imposed by the applicant issuer on the proposed beneficial owner, and on the proposed registered owner, if applicable, in order to achieve the continued ownership of BEE securities by BEE compliant persons;
- (c) additional specific terms relevant to a particular applicant issuer's BEE securities, and contained in the applicant issuer's constitution, are reflected; and
- (d) the beneficial owner indemnifies the registered owner against any claim made against the registered owner in the event that, in terms of the BEE contract:
 - (i) the registered owner is obliged to dispose of the BEE securities; or
 - (ii) the issuer of the BEE securities exercises its right to repurchase or its right to nominate its nominee to purchase the BEE securities from the registered owner thereof

BEE controlled company

means a juristic person, having shareholding or similar members interest, in which black participants enjoy a right to exercisable voting rights of an amount specified in the rules of the BEE ownership scheme

BEE owned company

means a juristic person, having shareholding or similar members interest, that is BEE controlled, in which black participants enjoy a right to economic interest in an amount specified in the rules of the BEE ownership scheme

BEE ownership scheme

means an issuer ownership scheme that (i) complies with the rules prescribed for broad-based ownership schemes as set out in Annexe 100 B of the BEE Codes and specifies the means of verification to be adopted in determining the eligibility of beneficial owners in respect of BEE securities or (ii) is governed by its own BEE scheme documents in accordance with applicable legislation which imposes a BEE obligation, to the satisfaction of the JSE

BEE verification

means the verification of a BEE compliant person in respect of the applicant issuer, which verification must conclude, inter alia, that:

- (a) the beneficial owner, and the proposed registered owner (if applicable) of securities is a BEE compliant person pursuant to a BEE ownership scheme of the applicant issuer;
- (b) the BEE compliant person has been advised on the necessary restrictions, limitations and requirements that are imposed by the applicant issuer on the proposed beneficial

“BEE contract” definition introduced with effect from 1 February 2011.

“BEE controlled company” definition introduced with effect from 1 February 2011 and amended with effect from 4 August 2015.

“BEE owned company” definition introduced with effect from 1 February 2011 and amended with effect from 4 August 2015.

“BEE ownership scheme” definition introduced with effect from 4 August 2015.

“BEE verification” definition introduced with effect from 4 August 2015.

owner, and on the proposed registered owner (if applicable) in order to achieve the continued ownership of BEE securities by BEE compliant person, and

- (c) that the BEE compliant person has accepted the prevailing terms and conditions of the BEE ownership scheme

BEE verification agent

an agent appointed by an applicant issuer, or in the alternative the applicant issuer itself, to conduct the BEE verification

beneficial

in relation to:

- 1 any interest in a security, means the de facto right or entitlement to directly receive the income payable in respect of that security and/or to exercise or cause to be exercised, in the ordinary course of events, any or all of the voting, conversion, redemption or other rights attaching to that security;
- 2 any other interest, means the obtaining of any benefit or advantage, whether in money, in kind or otherwise, as a result of the holding of that interest; and/or
- 3 in respect of the interests described in 1 and 2 above, means the de facto right or entitlement to dispose or cause the disposal of the company's securities, or any part of a distribution in respect of the securities

beneficial owner

in relation to a security, means the person or entity holding any one or more of the following:

- 1 the de facto right or entitlement to receive any dividend, interest or other income payable in respect of that security; and/or
- 2 the de facto right or entitlement to exercise or cause to be exercised, in the ordinary course of events, any or all of the voting, conversion, redemption or other rights attached to such security; and/or
- 3 the de facto right or entitlement to dispose or cause the disposal of the company's securities or any part of a distribution in respect of the securities

“BEE verification agent” definition introduced with effect from 4 August 2015.

“beneficial” definition amended with effect from 1 May 2011.

“Board” definition deleted with effect from 15 October 2007.

“beneficial owner” definition amended with effect from 1 May 2011.

“business rescue proceedings” definition introduced with effect from 1 May 2011.

“cash company or cash shell” definition amended with effect from 15 October 2007, 1 April 2010 and renamed to “cash company” and amended with effect from 30 September 2014.

BEE Segment

- 4.32 An applicant issuer seeking a listing of its BEE securities on the BEE Segment must adhere to the following:
- (a) it must meet the basic listing criteria as set out in either Section 4, 15, 19, 20 or 21 of the Listings Requirements and must comply with all other relevant sections applicable thereto, provided that for the purposes of this paragraph 4.32, an equity instrument may be listed on the BEE Segment as an asset-backed security pursuant to Section 19;
 - (b) trading in the BEE securities must be restricted to a BEE compliant person pursuant to the use of (i) a BEE contract or (ii) a BEE verification agent;

4.30(a), previously 4.30(d), amended with effect from 15 October 2007 and renumbered with effect from 30 September 2014.

4.30(a)(i) amended with effect from 15 October 2007.

4.30(b), previously 4.30(e), renumbered with effect from 30 September 2014.

4.31 introduced with effect from 1 April 2010 and amended with effect from 31 July 2012.

4.31(a)–(b) amended with effect from 9 November 2015.

4.32 introduced with effect from 1 February 2011 and amended with effect from 4 August 2015.

- (c) inform the JSE whether trading in its BEE securities will be executed via the use of a BEE contract or a BEE verification agent; and
- (d) the applicant issuer must provide the JSE with the details of the BEE verification agent and inform the JSE of any change in the BEE verification agent.

BEE Contract

4.32A An applicant issuer seeking a listing of its BEE securities on the BEE Segment pursuant to a BEE contract must satisfy the following criteria:

- (a) it must indemnify the JSE against all and any legal costs incurred (including attorney and own client costs) to the extent that, as a result of a BEE contract not having been signed as required in terms of the JSE Equities Rules and Directives, the JSE takes any legal action and is not able to recover its costs from the parties to the legal action pursuant to a costs order awarded in the legal action;
- (b)
 - (i) if the applicant issuer elects, by reason of a breach in terms of a particular BEE contract, to enforce the BEE contract against the beneficial owner of BEE securities and, if applicable, other parties to the BEE contract, by either repurchasing the BEE securities or nominating a third party to so purchase and such third party purchases the BEE securities; and
 - (ii) the relevant CSDP, or its nominee, is then instructed to effect the necessary entries relating to such repurchase or purchase of the BEE securities,

and, as a consequence, litigation ensues and the registered holder and/or the CSDP or its nominee and/or any JSE member (“joined parties”) is/are joined in such litigation, the applicant issuer indemnifies such joined parties and their directors, employees, servants, agents or contractors or other persons for whom, in law, they may be liable (stipulatio alteri) against all and any costs (including attorney and own client costs) which may be awarded against any of them as a consequence of the litigation provided that:

- (1) the joined parties shall (unless they were joined by the applicant issuer) notify the applicant issuer, in writing, of such joinder within a reasonable time of becoming aware thereof, to enable the applicant issuer to take steps to act on their behalf as contemplated in paragraph (2) below;
 - (2) subject to paragraph (3) below, the applicant issuer shall be entitled to contest (which shall include an appeal to a court of law) the litigation in the name of the joined parties and shall be entitled to control the proceedings in regard thereto and the joined parties shall take no steps in the litigation which are not approved in writing by the applicant issuer;
 - (3) if the applicant issuer joined the joined parties, they shall merely abide by the decision of the court.
- (c) paragraph 4.32A(b) constitutes a right in favour of the joined parties and their directors, employees, servants, agents or contractors, or other persons for whom in law they may be liable (stipulatio alteri), which they will be entitled to invoke, at any time, by notifying the applicant issuer in writing

Heading “BEE Contract” introduced with effect from 4 August 2015.

4.32A introduced with effect from 4 August 2015.

- thereof;
- (d) the indemnities contained in (a), (b) and (c) above must be contained in the application letter to the JSE and in any other relevant listing documents;
 - (e) it must agree to become a party to and be bound by the provisions of the Issuers-Participants Contract, a copy of which is available on the JSE website, with effect from the date on which the applicant issuer's BEE securities are listed on the BEE Segment. The first issuer whose BEE securities are listed on the BEE Segment will sign the Issuers-Participant Contract and every subsequent issuer whose BEE securities are listed on the BEE Segment will become a party to the Issuers-Participants Contract by signing an Issuer Deed of Adherence, the form of which is attached to the Issuers-Participants Contract. The Issuer Deed of Adherence, duly signed, must be included with the application letter to the JSE; and
 - (f) the salient terms of the BEE securities must be contained in the MOI, or relevant constitutional documents, under the heading "Additional Terms of the BEE Contract".

Verification Agent

4.32B An applicant issuer seeking a listing of its BEE securities on the BEE Segment pursuant to the use of a BEE verification agent must satisfy the following criteria:

- (a) it must indemnify the JSE against all and any legal costs incurred (including attorney and own client costs) to the extent that, as a result of the member not complying with the BEE verification process as required in terms of the JSE Equities Rules and Directives, the JSE takes any legal action and is not able to recover its costs from the parties to the legal action pursuant to a costs order awarded in the legal action;
- (b)
 - (i) if the applicant issuer, or such other person as is entitled to do so pursuant to the relevant BEE scheme documents ("the designated person") elects, by reason of a breach in the terms and conditions of the relevant BEE scheme documents or the BEE verification process not having been correctly executed by the BEE verification agent, to enforce the terms and conditions of the relevant BEE scheme documents against the beneficial owner of BEE securities and, if applicable, other parties, by either repurchasing the BEE securities or nominating a third party to so purchase and such third party purchases, the BEE securities; and
 - (ii) the relevant CSDP, or its nominee, is then instructed to effect the necessary entries relating to such repurchase or purchase of the BEE securities,

and, as a consequence, litigation ensues and the registered holder and/or the CSDP or its nominee and/or any JSE member ("joined parties") is/are joined in such litigation, the applicant issuer indemnifies such joined parties and their directors, employees, servants, agents or contractors or other persons for whom, in law, they may be liable (stipulatio alteri) against all and any costs (including attorney and own client costs) which may be awarded against any of them as a consequence of such litigation provided that:

- (1) the joined parties shall (unless they were joined by the applicant

Heading "Verification Agent" introduced with effect from 4 August 2015.

4.32B introduced with effect from 4 August 2015.

issuer or designated person) notify the applicant issuer, in writing, of such joinder within a reasonable time of becoming aware thereof, to enable the applicant issuer or designated person to take steps to act on their behalf as contemplated in paragraph (2) below;

- (2) subject to paragraph (3) below, the applicant issuer or designated person, as applicable, shall be entitled to contest (which shall include an appeal to a court of law) the litigation in the name of the joined parties and shall be entitled to control the proceedings in regard thereto and the joined parties shall take no steps in the litigation which are not approved in writing by the applicant issuer or designated person;
 - (3) if the applicant issuer or designated person joined the joined parties, they shall merely abide by the decision of the court;
 - (4) the indemnity in this paragraph 4.32B(b) shall not apply to such joined party in circumstances where the litigation arises from:
 - (i) a breach by such joined party of any of its obligations under the JSE equity rules and directives or Strate rules and directives, as applicable, or
 - (ii) any breach of an applicable contract between such joined party, the applicant issuer and/or any designated person, and
 - (5) paragraph 4.32B(b) constitutes a right in favour of the joined parties and their directors, employees, servants, agents or contractors, or other persons for whom in law they may be liable (stipulatio alteri), which they will be entitled to invoke, at any time, by notifying the applicant issuer in writing thereof;
- (c) the indemnities contained in (a) and (b) above must be contained in the application letter to the JSE and in any other relevant listing documents; and
 - (d) the salient terms and conditions of the BEE securities must be contained in the MOI, or relevant BEE ownership scheme documents.
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