



cutting through complexity

LISTING IN AFRICA

2014/2015

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Introduction

Purpose of this publication

There is an increasing interest in Africa as a potential investment destination due to the fact that the developed markets are not expected to grow as they have done previously. In addition, Africa is seen to be becoming more politically mature and easier to access and this, together with its growing population and rise in consumption, is adding to its attractiveness for foreign investors. Africa also has vast tracts of unutilised land and significant mineral and other resources.

The purpose of this document is to provide an overview of the considerations for listing, listing criteria, processes, documentation requirements and continuing obligations relating to certain African stock exchanges, as well as an overview of the composition and liquidity of the equity markets in these countries. This information will give potential investors and applicant issuers' valuable insights into listing in these environments.

Advantages and disadvantages of an equity listing

Some of the advantages of listing equity on any stock exchange are set out below:

- › Enables the company to raise equity capital to fund existing projects and acquisition opportunities and/or to reduce current gearing levels in the company;
- › Provides a future and current exit route for the existing investors in the company;
- › Provides the company with a platform to raise capital to fund growth and investment opportunities in the future;
- › Provides the company with a currency, in the form of its listed shares, that the company can utilise in the future to make acquisitions;
- › Enhances the company's ability to raise debt capital through its listed status;
- › Provides investors and stakeholders with an opportunity to participate over the long term in the income streams and capital growth of the company;
- › Provides the company with access to a central trading facility thereby providing liquidity and ready marketability of the shares to shareholders;
- › All transactions in listed shares on a stock exchange are carried out uniformly and are monitored by the relevant regulatory bodies, thereby, significantly reducing unfair trading practices such as insider trading;
- › The market price of a listed security is determined on the basis of supply and demand for the shares, therefore, the listed share price is generally reflective of the real value of the company's shares;
- › Listed issuers generally have better corporate governance practices and procedures which results in the company delivering higher and more sustainable value and making it more robust in times of economic difficulty;

- › Enhances the public profile and general public awareness of the company; and
- › Increases the company's ability to attract and retain key executives and senior members of staff by providing them with the opportunity to participate in the equity and future growth of the company.

Advantages that are specific to secondary listings are as follows:

- › Helps facilitate the expansion of the company's business in that jurisdiction;
- › Enables a company to take advantage of potential investor demand for foreign assets by local investors;
- › Facilitates trading in the company's shares by foreign investors which creates a public relations benefit for the company due to, *inter alia*, the increased publicity and brand recognition that result when a company lists;
- › Helps facilitate the meeting of local ownership requirements by the company;
- › Enables the company to fund its local requirements using equity rather than obtaining debt funding which may be limited in the local market; and
- › Increases the company's ability to incentivise its local employees through employee share schemes.

Some of the disadvantages of listing equity on any stock exchange are set out below:

- › Managements control over the board of directors and its ability to make business decisions is reduced due to the shareholder protections incorporated into the listings requirements of the various stock exchanges;
- › Increased supervision by the relevant statutory and regulatory authorities;
- › Increased financial and other reporting requirements;
- › Increased costs due to listed status and the additional regulatory and reporting requirements;
- › Difficult to sell large blocks of shares due to minority shareholder protections and takeover rules and regulations;
- › Capital raising results in a dilution of the existing shareholders;
- › Management cannot dictate and/or determine who holds the issuer's shares; and
- › Independent decisions by fund managers and institutions can influence the share price and corporate activity of the issuer without the prior knowledge and consent of management.

Considerations for a company prior to listing on a stock exchange

Prior to listing on a stock exchange, the management team needs to consider whether the existing company structure and corporate governance and financial processes are suitable for a listed entity. Some questions management needs to consider in advance of an application to list the company on any stock exchange are as follows:

- › Are there any country specific legal or exchange control requirements applicable for a listing in the selected jurisdiction?
- › Is the existing company and tax structure suitable for a listed entity or is some restructuring required?
- › Does the company have a robust, stand-alone financial track record produced under IFRS or other standards that are acceptable to the selected stock exchange/s?
- › Are any reports from independent experts required such as a competent person's report for a mining company or a property valuation report for a property entity and can these be prepared and issued in the relevant timeframe?
- › Can the company prepare an attractive equity story and provide supporting evidence for the statements and disclosures made in the prospectus or other listing documentation?
- › Does the company have clear and credible growth opportunities?
- › Does the company have well-defined key performance indicators?
- › Does the company have an experienced and competent board of directors and does the board meet the regulatory and corporate governance requirements for a listing on the chosen stock exchange or does the board need to be restructured?
- › Does the company have well-defined processes in place in order to meet the on-going disclosure and transparency obligations of a listed entity?
- › Can the financial team produce timeous, accurate and comprehensive financial information for the audit committee and the board of directors?
- › Does the company have a risk management policy in place in order to identify, assess, monitor and manage risk and to identify changes to the company's risk profile?
- › Does the company have robust internal controls?
- › Does management have a policy in place for communicating with and relating to internal and external stakeholders?
- › Has the company thought about corporate social responsibility?

Considerations when choosing a stock exchange:

Some of the main considerations when choosing a stock exchange for a listing are as follows:

- › Availability of domestic capital and debt funding in the country of choice including the following:
 - » The number of banking institutions and the total banking industry assets in the target country;
 - » The number of equity investment funds in the target country;
 - » The number of pension funds, the total value of pension assets and the recent growth in pension assets in the target country; and
 - » The history of bond issuances of the past three (3) years.
- › The criteria to list on the stock exchange of choice and whether the company will meet the relevant requirements;
- › Size, maturity, sector and industry of the applicant issuer;
- › The liquidity of the listed securities on the exchange of choice;
- › The initial and an ongoing regulatory and corporate governance requirements on the exchange of choice and whether the company will need to change its existing policies and procedures in this regard;
- › The initial and on-going cost of being listed on the exchange of choice;
- › Exchange control requirements in the target country and whether returns on investments and capital are freely repatriable. This is particularly relevant in Namibia, South Africa and Zimbabwe;
- › Tax incentives available in the target country. This is particularly relevant in Botswana, Kenya, Mauritius and Nigeria; and
- › Shareholder spread and local ownership requirements. This is particularly relevant in Botswana, Kenya, South Africa and Zimbabwe.

Associations

WFE

The WFE is the trade association of sixty (60) regulated stock, futures and options exchanges throughout the world. The WFE is a central reference point for the securities industry and for the various stock exchanges. The WFE offers its members guidance on their business strategies and management practices. The JSE, SEM, EGX and CSE are the four (4) African stock exchanges that are members of the WFE. The NSE, NSX, Bourse des Valeurs Mobilières de Tunis, BRVM and the NrSE are affiliate members of the WFE.

ASEA

ASEA is a non-profit company limited by guarantee. ASEA was founded in Kenya on 13 November 1993 with the aim of establishing systematic mutual co-operation and an exchange of information amongst its members.

The NrSE was the first member of the ASEA, followed by the SEM, Uganda Stock Exchange and Dar es Salaam Stock Exchange.

Currently there are twenty three (23) members of the ASEA representing thirty (30) African countries.

EASEA

The three (3) East African Securities Exchanges, namely the NrSE, Uganda Stock Exchange and Dar es Salaam Stock Exchange, have established a working relationship amongst themselves with the aim of integrating and developing capital markets in the East African Community. These three (3) exchanges operate under the umbrella of the EASEA. The EASEA is a member of the Capital Markets Development Committee of the East African Community. The EASEA recognizes the importance of promoting simultaneous public issues of securities in the region with the ultimate objective of attracting regional flows of capital to enhance economic development within the East African Community.

Regional stock exchanges

Africa has two regional stock exchanges, namely, the BVRM which serves Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo and the Bourse Régionale des Valeurs

Mobilières d'Afrique Centrale which serves the Central African Republic, Chad, Congo, Equatorial Guinea and Gabon.

Individual stock exchanges

A table of the specific African stock exchanges covered in this publication, their market capitalisation, number of listed issuers and their website addresses is set out below.

Country	Name of stock exchange	Market capitalisation US\$ millions	Number of listings	City	Website address
Botswana	BSE	43 347.7	34	Gaborone	www.bse.co.bw
Kenya	NrSe	23 641.4	61	Nairobi	www.nse.co.ke
Mauritius	SEM	8 385.2	89	Port Louis	www.stockexchangeofmauritius.com
Namibia	NSX	151 412.3	33	Windhoek	http://nsx.com.na
Nigeria	NSE	80 801.8	175	Lagos	www.nse.com.ng
South Africa	JSE	1 033 209.0	344	Johannesburg	www.jse.co.za
Zambia	LuSE	11 146.2	22	Lusaka	www.luse.co.zm
Zimbabwe	ZSE	4 619.0	62	Harare	www.zimbabwe-stock-exchange.com

Preparation of equity market capitalisation information

The information relating to the equity market capitalisation and volumes of equity shares traded presented in this publication relate to equity securities only and the market capitalisations and volumes of trade of debt instruments, including preference shares, have not been included in the figures and charts presented.

The research in respect of the equity market capitalisation information included in this publication was done over a period of two (2) months from 1 June 2014 to 31 July 2014 and was determined individually for each issuer using the share price on the date of preparation, as per the relevant stock exchange, multiplied by the volume of shares in issue, checked to various sources including McGregor Inet BFA, the relevant stock exchange (when available) and the annual financial statements of the relevant issuer.

For purposes of comparability, the issuers listed on each of the stock exchanges covered in this publication, have been re-classified using the FTSE Industry Classification Benchmark ("ICB"). The market capitalisation by industry information presented in this publication has been prepared using the market capitalisation of each issuer on each stock exchange subsequent to their re-classification in terms of the FTSE ICB.



Key definitions

In this document, unless otherwise indicated or unless the context indicates a contrary intention, the words in the first column have the meanings stated opposite them in the second column, expressions in the singular include the plural and vice versa, expressions importing one gender include the other gender and expressions denoting a natural person include an artificial person and vice versa:

"AFS"	Annual financial statements;
"AltX"	Alternative Exchange market of the JSE;
"Annual Report"	Comprehensive report on a company's activities throughout the preceding year;
"ASEA"	African Securities Exchanges Association;
"Botswana CSDB"	Central Securities Depository Company of Botswana;
"BRVM"	Bourse Régionale des Valeurs Mobilières;
"BSE"	Botswana Stock Exchange;
"BSE Committee"	Committee of the BSE;
"BSE Disclosure Document"	Pre-listing statement or prospectus prepared and issued in terms of the BSE Listings Requirements;
"BSE Listings Requirements"	Listings requirements of the BSE;
"BSE VCM"	Venture Capital Market of the BSE;
"BWP"	Botswana Pula, official currency of the Republic of Botswana;
"Constitution Documents"	Memorandum and articles of association or constitution or equivalent documents;
"East African Community"	The regional intergovernmental organisation of the Republics of Burundi, Kenya, Rwanda, the United Republic of Tanzania, and the Republic of Uganda, with its headquarters in Arusha, Tanzania;
"EASEA"	East African Securities Exchanges Association;
"GAAP"	Generally accepted accounting practice;
"IAS 34"	International Auditing Standard 34: Interim Financial Reporting;
"IFRS"	International Financial Reporting Standards;

"IPO"	Initial Public Offering;	"LuSE Report/s"	Reports by a registered accountant and auditor in respect of various financial information reports included in a LuSE PLS or Prospectus;
"JSE"	JSE Limited;	"LuSE Secretariat"	The management or administration of the LuSE;
"JSE Amendments"	Amendments to the JSE Listings Requirements which are effective from 30 September 2014;	"LuSE SENS"	Stock Exchange News Service of the LuSE;
"JSE Board"	Board of the JSE;	"Mauritius CDS"	Central Depository and Settlement Co. Ltd of Mauritius;
"JSE Listings Requirements"	Listings requirements of the JSE;	"Mauritius Code"	Code of Corporate Governance for Mauritius;
"JSE PLS or Prospectus"	Pre-listing statement (required for private placements) or a prospectus (required for a public offer in terms of the South African Act);	"Mauritius DEM"	Development and Enterprise Market of Mauritius;
"JSE Report/s"	Reports by an independent reporting accountant, registered with the JSE, in respect of various financial information reports included in a JSE PLS or Prospectus;	"Mauritius FSC"	Financial Services Commission of Mauritius;
"Kenyan CDSC"	Central Depository and Settlement Corporation of Kenya;	"Mauritius SEC"	Stock Exchange Commission of Mauritius;
"Kenyan CMA"	Capital Markets Authority of Kenya;	"MUR"	Mauritian Rupee, official currency of the Republic of Mauritius;
"Kenyan Capital Markets Act"	The Capital Markets Act (Chapter 485A) of Kenya;	"NAD"	Namibian dollar, official currency of the Republic of Namibia;
"Kenyan Code"	Capital Markets Code of Corporate Governance 2014;	"Nairobi AIMS"	Alternative Investment Market Segment of the NrSE;
"Kenyan Companies Act"	The Companies Act (Chapter 486) of Kenya;	"Nairobi FISMS"	Fixed Income Securities Market Segment of the NrSE;
"KES"	Kenyan Shilling, the official currency of the Republic of Kenya;	"Nairobi GEMS"	Growth Enterprises Market Segment of the NrSE;
"King Code"	King Code for Corporate Governance in South Africa;	"Nairobi MIMS"	Main Investment Market Segment of the NrSE;
"LuSE"	Lusaka Stock Exchange;	"NAMFISA"	Namibia Financial Institutions Supervisory Authority;
"LuSE PLS or Prospectus"	Pre-listing statement (required for private placements) or a prospectus (required for a public offer in terms of the Zambian Companies Act);	"Namibian Act"	Companies Act No. 28 of 2004, as amended, or any law that may replace it wholly or in part from time to time;
"LuSE Board"	The board of directors of the LuSE;	"Namibian SECA"	Stock Exchanges Control Act 1 of 1985, as amended or replaced from time to time;
"LuSE Committee"	The listing committee of the LuSE as appointed by the Board;	"NGN"	Nigerian Naira, official currency of the Republic of Nigeria;
		"Nigerian CSCS"	Central Securities Clearing System Plc of Nigeria;

"Nigerian SEC"	Securities and Exchange Commission of Nigeria;	"NSX Report"	Reports by an accountant or auditor registered in terms of the Public Accountants' and Auditors' Act of 1991 and with sufficient knowledge and experience in the application of the financial information requirements of the NSX, in respect of various financial information reports included in a NSX PLS or Prospectus;
"Nigerian SEC Code"	Nigerian SEC's Code of Corporate Governance for Public Companies in Nigeria;	"Part I documents"	Supporting documents that are required by certain stock exchanges as part of the formal approval process for a new listing;
"NrSE"	Nairobi Stock Exchange located in Kenya;	"Part II documents"	Supporting documents that are required by certain stock exchanges in advance of the listing of the securities for which application has been made;
"NrSE Board"	The Board of Directors of the NrSE;	"Part III documents"	Supporting documents that are required by certain stock exchanges subsequent to the listing of the securities for which application has been made;
"NrSE Committee"	A committee of the NrSE Board which has been constituted and assigned the mandate with respect to listing of securities under the general direction and guidance of the NrSE Board;	"SEM"	Stock Exchange of Mauritius;
"NrSE Listings Rules"	Listings Rules of the NrSE;	"SEM Listing Executive Committee"	SEM Listing Executive Committee responsible for listing matters;
"NrSE Prospectus or Information Memorandum"	Document issued in connection with the application for listing on the NrSE;	"SEM Listing Particulars"	Document issued in connection with the application for listing on the SEM;
"NSE"	Nigerian Stock Exchange;	"SEM Listings Rules"	Listings Requirements of the SEM;
"NSE ASM"	Alternative Securities Market of the NSE;	"SENS"	Securities Exchange News Service of the JSE;
"NSX Board"	The board is the executive committee of the NSX as constituted from time to time;	"South African Act"	Companies Act, 71 of 2008;
"NSE Council"	Nigerian Stock Exchange Council;	"South African CIPC"	Companies and Intellectual Property Commission of South Africa;
"NSE Dealing Member"	A member of the NSE that is licensed to deal in securities on any of the trading floors of the NSE;	"South African FMA"	Financial Markets Act, 19 of 2012;
"NSE Listing Rules"	Listings rules of the NSE;	"South African FSB"	Financial Service Board of South Africa;
"NSE Prospectus"	Document issued in connection with the application for listing on the NSE and registered by the Nigerian SEC;		
"NSX"	Namibian Stock Exchange;		
"NSX Listings Requirements"	Listings Requirements of the NSX;		
"NSX PLS or Prospectus"	Pre-listing statement (required for private placements) or a prospectus (required for a public offer in terms of the Namibian Companies Act, 2004);		



"Strate"	Strate Limited (registration number 1998/022242/06), a public company duly registered and incorporated in accordance with the laws of South Africa and a registered central securities depository which operates the Strate system;	"ZSE Committee"	Committee of the ZSE;
"UK"	United Kingdom of Great Britain and Northern Ireland;	"ZSE Listing Particulars"	Document prepared by an applicant issuer for purposes of its listing on the ZSE and containing the information required in terms of the ZSE Listings Requirements, by the law, or by both;
"US\$"	United States dollar, official currency of the United States of America;	"ZSE Listings Requirements"	Listings requirements of the ZSE;
"WFE"	World Federation of Exchanges;	"ZSE Report"	Report issued by the registered accountant and auditor of an applicant issuer in respect of certain specified financial information in compliance with the ZSE Listings Requirements;
"X-News"	Botswana Stock Exchange News Service, launched on a trial basis with effect from 1 August 2014 and to be implemented fully with effect from 1 September 2014;	"%"	Percent/percentage;
"Zambian Companies Act"	The Companies Act Chapter 388 of the Laws of Zambia as amended or any law which may replace it in part or wholly;		
"Zambian Listings Requirements"	Listings Requirements of the LuSE;		
"Zambian SEC"	Securities and Exchange Commission of Zambia;		
"Zambian Securities Act"	The Securities Act Chapter 354 of the Laws of Zambia as amended, or any law which may replace it in part or wholly;		
"ZAR"	Rand, official currency of the Republic of South Africa;		
"Zimbabwe Act"	Companies Act Vol. 24 No. 3 of Zimbabwe;		
"ZMW (previously ZMK)"	Zambian Kwacha, the official currency of the Republic of Zambia;		
"ZSE"	Zimbabwe Stock Exchange;		
"ZSEA"	Zimbabwe Stock Exchange Act;		

Summary of Listing Criteria

An overview of the main board/official market listing requirements for a listing on the follow African stock exchanges, is set out below:

- › Botswana Stock Exchange ("BSE");
- › JSE Limited ("JSE");
- › Lusaka Stock Exchange ("LuSE");
- › Stock Exchange of Mauritius ("SEM");
- › Nairobi Stock Exchange ("NRSE");
- › Namibian Stock Exchange ("NSX");
- › Nigerian Stock Exchange ("NSE"); and
- › Zimbabwe Stock Exchange ("ZSE").

	BSE	JSE	LuSE	SEM
Exchange rate				
<i>As at 30 June 2014</i>	US\$1 = BWP8.69414	US\$1 = ZAR 10.6344	ZMK1 = ZMW1 000 and US\$1 = ZMW6.11845	US\$1 = MUR30.3565
Registration				
<i>Foreign applicant issuers</i>	<ul style="list-style-type: none"> › Duly incorporated or validly established under the law of the country of incorporation or establishment; and › Operating in accordance with its Constitutional Documents and laws of its country of incorporation or establishment. 	<ul style="list-style-type: none"> › Duly incorporated or validly established under the law of the country of incorporation or establishment; and › Operating in accordance with its Constitutional Documents and laws of its country of incorporation or establishment. 	Must open and maintain a transfer office in Zambia while their securities are listed on the LuSE.	<ul style="list-style-type: none"> › Duly incorporated or validly established according to the relevant laws of its place of incorporation or establishment; and › Operating in conformity with its Constitutional Documents.
Listing authority				
	<ul style="list-style-type: none"> › Minister of Finance; › BSE; and › BSE Committee. 	<ul style="list-style-type: none"> › South African FSB; › JSE; and › JSE Board. 	<ul style="list-style-type: none"> › Zambian SEC; › LuSE; › LuSE Committee; and › LuSE Board. 	<ul style="list-style-type: none"> › SEM; › Listing Executive Committee;
Listing Criteria				
<i>Subscribed capital or market capitalisation</i>	Subscribed capital of at least US\$575 100 (BWP5.0 million) (previously US\$1 15 020 (BWP1.0 million)).	Subscribed capital of at least US\$4.7 million (ZAR50.0 million)	Subscribed capital of at least US\$40 860 (ZMW250 000 or ZMK250.0 million).	Aggregate market value of the equity securities for which application for listing has been made must be at least US\$0.7 million (MUR20.0 million).
<i>Equity shares in issue</i>	One (1) million	Twenty five (25) million	One (1) million	N/A

“Africa ha[s] transformed itself into a genuine opportunity, with fast growing economies and greater control over issues like health and food security.”

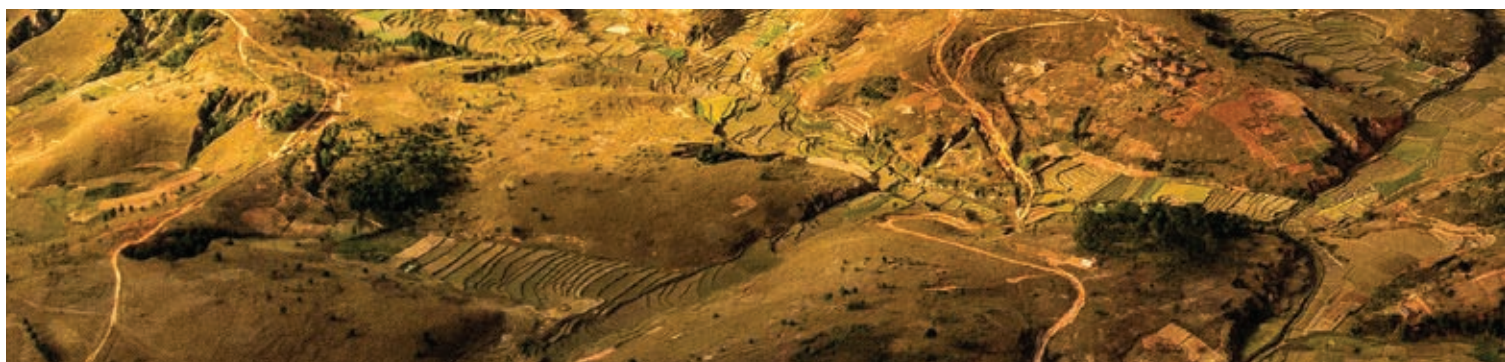
B. J. Rhodes
U S Deputy National Security Advisor

NrSE	NSX	NSE	ZSE
US\$1 = KES87.55	US\$1 = NAD10.5784	US\$1 = NGN161.675	US\$1 = US\$1
Must be a public company limited by shares and registered under the Kenyan Companies Act.	Must be registered as an external company, for transfer purposes only, in the Republic of Namibia.	Must normally be registered under and comply with the provisions of the relevant portions of the Nigerian Companies Ordinance and the Nigerian Registrar of Companies.	<ul style="list-style-type: none"> › Duly incorporated or otherwise validly established under the law of its country of incorporation or establishment; and › Operating in conformity with its Constitutional Documents and all the laws of its country of incorporation or establishment.
<ul style="list-style-type: none"> › Kenyan CMA; › NrSE; › NrSE Committee; and › NrSE Board. 	<ul style="list-style-type: none"> › NAMFISA; › NSX; and › NSX Board. 	<ul style="list-style-type: none"> › Nigerian SEC; › NSE; and › Nigerian Council. 	<ul style="list-style-type: none"> » The Securities Commission of Zimbabwe; » ZSE; and » ZSE Committee.
Subscribed capital of at least US\$571 102.2 (KES50.0 million).	Subscribed capital of at least US\$94 216 (NAD1.0 million).	<ul style="list-style-type: none"> › Standards A and B: Subscribed capital of at least US\$18.5 million (NGN3.0 billion); and › Standard C: Market capitalisation of at least US\$24.7 million (NGN4.0 billion). 	Subscribed capital of at least US\$50.0 million.
N/A	One (1) million	N/A	Ten (10) million

	BSE	JSE	LuSE	SEM
<i>Profit history</i>	<ul style="list-style-type: none"> › Profit for preceding three (3) years; › Last year must report an audited profit (before tax) of at least US\$115 020 (BWP1.0 million); › If there is an inadequate track record: <ul style="list-style-type: none"> » Prepare a profit forecast for three (3) years; » Provide assumptions made; and » Provide reasons as to why the BSE should consider the listing. 	<ul style="list-style-type: none"> › Audited profit history for the preceding three (3) financial years; and › Last year must report an audited profit (before tax and after taking into account of the headline earnings adjustments on a pre-tax basis) of at least US\$1.4 million (ZAR15.0 million); or › The applicant issuer must have a subscribed capital of at least US\$47.0 million (ZAR500.0 million); or › The JSE may, in its absolute discretion, list a company which is in its developmental stage and which does not have the required profit history. In such instances, the applicant must have, prior to listing, a subscribed capital of at least US\$47.0 million (ZAR500.0 million) and must have been in existence for at least twelve (12) months. 	<ul style="list-style-type: none"> › Profit for preceding three (3) years; and › Financial statements must be audited and be reported on without qualification. 	<ul style="list-style-type: none"> › Published or filed audited accounts for a period of at least three (3) financial years which must have been reported on by the auditors without qualification; and › The audit must be performed by an audit firm approved by the Financial Reporting Council of Mauritius.
<i>Dual listing</i>	<ul style="list-style-type: none"> › Comply with the listing criteria; › Have a minimum of three hundred (300) Botswana resident public shareholders; › Make an offer for a sale of shares to the public of a size determined in consultation with the BSE; and › Appoint a market maker in Botswana. 	<ul style="list-style-type: none"> › Applying for a dual listing, either as a primary or secondary listing, must obtain a legal opinion as to whether the applicant issuer is required to be registered as an external company; › Applying for a primary listing on the JSE, whilst listed on another stock exchange/s, the applicant issuer must comply in full with the JSE Listings Requirements; and › Applying for a secondary listing on the JSE whilst listed on another stock exchange/s, the listings requirements of that exchange will take precedence, unless requested otherwise. 	<ul style="list-style-type: none"> › Applying for a primary listing on the LuSE whilst listed on another stock exchange/s, the applicant issuer must comply in full with the LuSE Listings Requirements; and › Applying for a secondary listing on the LuSE whilst listed on another stock exchange/s, the listings requirements of that exchange will take precedence, unless requested otherwise. 	<ul style="list-style-type: none"> › Applying for a primary listing on the Official Market, the applicant issuer must comply with all the SEM Listings Rules relevant to issuers, modified in the manner set out in the SEMS Listing Rules; and › Applying for a secondary listing on the Official Market, the applicant issuer must comply with all of the SEM Listings Rules, modified as for foreign issuers with, or seeking, a primary listing on the Official Market, unless the SEM, after consultation with the relevant foreign regulatory body, agrees otherwise.

NrSE	NSX	NSE	ZSE
Declared profits after tax attributable to shareholders in at least three (3) of the last five (5) financial years.	<ul style="list-style-type: none"> › Audited profit history for the preceding three (3) financial years; and › Last year must report an audited profit (before tax and after taking into account of the headline earnings adjustments on a pre-tax basis) of at least US\$47 266.1 (NAD500 000). 	<p>Standard A:</p> <ul style="list-style-type: none"> › A minimum of three (3) years' operating track record; <ul style="list-style-type: none"> Pre-tax profit from continuing obligations of not less than US\$1.9 million (NGN300.0 million) cumulatively for the last three (3) fiscal years and a minimum of US \$0.6 million (NGN100.0 million) in two (2) of these years. <p>Standard B:</p> <ul style="list-style-type: none"> › A minimum of three (3) years' operating track record; or › Provide evidence of a core investor who has a minimum of three (3) years' operating track record; and › Pre-tax profit from continuing operations of not less than US\$3.7 million (NGN600.0 million) cumulatively for the last one (1) or two (2) fiscal years. <p>Standard C:</p> <ul style="list-style-type: none"> › A minimum of three (3) years' operating track record; or › Provide evidence of a core investor who has a minimum of three (3) years' operating track record. 	Satisfactory profit history for the preceding five (5) financial years, or for a lesser period if the company has traded for less than five (5) years.
<ul style="list-style-type: none"> › Issuers may seek a listing on the NrSE pursuant to a cross-border listing, subject to them complying with the eligibility and disclosure requirements prescribed in the NrSE Listing Rules. 	<ul style="list-style-type: none"> › Applying for a primary listing on the NSX, the applicant issuer must comply in full with all the NSX Listings Requirements. › Applying for a secondary listing on the NSX, the applicant issuer will generally apply the listings requirements of the primary exchange ahead of the NSX Listing Requirements. 	<ul style="list-style-type: none"> › The NSE Listing Rules apply equally to listed foreign companies and to local companies, subject to additional requirements, modifications or exceptions set out in the Cross Border Listing section of the NSE Listings Rules or permitted by the NSE. 	<ul style="list-style-type: none"> › Applying for a primary listing on the ZSE the applicant issuer must comply with the requirements of both the ZSE and such other exchange/s. › Where an applicant issuer's primary listing is on another exchange, the ZSE Committee will normally accept the listings requirements of that exchange, however, it reserves the right to request such company to comply with such aspects of the ZSE Listings Requirements as it may, at its sole discretion, determine.

	BSE	JSE	LuSE	SEM
<i>Main activity</i>	N/A	<ul style="list-style-type: none"> › Must carry on as its main activity (by itself or through a subsidiary), an independent business (with a profit history mentioned above) which gives it control (fifty (50)% plus one (1)) over the majority of its assets for the preceding three (3) financial years; or › Must have a reasonable spread of direct interests in the majority of its assets and the right to actively participate in the management of such assets, whether by voting or through other rights which give it influence in the decisions relating to the assets for the preceding three (3) financial years. 	N/A	Must carry on as its main activity, either by itself or through one (1) or more of its subsidiaries, an independent business which is revenue earning and must have done so for a minimum period of three (3) years.
<i>Pre-listing statement/ Prospectus</i>	Prepare a BSE Disclosure Document.	Prepare a JSE PLS or Prospectus.	Prepare a LuSE PLS or Prospectus.	Prepare SEM Listing Particulars.
Shareholder spread	At least: <ul style="list-style-type: none"> › Three hundred (300) of its equity securities held by the public; and › Thirty (30)% (previously (20)%) of its equity securities held by the public. 	At least: <ul style="list-style-type: none"> › Three hundred (300) of its equity securities held by the public (In terms of the JSE Amendments the number of public shareholders requirement has been removed); and › Twenty (20)% of its equity securities held by the public. 	At least: <ul style="list-style-type: none"> › Three hundred (300) of its equity securities held by the public; and › Twenty five (25)% of its equity securities held by the public. 	At least: <ul style="list-style-type: none"> › Two hundred (200) of its equity securities held by the public; and › Twenty five (25)% of its equity securities held by the public.



NrSE	NSX	NSE	ZSE
N/A	Must carry on as its main activity (by itself or through a subsidiary), an independent business (with a profit history mentioned above) which gives control (fifty (50)% plus one (1)) over the majority of its assets for the preceding three (3) financial years.	N/A	N/A
Prepare a NrSE Prospectus or Information Memorandum.	Prepare a NSX PLS or Prospectus.	Prepare a NSE Prospectus.	Prepare ZSE Listing Particulars.
Twenty five (25)% of the shares must be held by not less than one thousand (1 000) shareholders (excluding employees of the issuer).	At least <ul style="list-style-type: none"> › One hundred and fifty (150) of its equity securities held by the public; and › Twenty (20)% of its equity securities held by the public. 	At least: <ul style="list-style-type: none"> › Three hundred (300) of its equity securities held by the public; and › Twenty (20)% of its equity securities held by the public. 	At least: <ul style="list-style-type: none"> › Three hundred (300) of its equity securities held by the public; › Thirty (30)% of its equity securities held by the public; and › Where the applicant issuer has had a private placement prior to the initial public offering, at least twenty (20)% of the total issued shares must be offered to the public.



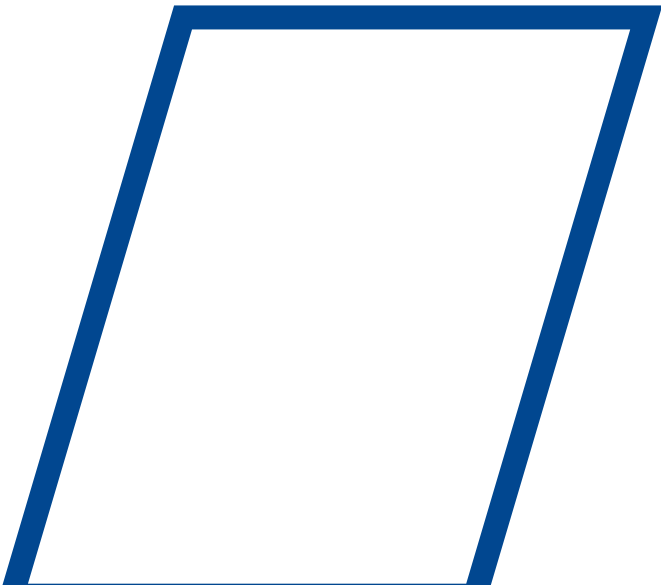
	BSE	JSE	LuSE	SEM
Lock in provisions				
	<p>Securities held by the promoters of the applicant issuer will be listed provided:</p> <ul style="list-style-type: none"> › The promoters undertake that seventy five (75)% of their individual shareholdings will be dematerialised and held by the Botswana CSDB, subject to the rules of the Botswana CSDB; and › Trading in these shares shall be prohibited for a minimum of two (2) years, and confirmation to that effect from the Botswana CSDB must be lodged with the BSE. 	N/A	N/A	N/A
Corporate Governance				
	Must comply with the Botswana Code of Corporate Governance or explain why it has not done so.	The JSE Listings Requirements specify the mandatory principles, which applicant issuers must comply with and the disclosure requirements with regards to the non-mandatory principles of corporate governance set out in the King Code on Corporate Governance for South Africa.	Issuers must include, in their Annual Report, a statement commenting on the extent of their compliance with Code of Corporate Practices and Conduct contained in the Cadbury or King Code on Corporate Governance.	There are no specific corporate governance requirements included in the SEM Listing Rules, however, there is the Mauritius Code, which applies to companies listed on the SEM, which in the case of non-compliance, shall disclose and explain the reasons for their non-compliance.
Sponsor, broker and advisor				
	A listed company must have a sponsoring broker at all times.	An applicant issuer must have an appointed sponsor, which must be appointed at all times (including for foreign issuers).	An issuer company must have a sponsoring broker at all times.	An issuer must have an appointed sponsor at all times while it is an applicant or listed.
Minimum issue price				
	There is no minimum issue price, however, an approval for listing will not be granted if an applicant has had an issue/allotment or private placement of its securities up to one (1) year prior to the listing (except where it is an external company seeking a secondary listing on the BSE).	N/A	The minimum issue price must be agreed with the LuSE Board.	N/A

NrSE	NSX	NSE	ZSE
<ul style="list-style-type: none"> › Applicable for a listing by introduction; and › All existing shareholders, associated persons or such other group of controlling shareholders, who have influence over management, shall undertake, not to dispose of their shareholding before the expiry of twenty four (24) months following the listing. 	N/A	If the listing is an IPO, the promoters and directors must hold a minimum of fifty (50)% of their shares in the applicant issuer for a minimum period of twelve (12) months from the date of listing.	N/A
<ul style="list-style-type: none"> › The Kenyan Code sets out principles and specific recommendations on structures and processes, which issuers should adopt; and › The NrSE Listings Rules include those mandatory principles which issuers must apply. 	Issuers must comply with certain mandatory corporate governance principles, as set out in the NSX Listings Requirements. In addition, issuers must disclose the extent to which they have complied with Code of Corporate Practices and Conduct as laid out in the NamCode and the reasons for each and every non-compliance.	The NSE encourages all companies seeking a listing to comply with the SEC's Code of Corporate Governance for Public Companies in Nigeria to the extent reasonable to enhance corporate discipline, transparency and accountability within the tenets of its operations.	Include a statement of how the applicant issuer has applied the principles set out in the Code of Corporate Practice and Conduct as set out in the King Code or Cadbury Report on Corporate Governance in the ZSE Listing Particulars.
An applicant issuer must appoint a sponsoring broker and a lead transaction advisor for a listing.	An issuer must have a sponsor at all times.	An application for listing must be sponsored by a Dealing Member of the NSE.	The ZSE requires a sponsoring broker to be appointed for a new listing requiring ZSE Listing Particulars.
N/A	N/A	N/A	100 US cents per security.

	BSE	JSE	LuSE	SEM
Financial information	<ul style="list-style-type: none"> › A new applicant making an application for listing must include a report of historical financial information in the BSE Disclosure Document; › The report of historical financial information is to be presented in consolidated form for a period of at least three (3) years up to and including the financial period immediately preceding the issue of the BSE Disclosure Document; › The financial statements and the report of historical financial information must have been reported on by the auditor and the reporting accountant without qualification, disclaimer, adverse audit opinion or reference to an emphasis of matter, which in the opinion of the BSE, is significant for the purpose of the listing. The opinion must include a statement on corporate governance and the ability of the applicant issuer to operate as a going concern. › For a company domiciled outside the Republic of Botswana where the historical financial information is not prepared in accordance with IFRS, there is to be disclosure of the following: <ul style="list-style-type: none"> » The reasons for such non-compliance; » The accounting standards and legislation under which the historical financial information has been prepared; and legislation under which the historical financial information has been prepared; and › A comprehensive reconciliation to IFRS of the effect of such non-compliance on the presentation of the required information. 	<ul style="list-style-type: none"> › A report of historical financial information must be prepared in respect of an applicant issuer and on the subject of any substantial acquisition or disposal. › In terms of the current JSE Listings Requirements, a report of historical financial information is also required on the subject of any substantial acquisition or disposal proposed to be made by the applicant issuer, however, in terms of the JSE Amendments this requirement has been repealed; › The report of historical financial information must be presented in consolidated form in respect of a period of at least three (3) years up to and including the financial year immediately preceding the issue of the JSE PLS or Prospectus; and › A JSE Report is required, <i>inter alia</i>, in respect of a report of historical financial information. 	<ul style="list-style-type: none"> › A report of historical financial information must be prepared in respect of an applicant issuer. › A report of historical financial information must be prepared in respect of any company being acquired by a new applicant issuer or an applicant issuer issuing a prospectus if such acquisition is being financed out of all or part of the proceeds of the issue and if the company being acquired will become a subsidiary of the applicant issuer. › A report of historical financial information must be prepared when a company intends to apply any part of the proceeds of an issue of securities by a new applicant issuer, directly or indirectly, to the acquisition by the company or any of its subsidiaries of the securities in, or the business undertaking of, any other company and this acquisition is material to the acquirer. › A LuSE Report is required, <i>inter alia</i>, in respect of a reports of historical financial information. 	<p>An accountants' report on the results, assets and liabilities of, and other financial information relating to, the applicant issuer, on a consolidated basis for the most recent three (3) financial years, must be included in the SEM Listing Particulars.</p>

NrSE	NSX	NSE	ZSE
<ul style="list-style-type: none"> › Audited financial statements for an accounting period ending on a date not more than four (4) months prior to the proposed date of the offer/listing; and › Financial statements must be prepared for the latest accounting period on a going concern basis and the audit report must not contain any emphasis of matter or qualification. 	<ul style="list-style-type: none"> › A report of historical financial information must be prepared in respect of an applicant issuer and on the subject of any substantial acquisition or disposal. › A report of historical financial information is also required on the subject of any substantial acquisition or disposal proposed to be made by the applicant issuer; › The report of historical financial information must be presented in consolidated form in respect of a period of at least three (3) years up to and including the financial year immediately preceding the issue of the NSX PLS or Prospectus; and › A NSX Report is required, <i>inter alia</i>, in respect of a report of historical financial information. 	<p>Standard A:</p> <ul style="list-style-type: none"> › SEC rules compliant financial statements covering the last three (3) fiscal years of which the most recent period must not be more than nine (9) months old. <p>Standard B:</p> <ul style="list-style-type: none"> › SEC rules compliant financial statements covering the last three (3) fiscal years of which the most recent period must not be more than nine (9) months old. Where the issuer does not have financial statements for the last three (3) years, the issuer shall provide evidence of a strong technical partner who has a minimum of three (3) years' operating track record with substantial equity and involvement in management and the financial statements for the last three (3) years of the technical partner. <p>Standard C:</p> <ul style="list-style-type: none"> › SEC rules compliant financial statements covering the last three (3) fiscal years of which the most recent period must not be more than nine (9) months old. Where the issuer does not have financial statements for the last three (3) years, the issuer shall provide evidence of a strong technical partner who has a minimum of three (3) years' operating track record with substantial equity and involvement in management and the financial statements for the last three (3) years of the technical partner. 	<ul style="list-style-type: none"> › The applicant issuer's financial statements must have been drawn up in accordance with the applicant's national law and must be prepared and independently audited in accordance with standards regarded by the ZSE Committee as appropriate for listed companies, namely, generally accepted accounting practice within Zimbabwe or, in the case of an external company, national generally accepted accounting practice acceptable to the ZSE Committee or International Accounting Standards; › The applicant issuer's auditors must have reported on the financial statements without any qualification which, in the opinion of the Committee, is significant for the purpose of the listing; › A ZSE Report is required for a new applicant and for an applicant who is issuing a prospectus

	BSE	JSE	LuSE	SEM
Trading				
	The Botswana CSDB is incorporated as a public company and operates as a central depository to the BSE.	Strate Limited is the licensed central securities depository for the JSE equity market and performs electronic settlement for all trades. It also maintains an electronic register of dematerialised Strate-approved securities.	LuSE CSD operates an electronic clearing and settlement process for the LuSE.	The Mauritius CDS provides centralised depository, clearing and settlement services for the Mauritian equity and debt markets.
Continuing obligations				
	All issuers, including foreign issuers, need to comply with certain continuing obligations requirements.	All issuers, including foreign issuers, need to comply with certain continuing obligations requirements.	All issuers, including foreign issuers, need to comply with certain continuing obligations requirements.	Foreign issuers need to comply with specific continuing obligations requirements.
Exchange control				
	No	Yes	No	No



NrSE	NSX	NSE	ZSE
The Kenyan CDSC is the legal entity which provides clearing, delivery and settlement services for securities traded on the NrSE.	Trading on the NSX currently takes place using certificated shares other than for South African dual listed shares on the NSX which trade through Strate in the same way as for issuers listed on the JSE.	The Nigerian CSCS is an associate company to the NSE and operates a computerised depository, clearing settlement and delivery system for transactions in shares listed on the NSE.	Trading on the ZSE currently takes place using certificated shares.
Foreign issuers must ensure the equivalent information is made available at the same time to the market at all such securities exchanges listed on.	All issuers, including foreign issuers, need to comply with certain continuing obligations requirements.	All issuers, including foreign issuers, need to comply with certain continuing obligations requirements.	All issuers, including foreign issuers, need to comply with certain continuing obligations requirements.
No	Yes	No	Yes

The US Government is strengthening its commercial relationship with Africa through its Power Africa and Investing in African Trade for our Common Future initiatives and its Doing Business in Africa campaign

Botswana

Opportunities

- › Existing opportunities in the dominant diamond sector and vast potential in the extractive sector, particularly coal;
- › Relocation of De Beers Diamond Trading Company's trading operations from London to Gaborone;
- › Implementation of Economic Diversification Drive aims to promote production or consumption of local goods and services; and
- › Ongoing development of the non-banking sector.

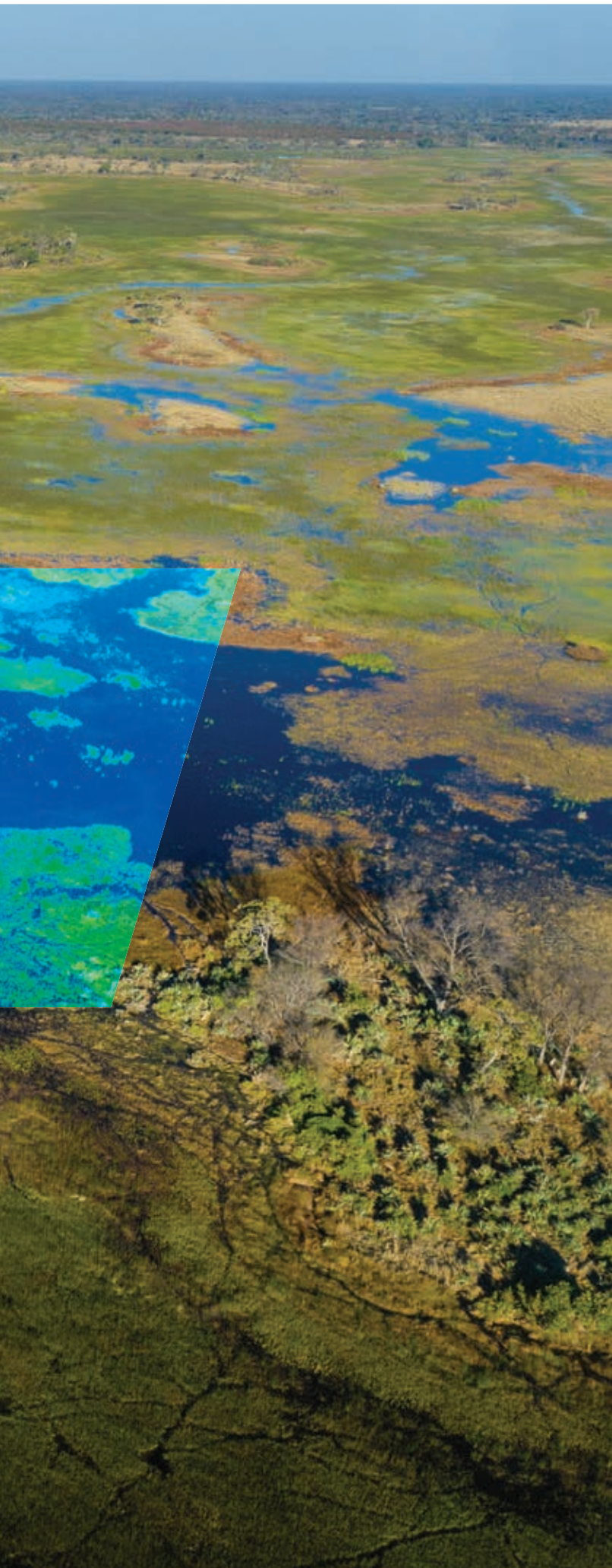
Strengths

- › Well-developed mining sector and sound regulatory environment;
- › A track record of political and macroeconomic stability;
- › Low levels of external debt which is further supported by a strong public sector balance sheet;
- › Sound liquidity position, manifested in robust foreign exchange reserve levels and a favourable balance of payments position; and
- › Botswana is considered to be one of the least corrupt countries in Africa.

Weaknesses

- › The economy is heavily reliant on diamonds and is, therefore, vulnerable to fluctuating gem prices and external demand;
- › The rail infrastructure is relatively underdeveloped which is a constraint to the development of non-diamond extractive sectors;
- › Botswana is historically a net importer of electricity and power shortages are likely to have had a detrimental effect on economic growth; and
- › Recurring droughts have seen the agricultural sector experience water shortages across the country.





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01 | Overview of the BSE

Introduction

The BSE is a small but thriving stock exchange located in Gaborone, Botswana. The Botswana share market was established in 1989 and became the BSE in 1995. The BSE currently operates two equity markets:

- › Main Board (Domestic Equity and Foreign Equity); and
- › The BSE VCM (Domestic Equity and Foreign Equity).

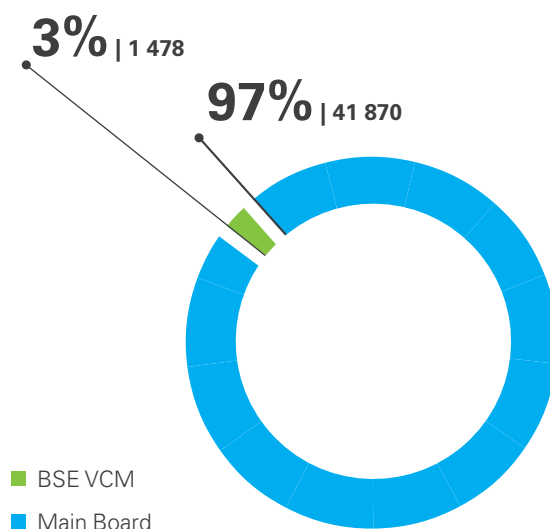
An exchange rate of US\$1 = BWP8.69414 on 30 June 2014 has been used throughout this section.

Equity market capitalisation of the BSE

At the date of this publication, the equity market capitalisation of the BSE amounted to approximately US\$43 347.7 million (BWP376 871.3 million) of which US\$4 505.2 million, in respect of twenty one (21) equity issuers, relates to domestic equity and US\$37 364.3 million, in respect of four (4) equity issuers, relates to foreign equity. In addition, US\$1 478.20 million, in respect of nine (9) equity issuers relates to the BSE VCM.

A diagrammatic overview of the split of the equity market capitalisation of the BSE between the Main Board and the BSE VCM is set out below:

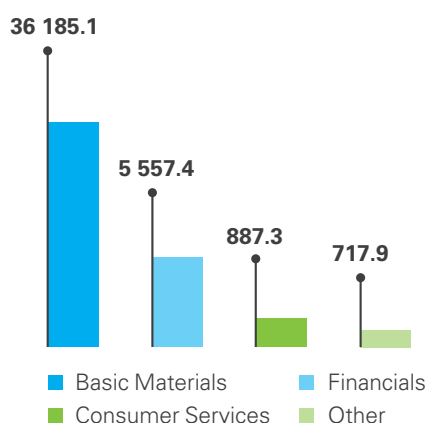
Equity market capitalisation attributable to each of the Main Board and the BSE VCM (in US\$ millions)



Anglo American Plc comprises approximately 84% of the equity market capitalisation of the Main Board

There are three (3) equity issuers, namely Anglo American Plc (Industry: Basic Materials; Sector: Basic Resources), First National Bank Botswana Limited (Industry: Financials; Sector: Banks) and Standard Charter Bank Botswana Limited (Industry: Financials; Sector: Banks) with market capitalisations of over US\$1.0 billion.

Equity market capitalisation by major Industry (in US\$ millions)

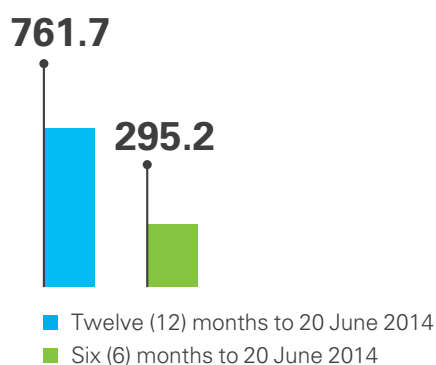


The Basic Materials industry has the highest equity market capitalisation and comprises of nine (9) equity issuers. The Basic Materials industry is dominated by one major equity issuer, namely Anglo American Plc, which has a market capitalisation of US\$35,241.2 million. The Financials industry is the second largest and comprises of four (4) banks, one (1) insurance equity issuer, five (5) Real Estate equity issuer and five (5) Financial Services equity issuers.

Volumes of equity shares traded

The volumes of the equity shares traded on the BSE for the twelve (12) months to 20 June 2014 and for six (6) months to 20 June 2014 are set out below:

Volume of equity shares traded on the BSE (in millions)



During the twelve (12) months to 20 June 2014, 761.7 million shares traded on the BSE out of a total of 24,315.9 million issued shares (approximately three (3)% of the cumulative issued shares at 20 June 2014).

During the six (6) months to 20 June 2014, 295.2 million shares traded on the BSE out of a total of 24,315.9 million issued shares (approximately one (1)% of the cumulative issued shares at 20 June 2014).

Attractiveness as a foreign listing destination

In accordance with the Guide to listing on the BSE published by the BSE, the main reasons for considering a foreign listing on the BSE are as follows:

- › The BSE is one of Africa's best performing stock exchanges and has averaged a twenty four (24)% aggregate return over the past ten (10) years;
- › The BSE is Southern Africa's third largest stock exchange by market capitalisation;
- › The BSE has a strong regulatory framework that ensures markets run efficiently;
- › The BSE has dedicated staff and committees that ensure strict monitoring and surveillance of operations;
- › Botswana capital markets continuously perform well due to strong and consistent political governance, sound national economic management and social stability;
- › As at the date of this publication, Botswana has been assigned an "A-" credit rating by Standard and Poors and an "A2" credit rating by Moodys;
- › There are no foreign exchange controls in Botswana and returns on investments, together with capital, are freely repatriable; and
- › There are no restrictions on foreign investor participation and holdings of BSE investments. It should be noted, however, that dual listed entities must have at least three hundred (300) public shareholders who are resident in Botswana.

Listing authority

The BSE was established in terms of the Botswana Stock Exchange Act No 11 of 1994 which governs the activities between the BSE and its members, being registered stockbrokers and any member admitted to membership of the BSE as an associate member, a non-broking member or a member appointed by the Minister of Finance ("Minister"), the proceedings and composition of the BSE Committee, the relationship between the Minister and the BSE and between the Registrar of the Stock Exchange, the BSE and its members.

The BSE Committee is the competent authority responsible for:

- › The list of the securities which may be dealt in on the BSE;
- › Applications by applicant issuers and existing issuers for the inclusion of securities on the BSE official list; and
- › The annual revision of the list.

The BSE Listing Requirements are interpreted, administered and enforced by the BSE. The BSE Listing Requirements and any interpretation thereof by the BSE are conclusive and binding on an issuer. The BSE may, at any time, vary a decision in any way or revoke it, if circumstances warrant this.

The BSE may impose additional requirements or make any listing subject to special conditions in accordance with the spirit of the general principles set out below.

The BSE may waive or modify compliance with a listing rule (or part of a rule) either generally, or to suit the circumstances of a particular case, unless, the listing rule specifies that the BSE will not waive it.

The BSE may grant a waiver subject to such conditions as it considers appropriate. Where a waiver is granted, the issuer must announce the waiver, the reasons for the waiver and the conditions, if applicable, upon which the waiver is granted as soon as practicable.



The method of listing securities should be appropriate and should facilitate an open, liquid and efficient market for the trading of such securities

General principles embodied in the BSE Listing Requirements

The BSE has recently made significant changes to the BSE Listings Requirements. The information set out below is based on the draft BSE Listings Requirements out for comment. The changes have not been highlighted in this document due to the extensive nature of the changes being proposed.

The BSE Listing Requirements comprise of general principles and the detailed listings requirements.

The general principles include the following:

- › Applicant issuers must have minimum standards of quality, operations, management experience and expertise;
- › Investors and the public must be kept informed of material price sensitive information;
- › All holders of listed securities must be treated fairly and equitably;
- › Directors, officers and advisors of issuers must maintain the highest standards of integrity, accountability, corporate governance and responsibility;
- › Directors must act in the best interests of shareholders, in particular, in respect of related party transactions; and
- › The method of listing securities should be appropriate and should facilitate an open, liquid and efficient market for the trading of such securities.



02 | Principal listing requirements and procedures

The information presented below relates to the Main Board of the BSE.

The BSE Listing Requirements are applicable to listing applications by both foreign and domestic companies and for primary and secondary listings, subject to certain additional requirements, modifications or exceptions.

The Main Board has alternative listing and continuing obligations requirements for mineral and property companies.

Admission to the official list

A company seeking admission to the Main Board must make an application for a listing to the BSE. The applicant issuer's application must comply with the BSE Listings Requirements except to the extent that the BSE has modified or waived compliance with any particular listing rule.

When assessing an application for listing, the BSE may:

- › Carry out enquiries and request further information which it considers appropriate, including consultation with other regulators;
- › Request that an applicant issuer, or its specified representatives, answer questions and explain any matter the BSE considers relevant to the application for listing;
- › Take into account any additional information which it considers appropriate in relation to the application for listing;

- › Request that any information provided by the applicant be verified in such manner as thought fit; and
- › Impose any additional conditions on the applicant issuer as considered to be appropriate.

In circumstances where the applicant issuer has a primary listing on another exchange, the BSE will normally accept the listings requirements of the primary exchange. In such circumstances, however, the BSE reserves the right to request the applicant issuer to comply with such aspects of the BSE Listings Requirements and/or additional requirements as it may determine, at its discretion. In the case of differing standards between the BSE and other exchanges, the more stringent standards shall prevail.

No application for a listing will be considered until the Constitutional Documents of the applicant issuer have been approved by the BSE.

Registration

The applicant issuer must be duly incorporated or otherwise validly established under the law of the country of incorporation or establishment and must be operating in accordance with its Constitutional Documents and all laws of its country of incorporation or establishment.

All issuers are required to maintain a transfer office or a receiving office in Botswana and be registered with the Botswana CSDB.



Criteria for listing

Market capitalisation

An applicant issuer must have a subscribed capital (including reserves but excluding minority interests, revaluations of assets that are not supported by a valuation by an independent professional expert acceptable to the BSE Committee prepared within the last six (6) months; and intangible assets) of at least US\$575 100 (BWP50.0 million) (previously US\$1 15 020 (BWP1.0 million)).

In addition, the applicant issuer must have at least one (1) million equity shares in issue.

Audited accounts

A new applicant making an application for listing and issuing a BSE Disclosure Document, must include a report of historical financial information, prepared in accordance with IFRS and any guidelines issued by the Botswana Institute of Accountants and/or the Botswana Accountancy Oversight Authority. The report of historical financial information is to be presented in consolidated form for a period of at least three (3) years up to, and including, the financial period immediately preceding the issue of the BSE Disclosure Document.

If more than six (6) months have elapsed since the end of the most recent financial year end covered by the report of historical financial information, interim financial statements covering the first six (6) months of the financial year must be included in the BSE Disclosure Document. The interim financial statements must be reviewed by the auditors and that fact must be stated. The interim financial statements must either be consolidated or must include a statement that, in the opinion of the directors, the interim financial statements enable investors to make an informed assessment of the results and activities of the group for the period.

The applicant issuer's financial statements and the report of historical financial information included in the BSE Disclosure Document must have been reported on by the auditor and the reporting accountant without qualification, disclaimer, adverse audit opinion or reference to an emphasis of matter, which, in the opinion of the BSE, is significant for the purpose of the listing. The opinion must include a statement on corporate governance and the ability of the applicant issuer to operate as a going concern.

For a company domiciled outside the Republic of Botswana where the historical financial information is not prepared in accordance with IFRS, there is to be disclosure of the following:

- › The reasons for such non-compliance;
- › The accounting standards and legislation under which the historical financial information has been prepared; and
- › A comprehensive reconciliation to IFRS of the effect of such non-compliance on the presentation of the required information.

Profit history

The applicant issuer must have a satisfactory profit for the preceding three (3) financial years, the last of which reported an audited profit of at least US\$1 15 020 (BWP1.0 million) before taxation.

Applicant issuers that do not have a track record or that have an inadequate track record must:

- › Prepare a profit forecast for three (3) years;
- › Provide details of the assumptions made in arriving at the forecasts; and
- › Provide reasons to the BSE as to why it should consider listing the applicant issuer on the Main Board.

Shareholder spread

At least thirty (30)% (previously twenty (20)%) of its securities must be held by at least three hundred (300) members of the public (equity securities). Dual listed entities must have at least three hundred (300) public shareholders who are resident in Botswana.

Registered advisors

Only advisors approved by the BSE and recorded on the BSE Register for Registered Advisors may act as an advisor for an issuer for listing related matters or an applicant issuer applying to list on the BSE.

A registered advisor is responsible to the BSE for expressing an opinion on an application for listing on the BSE or a BSE listed company when appointed as its registered advisor. The registered advisor is responsible for advising and guiding an issuer on its responsibilities under the BSE Listings Requirements.

A registered advisor must give an undertaking to the BSE that it accepts certain responsibilities.

Securities held by promoters

The BSE will list securities held by the promoters of the applicant issuer provided:

- › The promoters undertake that seventy five (75)% of their individual shareholdings will be dematerialised and held by the Botswana CSDB, subject to the rules of the Botswana CSDB; and

- › Trading in these shares shall be prohibited for a minimum of two (2) years, and confirmation to that effect from the Botswana CSDB must be lodged with the BSE.

Corporate governance

An issuer listed on the BSE must comply with the Botswana Code of Corporate Governance or explain why it has not done so. The Botswana Code of Corporate Governance provides specific guidance in the following areas:

- › Boards and directors;
- › Internal audit;
- › Audit committee and auditors;

- › The governance of risk;
- › The governance of information technology and information security;
- › Stakeholder relationships;
- › Corporate reporting; and
- › Board appraisal.

Minimum issue price

There is no minimum issue price, however, an approval for listing will not be granted if an applicant has had an issue/allotment or private placement of

its securities up to one (1) year prior to the listing (except where it is an external company seeking a secondary listing on the BSE).

Trading and transferability

All of the securities to be listed must be fully paid up and freely transferable.

Listing particulars

An applicant issuer applying for a new listing of its securities on the Main Board must publish a BSE Disclosure Document.



Sponsors and authorised representatives

A listed company must have a sponsoring broker at all times.

The sponsoring broker must be registered with the BSE as a member and:

- › Be licensed as a stockbroker in terms of the Non-Bank Financial Institutions Regulatory Authority Act;
- › Undertake to the BSE to accept the responsibilities of a sponsoring broker as specified in the BSE Listing Requirements;
- › Discharge those responsibilities at all times to the satisfaction of the BSE; and
- › Meet the eligibility criteria set out in the BSE Listing Requirements.

The responsibilities of the sponsoring broker are as follows:

- › Communicate and deal directly with the BSE on all matters arising in connection with applications for listing;
- › Prepare and lodge with the BSE the formal application for listing and all the documents supporting the application;
- › Satisfy himself, in the case of a new applicant issuer, that the applicant issuer is suitable to be listed and satisfies all the relevant requirements;

- › Guide and advise the issuer as to the application of the BSE Listing Requirements and satisfy himself that the issuer is not in breach of the BSE Listing Requirements;
- › Ensure that the directors of the new applicant issuer appreciate the nature of their responsibilities and will honour their obligations in respect of the BSE Listing Requirements and the Director's Undertaking to the BSE;
- › Be satisfied that any profit forecast or estimate is made after due and careful enquiry by the directors;
- › Must obtain a written confirmation from the applicant issuer that the directors have established procedures which provide a reasonable basis for them to make proper judgements as to the financial position and prospects of the applicant issuer and its group;
- › Seek the approval of the BSE for BSE Disclosure Documents and circulars as well as for waivers where applicable; and
- › Provide the BSE with the relevant declaration in the case of an application for listing that requires the production of a BSE Disclosure Document.

Dual Listings

A company seeking to dual list on the BSE must:

- › Comply with the criteria for listing set out above. It should be noted that a company seeking a dual listing on the BSE must have a minimum of three hundred (300) public shareholders who are resident in Botswana;
- › As a precondition for listing, make an offer for a sale of shares to the public of a size to be determined in consultation with the BSE (the BSE will determine the size of the offer based on demand for the applicant issuer's shares); and
- › Appoint a market maker in Botswana.



03 | Listing process

Set out below is an overview of the key steps in the listing process:

Step	Process
1 Preparation	<ul style="list-style-type: none"> › Meetings with and appointment of advisors to the listing; › Undertake a due diligence, if necessary; › Meeting with the BSE to discuss the potential listing; and › Preparation of the BSE Disclosure Document and other application documents.
2 Application for listing	<ul style="list-style-type: none"> › Documentation submitted to the BSE in order to obtain a conditional approval for listing: <ul style="list-style-type: none"> » Formal application letter for listing including, inter alia, the following details: <ul style="list-style-type: none"> - Addresses of the registered and transfer offices in the Republic of Botswana; - Details relating to the applicant issuer's share capital; and - Statement as to the board for which listing is being applied. › The application must be signed by the company secretary, a director and the sponsoring broker; › A general undertaking by the board of directors, certified by the company secretary; › Individual undertakings by each director of the applicant to the BSE confirming that they have exercised their fiduciary duties with due regard to the provisions of the Constitutional Documents of the applicant and that they will honour their responsibility for the applicant issuer's compliance with the BSE Listing Requirements, as amended from time to time; › The proposed BSE Disclosure Document, dated and signed by the directors or under power of attorney; › Copies of any experts' consents; › An Underwriting Agreement (if applicable); › A certificate from the attorneys stating that the requirements of the Botswana Companies Act (or similar regulations for foreign entities) have been complied with in preparing the company for listing; › Auditors' confirmation that the contents of the BSE Disclosure Document are not contradictory with the information contained in the accountants report; › Confirmation regarding other listings; › A list of directorships by the directors; › The applicant's Constitutional Documents which must comply with the requirements of the BSE; and › The proposed basis for allotment of securities in the event of over subscription. › Should amendments to the submitted documents be required by the BSE, the amended documents must be re-submitted and approved, prior to publication.

Step	Process
3 Marketing and bookbuilding (relevant for IPO's)	<ul style="list-style-type: none"> › Roadshows, meetings with investors and advertising in the press; and › Bookbuilding exercise.
4 Admission to listing	<ul style="list-style-type: none"> › Submission of additional documentation to the BSE, including: <ul style="list-style-type: none"> » An analysis of securities held by shareholders of the applicant issuer post the offer and the listing; » Confirmation from the sponsoring broker and the company's attorneys that the published BSE Disclosure Document was the same as the one approved by the BSE; » A copy of the newspaper containing the abridged BSE Disclosure Document or announcements relating to the issue; » A statutory declaration by the chairman and company secretary that all statutory documents have been filed with the Registrar of Companies and all of the specified documents lay open for inspection in the prescribed manner; » Payment of the listing fee; » Confirmation of receipt of the minimum subscription fee; » Confirmation that the purchase of assets has been completed, if applicable; and » Confirmation of refunds, if applicable. › Securities listed on the BSE, if the listing is granted, and uploading of the securities into the electronic trading system; and › Start of trading.
5 Post listing	<ul style="list-style-type: none"> › Compliance with the continuing obligations of the BSE Listing Requirements.

Post listing, issuers must comply with the continuing obligations of the BSE Listings Requirements

04 | BSE Disclosure Documents

An application for a listing of securities on the Main Board must be accompanied by the relevant BSE Disclosure Documents. If the BSE Disclosure Document is a prospectus, the BSE may require additional information, over and above that required in terms of the Botswana Companies Act, as amended, and/or the BSE Listing Requirements, to be disclosed.

If the BSE Disclosure Document is a pre-listing statement, a disclaimer that it is not an invitation to the public to subscribe for securities, but is issued in compliance with the BSE Listing Requirements to provide information to the public with regards to the company, must be included on the front page.

All BSE Disclosure Documents should contain the following information:

- › A responsibility statement by the directors confirming the accuracy of the information provided in the BSE Disclosure Document, that there are no other facts or omissions that would make any statement false or misleading and that the BSE Disclosure Document contains all the information required by law. The BSE Disclosure Document must be signed by every director or his agent or attorney in terms of a power of attorney granted by such director;
- › Information about the applicant issuer and its advisors;
- › A summary of certain of the provisions of the Constitutional Documents including:
 - » The power of directors to vote on any proposal in which he is materially interested;
 - » Any power enabling the directors to vote on remuneration;
 - » Borrowing powers exercisable by the directors and how such borrowing powers can be varied;
 - » The company's dividend policy;
 - » The retirement or non-retirement of directors under an age limit; and
 - » Directors' qualification shares.
- › That the securities of the company are freely transferable, arrangements for transfer of the securities and, where permitted, restrictions on the free transferability;
- › Changes in capital;
- › Any time limit after which entitlement to dividends lapses and an indication of the party in whose favour the lapse operates;
- › Details of other exchanges on which the securities are already listed or where admission to listing is or will be sought;
- › Details of any commissions, discounts, brokerages or other special terms in connection with the issue or sale of any capital of any member of the group over the two (2) years preceding the issue of the BSE Disclosure Document together with the names of any directors or proposed directors, promoters or experts who received any such payment or benefit and the amount thereof or a negative statement;
- › Information about the securities for which listing is sought and the terms and conditions of their issue and distribution including:
 - » Securities that have been issued over the past year and the details thereof;
 - » A summary of rights attaching to the securities for which application is being made;
 - » The date of which dealings in the securities is expected to commence;
 - » The amount or estimated amount of expenses of the issue and of the application for listing payable by the applicant issuer; and
 - » Details of the intended use of the proceeds of any new issue.
- › Information about the applicant issuer's capital;
- › Information about the company's activities including:
 - » Where a significant proportion of the group's assets are situated outside of Botswana, details of such assets and the amount of the assets situated in Botswana;
 - » Details of the group of which the applicant issuer is a member, including, if the applicant issuer is a subsidiary company, the names and the number of shares held by each holding company of the applicant issuer;
 - » Particulars of any material trademarks, patents or other intellectual or industrial property rights;
 - » Particulars of any interruptions in the business of the group that have had a significant effect on the financial position during the last twelve (12) months;
 - » The number of employees and changes thereto during the last financial year;
 - » Particulars of the location, size and tenure of the principle establishments of the group;

- » A statement that no change in the nature of the business is contemplated; and
 - » Particulars of any restriction affecting the remittance of profits or repatriation of capital into Botswana from outside Botswana, if applicable.
 - › Information about the financial position of the company and its prospects such as:
 - » Historical financial information of the applicant issuer;
 - » Interim financial statements;
 - » General information on the trend of the group's business since the date of the most recent audited accounts;
 - » A statement as to the financial and trading prospects of the group for the current financial year, together with any material information which may be relevant thereto;
 - » Working capital adequacy statement by the directors;
 - » A statement by the directors of any material adverse change in the financial or trading position of the group since the date of the last audited accounts or a negative statement; and
 - » Information on any legal or arbitration proceedings which may have had a significant effect on the group's financial position during the previous twelve (12) months or a negative statement.
 - › If the applicant issuer publishes pro forma financial information in the BSE Disclosure Document, such information must comply with the BSE Listing Requirements and a reporting accountant's opinion thereon must be included in the BSE Disclosure Document;
 - › If the applicant issuer publishes a profit forecast in a BSE Disclosure Document, such information must comply with the BSE Listing Requirements and must be reported on by a corporate finance specialist;
 - › Information about the applicant issuer's directors and management including the following:
 - » The address of a foreign company's registered office in Botswana and where its branch share register is registered;
 - » Interests of shareholders, other than a director or chief executive of the applicant issuer, who are directly or indirectly interested in five (5)% or more of the applicant issuer's issued share capital carrying rights to vote in all circumstances at shareholders meetings;
 - » An estimate of the aggregate remuneration payable to, and benefits in kind receivable by, the directors; or any proposed directors, by any member of the issuer's group, for the current financial year under the arrangements in force at the date of the BSE Disclosure Document;
 - » Details of any contract or arrangement existing at the date of the BSE Disclosure Document in which any director is materially interested and which is significant in relation to the business of the group;
 - » Details of loans from any member of the group to the directors and/or guarantees provided for the benefit of directors;
 - » details of any scheme involving staff;
 - » Details of arrangements in terms of which a director has waived or agreed to waive future emoluments as well as any waivers during the past financial year;
 - » Details of directors, partners with unlimited liability in the case of a limited partnership with share capital;
 - » Founders if the applicant issuer has been established for less than five (5) years;
 - » Details of executive management responsible for the day to day running of the group's business (foreign companies must disclose this information relative to the local (Botswana) executive management committee);
 - » The details included in the director's personal declaration; and
 - » Terms of office for which any director has, or will be, appointed.
 - › Details of all material contracts and other documents lying open for inspection.
- An applicant issuer applying for a listing of its securities through an offer to the public, as defined in the Botswana Companies Act, must issue a prospectus and must comply with the disclosure requirements set out therein.
- A company issuing a prospectus must include a statement prominently on the cover page stating that acceptance of applications for securities will be conditional upon issue of the securities and upon permission being granted by the BSE to list all the issued securities of the applicant issuer.

05 | Continuing obligations

The fundamental principles of the continuing obligations requirements included in the BSE Listings Requirements are timely disclosure and transparency. The primary purpose of these principles is to protect investors by achieving an orderly market and ensuring that all investors have access to the same information at the same time.

Compliance with the BSE Listings Requirements

Every listed company must designate one (1) of its senior executives as its compliance officer. The compliance officer is tasked with ensuring compliance with the BSE Listings Requirements and also acting as the contact person between the investing public and the listed entity.

Every issuer is also required to have an appointed sponsoring broker, registered by the BSE, at all times. The sponsoring broker acts as the contact person between the listed entity and the BSE.

Annual revision of the list

Every listed entity must submit an annual compliance to the BSE by 28 February of each year after receipt of which the BSE Committee will review the company's listing.

General obligation of disclosure

An issuer must timeously announce any information concerning it or its subsidiaries or associate companies which:

- › Is necessary to avoid the establishment of a false market in the issuer's securities; or

- › Might reasonably be expected to materially affect market activity in and the price or value of its securities.

Cautionary announcements

An issuer must publish a cautionary announcement if it is in possession of any material price sensitive information and:

- › The necessary degree of confidentiality of such information cannot be maintained; or
- › If the company suspects that confidentiality has or may have been breached.

In circumstances where the disclosure to the public of certain price sensitive information may prejudice the legitimate interests of the listed company, the BSE may grant a dispensation from the requirement to make the information public, provided that the issuer keeps the information confidential.

Change of financial year

The BSE must be notified, in writing, of a proposed change to an issuer's financial year and must be consulted as to the period/s to be covered by the issuer's quarterly reports.

Notifications relating to capital

A listed entity must publish an announcement containing details of the following information relating to its share capital:

- › Alterations to capital structure other than allotments of new shares;
- › Changes of rights attaching to securities;
- › The basis of allotment of listed securities offered generally to the public for cash and of claw-back offers to shareholders;
- › Issues affecting conversion rights; and
- › Results of any new issues of listed securities.

Rights as between holders of securities

All shareholders of the same class must receive fair and equal treatment. All listed securities, of the same class, must have the same voting rights. Before issuing new equity securities for cash, the securities must be offered by rights offer to existing shareholders in proportion to their existing holdings.

Waiver of pre-emptive rights

Shareholder approval for specific and/or general issues of securities for cash may be obtained as follows:

- › If the issuer has thirty five (35)% or more of its securities held by the public, the waiver of pre-emptive rights must be approved by a seventy five (75)% majority of votes cast by shareholders present or represented by proxy at the general meeting called to approve the resolution/s; and

- › If the issuer has less than thirty five (35)% of its securities held by the public, the waiver of pre-emptive rights must be approved by a 90% majority of votes cast by shareholders present or represented by proxy at the general meeting called to approve the resolution/s.

Issues by major subsidiaries

Any material issue of shares for cash by a major (twenty (20)% or more of the aggregate of the share capital and reserves of the listed company's group) unlisted subsidiary of an issuer, requires the specific approval of the issuer's shareholders.

If a listed or unlisted major subsidiary of a listed holding company has a rights offer and the listed holding company does not intend to follow its rights, which will result in a material dilution of its percentage interest in the equity securities of that subsidiary, the listed holding company must first obtain the specific approval of its shareholders.

Shareholder spread

All issuers are required to ensure that thirty (30)% of each class of securities is held by the public. The BSE may suspend or terminate the listing of an issuer if the percentage of a class of securities held by the public does not comply with the minimum spread requirements.

The BSE may allow a reasonable time to restore the spread or may allow a reduction in the minimum spread requirements if it considers such a reduction is in the best interests of the issuer. An issuer must inform the BSE, in writing, when it becomes aware that the minimum spread requirements are no longer being met.

Communications with shareholders

An issuer must provide facilities and information to enable its shareholders to exercise their rights. In particular, it must:

- › Inform shareholders of meetings which they are entitled to attend;
- › Enable shareholders to exercise their rights to vote, where applicable; and
- › Publish notices required in terms of the BSE Listings Requirements.

Transactions

A transaction refers to the acquisition or disposal of assets by an issuer or a subsidiary of an issuer, including an option to acquire or dispose of assets. Transactions in the ordinary course of business or to raise finance are excluded from this definition.

A transaction is categorised by assessing its size relative to that of the listed company proposing to make such acquisition.

Categories of transactions

The two (2) categories of transactions are:

- › Category 2 – a transaction where any percentage ratio is five (5)% or more but each is less than forty (40)%; and
- › Category 1 – a transaction where any percentage ratio is forty (40)% or more.

Percentage ratios

The percentage ratios are the figures, expressed as a percentage, resulting from each of the following calculations:

- › Market value of the consideration to the market capitalisation of the company;
- › The number of securities issued by the listed company as consideration for an acquisition to the total number of securities in issue prior to the transaction ("Dilution"); and
- › For transactions settled partly in cash and partly in securities, the cash consideration to the market capitalisation percentage is added to the Dilution percentage.

For deferred considerations, the consideration is the maximum possible total consideration payable under the agreement. If the total consideration is not subject to any maximum, the transaction will normally be treated as a Category 1 transaction.

The following agreements or arrangements will also be treated as Category 1 transactions:

- › Under which an issuer agrees to discharge liabilities for costs, expenses, commissions or losses incurred by that party, whether or not on a contingent basis;
- › Would be exceptional; and
- › Under which the maximum liability is unlimited.

Requirements for transactions

A Category 2 transaction requires the publication of an announcement on X-News and in at least one (1) English national newspaper. The content of the announcement must comply with the BSE Listings Requirements.

A Category 1 transaction requires the following:

- › The publication of an announcement on X-News and in at least one (1) English national newspaper the contents of which must comply with the BSE Listings Requirements;
- › The preparation of a circular in accordance with the requirements of the BSE Listings Requirements; and
- › Shareholder approval.

Related party transactions

The purpose of the related party requirements is to guard against the risk that interested persons could influence the issuer, its subsidiaries or associated companies, to enter into a transaction with such interested person that could adversely affect the interests of the issuer or its shareholders.

A related party transaction is defined as:

- › A transaction, or any variation or novation of an existing agreement, between a listed company (or any of its subsidiaries) and a related party;
- › An arrangement pursuant to which a listed company and a related party each invests in, or provides finance to, another undertaking or asset; or
- › Any other similar transaction or arrangement between a listed company and any other person, the purpose and effect of which is to benefit a related party.

Related parties

A "related party" is:

- › A person who is (or was within the last twelve (12) months) a material shareholder or their associate;
- › A person who is an associate of a listed company (or any of its subsidiaries) or their associate;
- › A person who is a close family member of a person who is part of key management personnel or who controls the entity (close family includes an individual's spouse or common law partner and their children under twenty one (21) years of age and their dependents) or its controlling shareholder or their associates;
- › A person who is controlled or significantly influenced by a member of key management personnel or by a person who controls a listed company (or any of its subsidiaries) or their associates;

- › Any joint venture to which the issuer is a venture partner or its controlling shareholder;
- › A person who is (or was within the last twelve (12) months) key management personnel or someone who acted in accordance with the directors or instructions of any member of key management personnel; and
- › Any advisor to the issuer which has (or had within the past twelve (12) months) a beneficial interest in the issuer or their controlling shareholder.

Requirements for a related party transaction

The requirements for a related party transaction are as follows:

- › Audit committee approval;
- › An announcement in compliance with the BSE Listing Requirements;
- › A circular to shareholders in compliance with the BSE Listing Requirements;
- › An ordinary or a special resolution by independent shareholders, depending on the requirements of the BSE. A special resolution will require a minimum of seventy five (75)% of the votes by independent shareholders being cast in favour of the related party transaction.

- › A fairness opinion from an independent expert in respect of the related party transaction (exceptions: property companies where a valuation report has been prepared and mineral assets where a competent persons report has been prepared).

Requirements for a small related party transaction

A small related party transaction is one where the percentage ratio's described above are less than or equal to five (5)% but exceed zero point twenty five (0.25)%.

The requirements for a small related party transaction are as follows:

- › Inform the BSE, in writing, of the details of the proposed transaction;
- › Provide the BSE with a fairness opinion from an independent expert (which must be fair); and
- › Publish an announcement in compliance with the BSE Listings Requirements.

If the fairness opinion is not fair, a circular and shareholder approval of the related party transaction is required.

Dealing in securities by directors and management

An issuer, via its compliance officer, must submit to the BSE, for publication on X-News and the BSE Daily Market Report, details of all transactions (including off market transactions) in securities (held beneficially, whether directly or indirectly) relating to the issuer by any of the following persons or their associates:

- › A director, Chief Executive Officer, Principal Officer and company secretary of the issuer or of a major subsidiary of the issuer.

The submission to the BSE must contain the information required in terms of the BSE Listings Requirements and must be submitted to the BSE by no later than nine (9) am the morning after the trade date.

Dealing in prohibited periods

A director, member of the management team and their associates may not deal in an issuer's securities:

- › During a closed period which is defined as:
 - » The date from the financial year end up to the date of the earliest publication of either the preliminary financial statements or the audited financial statements; or
 - » The date from the end of each quarter up to the date of the publication of the quarterly financial statements; or
 - » Any period when the issuer is trading under a cautionary announcement; or

- » Any period when an issuer is dealing with a potentially price sensitive matter known to insiders even if the issuer is not trading under a cautionary announcement.
- › At any time when such person is in possession of unpublished price sensitive information in relation to the issuer's shares; or
- › Within one (1) market day of the release of price sensitive information by the issuer.

An issuer is required to provide a framework to key management personnel and other employees when dealing in securities of the issuer.

06 | Continuing obligations of a financial nature

Dividends and/or interest

A decision of the board to declare dividends must immediately be published on X-News and published in one (1) widely circulated newspaper at least fourteen (14) days prior to the ex-dividend date.

When an issuer declares a dividend, the company must submit to the BSE a certified copy of the Certificate of Solvency issued by a firm of auditors.

If an issuer declares a dividend prior to the publication of its financial statements, the dividend notice must contain a statement of the ascertained

or estimated consolidated profits before taxation of the group and also details of any amounts appropriated from reserves, capital profits, accumulated profits of past year or other special sources.

Decisions not to declare dividends and which are price sensitive, must be released through the BSE.

Payments of dividends must be effected within fourteen (14) calendar days after the ex-dividend date.

Quarterly financial statements

An issuer must publish on X-News and in one (1) national English newspaper, interim financial statements prepared on a quarterly basis, for the first three quarters of its financial year, within thirty (30) days for the end of the period to which the interim financial statements relate.

Quarterly financial statements are not required to be reviewed by the issuer's auditors unless the issuer's latest audited financial statements were qualified or had an adverse audit opinion, in which case they must be reviewed. If quarterly financial statements have been reviewed by the auditor, the audit report shall form part and parcel of the quarterly report published by the issuer.

Audited financial statements

An issuer must publish on X-News and one (1) national newspaper its audited financial statements within three (3) months of its financial year end.

An issuer, whose financial statements have been the subject of an audit qualification or disclaimer, shall immediately be transferred to the default board. In the event that an issuer is transferred to the default board, the issuer shall be informed, in writing, of its transgressions and that its listing status on the BSE has been transferred to the default board.

A penalty of US\$57.5 (BWP500) per day will be imposed on issuers during the period such issuer is on the default board (commencing on the second calendar day the company is on the default board).

Annual Reports must be distributed to shareholders within six months of each financial year and at least twenty one (21) days before the date of the annual general meeting and shall include:

- › A notice of annual general meeting; and
- › The audited annual financial statements reported on by the issuer's auditors.

Preliminary financial statements

If an issuer has not published its audited financial statements within three (3) months of its financial year end, it must publish a preliminary report, even if the information is unaudited at the time, on X-News and one (1) national newspaper.

Preliminary financial statements are subject to review by the issuer's auditors.

Shares on the BSE are traded
in dematerialised form

07 | Fees

Initial listing fees

0.025% of the market capitalisation, subject to a minimum of US\$5 751 (BWP50 000) and a maximum of US\$23 004 (BWP200 000).

Additional listing fees

0.025% of each class of equity securities listed subject to a minimum of US\$575 (BWP5000).

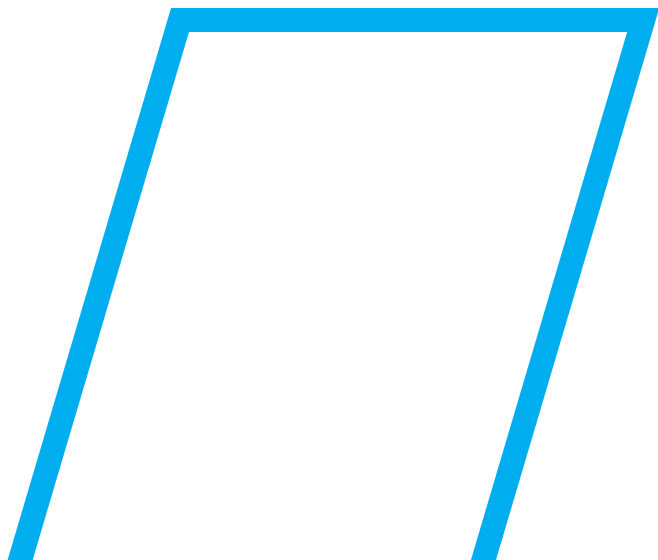
Annual sustaining and review fees

In respect of each class of equity securities, an amount equal to 0.025% of the market value, subject to a minimum of US\$5 751 (BWP50 000) and a maximum of US\$17 253 (BWP150 000).

08 | Botswana CSDB

The Botswana CSDB is incorporated as a public company and operates as a central depository to the BSE. Securities are held in dematerialised form in the name of the sub-custodian with client designation. Clients are required to open an account at the Botswana CSDB should they wish to buy/sell listed securities on the BSE.

Sellers of securities need to deposit such securities at the Botswana CSDB. Purchasers of securities will be credited with securities in dematerialised form to be held at the Botswana CSDB, however, investors may withdraw the shares from the Botswana CSDB and convert them into physical certificates.



Kenya

Opportunities

- › The EAC trade bloc has a combined population of ± 150.0 million with a combined nominal GDP of $\pm \$100.0$ bn;
- › Deepening regional integration and improving infrastructure make Kenyan companies well placed for regional expansion;
- › Potentially lucrative opportunities for investment in the services sector (tourism, banking, telecommunications, wholesale and retail trade, and business process outsourcing); and
- › Enormous opportunities for commercial agriculture, agro-processing, and manufacturing.

Strengths

- › Kenya plays a central role in East Africa as the largest economy and a gateway into the region. The economy is diversified and the financial sector strong, with deep and developed domestic debt markets;
- › Kenya is part of a region that contains a selection of the fastest growing economies worldwide; and
- › Large, highly skilled, and educated workforce that ranks among the best in Africa. Booming information and communication technology sector following arrival of sub-marine fibre optic cables.

Weaknesses

- › Terrorism is the most serious impediment to foreign investment and tourism;
- › The economy remains very dependent on rain-fed agriculture;
- › Dependent on hydroelectricity; oil-importing region; and
- › Dependence on Europe for trade, remittances, and tourism earnings.





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01 | Overview of the NrSE

Introduction

The NrSE in Kenya was established in 1954 and is sub-Saharan Africa's fourth-largest securities exchange. The NrSE is an affiliate member of the WFE and a foundation member of the ASEA. In addition, the NrSE is an associate member of the Association of Future Markets incorporated in Buenos Aires, Argentina.

The NrSE currently operates four market segments on the Official List:

- › Nairobi MIMS – This segment is tailored for public companies limited by shares and registered under the Kenyan Companies Act which companies must have a minimum authorised, issued and fully paid up share capital of US\$571 102.2 (KES50.0 million), net assets of at least US\$1 142 204.5 (KES100.0 million) and a profitable track record in at least three (3) of the last five (5) years;
- › Nairobi AIMS – This segment is tailored for public companies limited by shares and registered under the Kenyan Companies Act which companies must have a minimum authorised, issued and fully paid up share capital of US\$228 440.9 (KES20.0 million), net assets of at least US\$222 440.9 (KES20.0 million) and a profitability track record in at least two (2) of the last three (3) years;
- › Nairobi GEMS – This segment is for start-up, small and medium size companies; and
- › Nairobi FISMS – This segment is for the trading of government and corporate bonds and other fixed-income securities.

In January 1995, the NrSE was opened to foreign investors, however foreign investments are limited to forty (40)% (previously twenty (20)%) for institutions and five (5)% (previously two point five (2.5)%) for individuals and a relatively small percentage of listed companies are available to foreign investors.

An exchange rate of US\$1 = KES87.55 on 30 June 2014 has been used throughout this section.

Equity market capitalisation of the NrSE

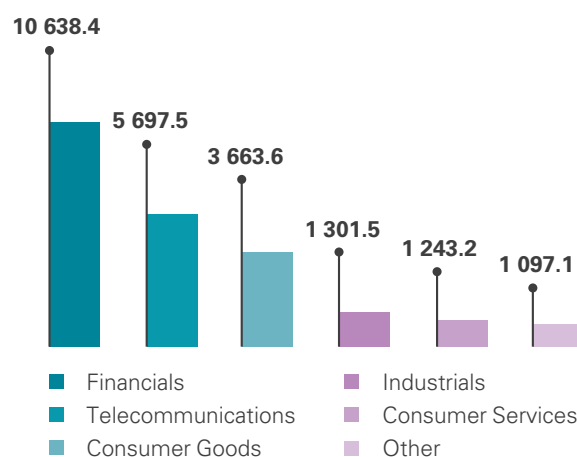
At the date of this publication, there were sixty one (61) equity issuers listed on the NrSE. The equity market capitalisation of the NrSE at the date of this publication amounted to approximately US\$23 641.4 million (KES2 069 700.1 million), of which US\$23 303.2 million related to domestic equity listed on the NrSE and US\$338.1 million related to foreign equity listed on the NrSE.

The split of the equity market capitalisation of the NrSE between the Nairobi MIMS and the Nairobi GEMS is US\$23 621.0 million, relating to sixty (60) equity issuers, and US\$20.4 million, relating to one (1) equity issuer, respectively.

There are seven (7) equity issuers, namely East African Breweries Limited (Industry: Consumer Goods; Sector: Food and Beverage), Safaricom Limited (Industry: Telecommunications; Sector: Telecommunications), Barclays Bank Limited (Industry: Financials; Sector: Banks), Equity Bank Limited (Industry: Financials; Sector: Banks), Kenya Commercial Bank Limited (Industry: Financials; Sector: Banks), Standard Chartered Bank Limited (Industry: Financials; Sector: Banks) and the Co-operative Bank of Kenya Limited (Industry: Financials; Sector: Banks) with equity market capitalisations of over US\$1.0 billion.

The equity market capitalisation of the NrSE by Industry, in US\$ millions, is set out below:

Equity market capitalisation by major Industry (in US\$ millions)



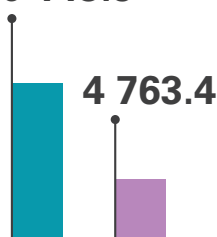
The Financials industry has the highest equity market capitalisation and comprises of twenty one (21) equity issuers. The Telecommunications industry is the second largest and comprises of one (1) equity issuer, namely Safaricom Limited, which has an equity market capitalisation of US\$5 697.5 million.

Volumes of equity shares traded

The volumes of the equity shares traded on the NrSE for the twelve (12) months ended 10 June 2014 and for the six (6) months ended 10 June 2014 are set out below:

Volume of equity shares traded on the NrSE (in millions)

10 143.5



■ Twelve (12) months to 10 June 2014
■ Six (6) months to 10 June 2014

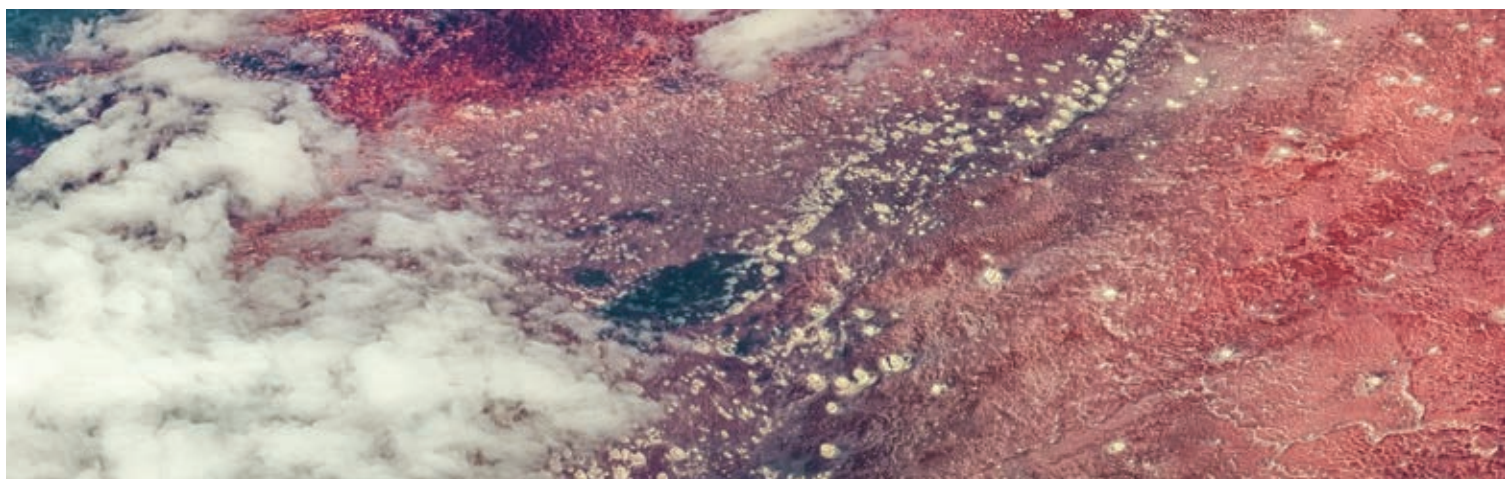
During the twelve (12) months ended 10 June 2014, 10 143.5 million shares traded on the NrSE out of a total of 80 173.7 million issued shares (approximately thirteen (13)% of the cumulative issued shares at 10 June 2014).

During the six (6) months to 10 June 2014, 4 763.4 million shares traded on the NrSE out of a total of 80 173.7 million issued shares (approximately six (6)% of the cumulative issued shares at 10 June 2014).

Attractiveness as a foreign listing destination

Considerations when listing on the NrSE are as follows:

- › The NrSE is an associate member of the WFE and has formally written to the WFE regarding their intention to pursue full membership;
- › The NrSE was voted as the most innovative stock exchange in Africa in 2013;
- › The NrSE is the largest stock exchange in the East African region;
- › In August 2013, the NrSE signed a memorandum of understanding ("MOU") with the Shanghai Stock Exchange in order to strengthen ties between the two institutions. Some of the highlights of this agreement are as follows:
 - » Secondment of staff on a period basis which will lead to increased information sharing regarding the structuring of programmes on both stock exchanges;
 - » Collaboration in the areas of training of staff, technology development and technical transfers;
 - » Cooperation with regards to corporate governance especially with regards to institutional structures, internal control and information disclosure;
 - » The Shanghai Stock Exchange will assist the NrSE to further develop equity trading and to establish a better and more stringent surveillance platform;
- » The MOU will form the basis of a partnership which will better position the NrSE to attract more investment from Asia; and
- » The MOU will result in greater liberalisation of the NrSE and will also establish a platform whereby Kenyan investors can invest in Asia.
- › Abolition of stamp duty payable on the share capital or increase in share capital of a company listed on the NrSE;
- › Legal costs and other incidental costs relating to the introduction of shares (when a company lists its shares without a capital raise) is corporate tax deductible;
- › Newly listed companies pay a lower corporation tax of twenty five (25)%, for a period of five (5) years following their listing;
- › Reduction of withholding tax applicable to dividend income arising from investment on listed securities for both local and foreign investors (Foreign: ten (10)% and Local: five (5)%);
- › Exemption of stamp duty and VAT on the transfer of listed securities;
- › Costs of initial public offerings are tax deductible; and
- › Every issuer must reserve at least twenty five (25)% of its ordinary shares for investment by local investors.



Listing authority

The NrSE is in the process of demutualising and issued a prospectus in July 2014 in terms of which thirty three point three (33.3)% of its shares (approximately sixty six (66) million shares) are being offered to the public at an offer price of US\$0.107 (KES9.50) per share. The purpose of the demutualisation is to enhance the NrSE's ability to raise capital and to deepen market development. The NrSE is expected to self-list and commence trading on 9 September 2014.

The Kenyan CMA is an independent public agency established in terms of the Kenyan Capital Markets Act. The Kenyan CMA is a regulating body whose prime responsibility is supervising, licensing and monitoring the activities of market intermediaries, including the NrSE and the central depository and settlement system and all the other persons licensed under the Kenyan Capital Markets Act;

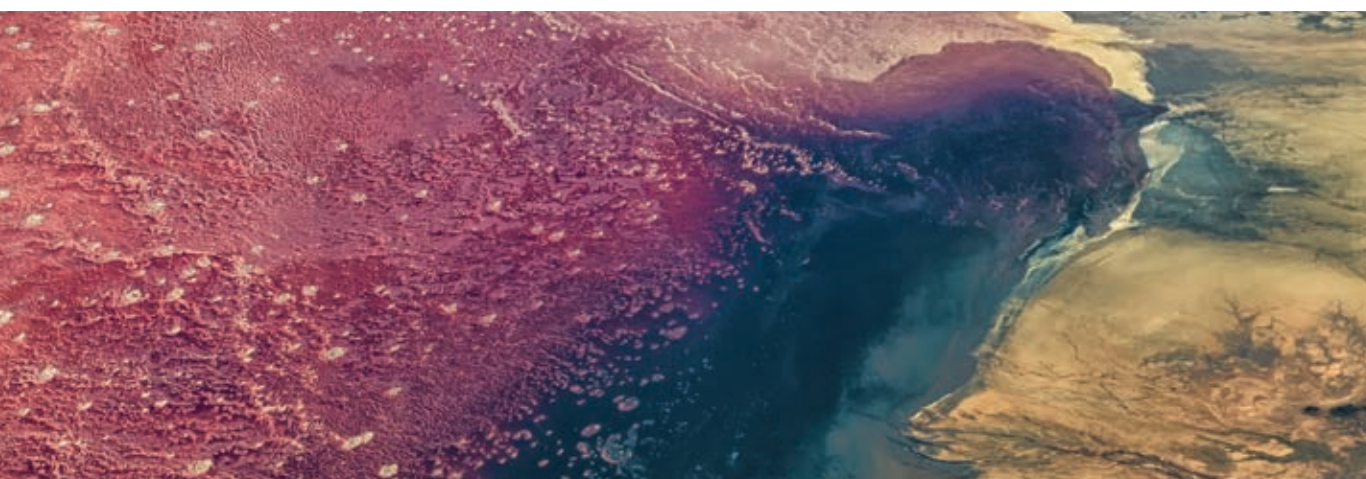
The regulatory functions of the Kenyan CMA include the following:

- › Licensing and supervising all the capital market intermediaries;
- › Ensuring proper conduct of all licensed persons and market institutions;
- › Regulating the issuance of the capital market products;
- › Promoting market development through research on new products and institutions;
- › Promoting investor education and public awareness; and
- › Protecting investors' interest.

The NrSE Committee is constituted by the NrSE Board and is responsible for:

- › Reviewing and recommending the approval of applications for admission to listing of new and additional securities in any market segment of the NrSE;
- › Reviewing the procedure for admission of securities and making recommendations for amendment of the NrSE Listing Rules, in accordance with the procedures provided under the NrSE Listings Rules;
- › Reviewing compliance with continuing listing obligations by issuers and make recommendations on the necessary action for non-compliance, including imposing penalties and other sanctions;
- › Recommending suspensions of listing of securities for a predetermined period and the restoration thereof in line with the procedures included in the NrSE Listing Rules;
- › Identifying impediments to the listing of securities and make recommendations of ways and measures to address such impediments;
- › Making proposals on any incentives necessary to promote and attract listing of securities; and
- › Reviewing the listing fees on an annual basis and make recommendations as to necessary revisions with a view to ensuring that listings were encouraged.

The NrSE Board has the right and power to review, vary, ratify or supplement decisions of the NrSE Committee. The NrSE Committee makes recommendations to the NrSE Board which has the discretion to make and carry out the decisions based on such recommendations.



02 | Principal listing requirements and procedures

This summary relates only to the Nairobi MIMS of the Official List of the NrSE.

The NrSE has one set of NrSE Listing Rules that applies to both foreign and domestic companies and primary and secondary listings, subject to certain additional requirements, modifications or exceptions.

The NrSE Listing Rules include alternative listing and continuing obligations requirements for each of the four (4) market segments of the official list.

Admission to the official list

To gain admission to the official list, the following procedures will apply:

- › An applicant issuer submits its application and NrSE Prospectus or Information Memorandum for approval to the Kenyan CMA (with a copy to the NrSE) through the sponsoring stockbroker;
- › The NrSE shall submit its comments, if any, to the Kenyan CMA within ten (10) working days of receipt by it of the NrSE Prospectus or Information Memorandum;
- › The Kenyan CMA will consider the comments of the NrSE as part of its approval process of the NrSE Prospectus or Information Memorandum;
- › Following receipt from the Kenyan CMA of the approval of the NrSE Prospectus or Information Memorandum and listing, confirming that the applicant issuer has satisfied the eligibility and disclosure requirements, the NrSE shall approve the listing without any other conditions save the attainment of the minimum shareholding, minimum subscriptions (if applicable), payment of listing fees and signing of the memorandum of listing; and

- › The applicant issuer shall, before the publication of the NrSE Prospectus or Information Memorandum, deliver a copy thereof to the Kenyan Registrar of Companies for registration.

In the case of listings by introduction and listings of additional securities approved by the Kenyan CMA, the NrSE shall admit such securities to listing on payment of the listing fees by the issuer without any further conditions. The applicant issuer and/or issuer must comply with the statutory requirements for additional issues as prescribed by the Kenyan CMA and the sponsoring broker shall ensure compliance by the issuer with these requirements.

The Kenyan CMA has the authority to grant approval for all public offers and listing of securities on any securities exchange in Kenya, whilst the NrSE may approve the listing of a security on the GEMS, if that security is not offered to the public and the listing is by way of introduction only.

Registration

An applicant issuer must be a public company limited by shares and registered under the Kenyan Companies Act.



Applicant issuers must have declared profits after tax for at least three (3) financial years

Criteria for listing

To qualify for a listing on the official list of the NrSE, the following eligibility criteria, prescribed for the Nairobi MIMS, must be complied with:

Requirement	Nairobi MIMS
Share Capital	US\$571 102.2 (KES50.0 million) (issued and fully paid up)
Net assets (Immediately before the public offering or listing)	US\$1 142 204.5 (KES100.0 million)
Financial records	<p>Audited financial statements (in compliance with IFRS) for an accounting period ending on a date not more than (i) four (4) months prior to the proposed date of the offer/listing (issuers not yet listed) or (ii) six (6) months for issuers already listed.</p> <p>Financial statements must be prepared for the latest accounting period on a going concern basis and the audit report must not contain any emphasis of matter or qualification.</p> <p>Audited financial statements for the preceding five (5) financial years must be made available by the applicant issuer.</p>
Directors and management	<p>At least one third of the Board must be non-executive.</p> <p>The directors of the applicant issuer must be competent persons without any legal encumbrances.</p>
Dividend policy	Clear future dividend policy
Track Record	Declared profits after tax attributable to shareholders in at least three (3) of the last five (5) financial years prior to the application for listing on the NrSE.
Solvency and working capital	<p>Applicant issuers:</p> <ul style="list-style-type: none"> » should not be insolvent; and » should have adequate working capital.
Share ownership	Twenty five (25)% of the shares must be held by not less than one thousand (1 000) shareholders (excluding employees of the issuer).
Certificate of comfort	May be required from the primary regulatory of the applicant issuer for dual listing applications.
Lock-in provisions	Applicable for a listing by introduction (refer below).

Trading and transferability

Shares to be listed shall be freely transferable and not subject to any restrictions on marketability or pre-emptive rights.

Lock-in provisions

All existing shareholders, associated persons or such other group of controlling shareholders, who have influence over management, shall undertake, not to dispose of their shareholding before the

expiry of twenty four (24) months following the listing (undertaking must be disclosed in the NrSE Prospectus or Information Memorandum).

Corporate governance

The Kenyan Code sets out principles and specific recommendations on structures and processes, which issuers should adopt.

The Kenyan Code includes recommendations in respect of the following principles:

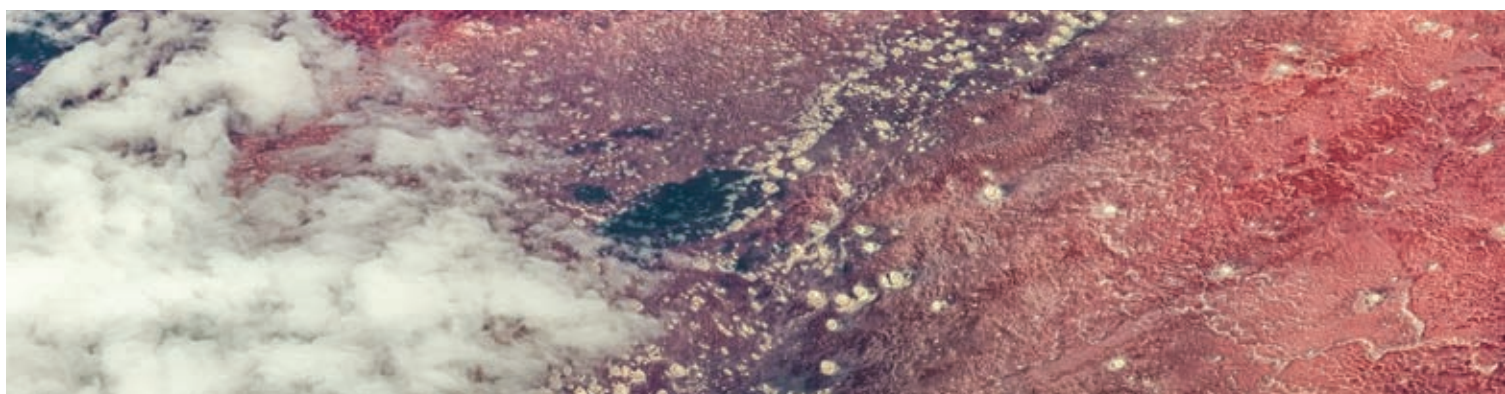
- › Board operations and control;
- › Rights of shareholders;
- › Stakeholder relations;
- › Ethics and social responsibility;
- › Accountability, risk management and internal control;
- › Transparency and disclosure;
- › Supervision and enforcement; and
- › Selected mandatory requirements applicable to listed entities.

The NrSE Listings Rules and the Kenyan Code include mandatory principles, which issuers must comply with. The Kenyan Code also utilises the “apply or explain” approach in respect of the non-mandatory principles, whereby the Board should “apply” all recommendations included in the Kenyan Code or “explain” why they cannot apply the recommendations and state the steps to be taken to obtain compliance.

Mandatory principles included in the NrSE Listings Rules

The mandatory principles included in the NrSE Listings Rules are as follows:

- › One third of the Board must comprise of non-executive directors;
- › An audit committee must be established;
- › Every director, save for a corporate director, must not hold such a position in more than five (5) listed companies at any one time;
- › Where the corporate director has appointed an alternate director, the appointment of that alternate director shall be restricted to three (3) listed companies;
- › The chairman of the issuer must not hold such position in more than two (2) issuers at any one time;
- › The Chief Financial Officer and head of accounting shall be members of the Institute of Certified Public Accountants;
- › The Company Secretary shall be a member of the Institute of Certified Public Secretaries of Kenya; and
- › The auditor should be a member of the Institute of Certified Public Accountants.



Constitutional Documents

The Constitutional Documents must be aligned with the guidelines on corporate governance practices by public listed companies in Kenya and comply

with the Central Depository (Operation) Rules and the Central Depositories Act, 2000 as it relates to immobilisation of securities.

Loan covenants

At the date of the application, the applicant issuer must not be in breach of any of its loan covenants particularly in regard to the maximum debt capacity.

Competence and suitability of directors and management

At the date of the application and for a period of two (2) years prior to the date of application, no directors of the applicant issuer shall have:

- › Any petition under bankruptcy or insolvency laws in any jurisdiction (pending or threatened) against them in their individual capacity or any winding-up petition (pending or threatened) against their corporate bodies;
- › Any criminal proceedings in which the director was convicted of fraud or any criminal offence, nor be named the subject of a pending criminal proceeding, or any other offence or action within or outside of Kenya; and
- › Been subject of any ruling of a court of a competent jurisdiction (or government body in any jurisdiction), that permanently or temporarily prohibits such director from acting as an

investment advisor, director or employee of a stockbroker, dealer or any financial service institution or engaging in any type of business practice or activity in that jurisdiction.

The applicant issuer must have suitable senior management with relevant experience for at least one (1) year prior to the listing, none of whom shall have committed any serious offence in any jurisdiction that may be considered inappropriate for the management of an applicant issuer.

No change in management must be effected for a period of twelve (12) months following the listing, other than if a serious offence was committed.

All directors of the applicant issuer, other than the managing director, must retire by rotation at least once every three (3) years.

Minimum issue price

There is no minimum issue price.



NrSE Prospectus or Information Memorandum

An applicant issuer offering securities to the public, or a section of the public, in Kenya shall publish a NrSE Prospectus or Information Memorandum.

An applicant issuer shall submit the NrSE Prospectus or Information Memorandum to the Kenyan CMA for approval in the instance of a listing on the Nairobi MIMS.

Sponsors and authorised representatives

For a listing on the Nairobi MIMS, an applicant issuer must appoint:

- › One or more lead transaction advisors (in the case of more than one lead transaction advisor, one will have lead responsibility). These transaction advisors must be licensed as an investment bank or approved by the Kenyan CMA to act as a transaction advisor for the particular offer; and
- › A sponsoring stockbroker.

An additional sponsoring stockbroker shall be appointed, where:

- › Possible conflict of interest exists;
- › The sponsoring stockbroker is a subsidiary or an associate of the applicant issuer; or
- › A director of the sponsoring stockbroker is an officer of the applicant issuer, its subsidiary or associate.

Cross border listings

- › Issuers (already listed on a securities exchange outside of Kenya) may seek a listing on the NrSE pursuant to a cross-border listing, subject to them complying with the eligibility and disclosure requirements prescribed for the Nairobi MIMS.
- › Such applicant issuers shall make a public announcement of the cross-border listing and indicate the physical address where the

NrSE Prospectus or Information Memorandum, approved by the Kenyan CMA, is available for collection and inspection by investors and the general public.

- › A certificate of no objection for the listing on the NrSE must be obtained from the foreign securities exchange or regulator prior to the Kenyan CMA granting the approval of the listing.

Introductions

- › Listings by introduction by issuers listed on foreign securities exchange, must have been listed for a minimum of two (2) years; and

- › Refer to paragraph "Cross border listings" for requirements applicable to introductions.



03 | Listing process

Set out below is an overview of the key steps in the listing process whereby an offer is made:

Step	Process
1 Preparation	<ul style="list-style-type: none"> › Meetings with and appointment of advisors to the listing; › Undertake a due diligence, if necessary; and › Preparation of the NrSE Prospectus and Information Memorandum and other application documents.
2 Application for listing	<ul style="list-style-type: none"> › Submission of the application and NrSE Prospectus and Information Memorandum to the Kenyan CMA (with a copy provided to the NrSE); › Review of the application and NrSE Prospectus and Information Memorandum by the NrSE and comments thereon provided to the Kenyan CMA (within ten (10) business days of receipt); › Granted approval for the listing by the Kenyan CMA, conditional on certain conditions being met; › Make an announcement that the public offer or listing has been approved by the Kenyan CMA; and › Deliver a copy of the NrSE Prospectus or Information Memorandum to the Kenyan Registrar of Companies for registration.
3 Marketing, bookbuilding and allotment (relevant for IPO's)	<ul style="list-style-type: none"> › Offer period must not be less than ten (10) working days; › Roadshows, meetings with investors and advertising in the press; › Book building exercise to determine the price for the offer of securities, if necessary; › Announce the basis of allotment not more than seven (7) days after the closing date of the offer; › Allotment within seven (7) days of the announcement of allotment; and › Dispatch of share certificates from three (3) days of allotment.
4 Admission to listing	<ul style="list-style-type: none"> › Admission of the applicant issuer to listing on the business day communicated by the NrSE; and › Commencement of trading seven (7) days from dispatch of share certificates.
5 Post listing	<ul style="list-style-type: none"> › Compliance with the continuing obligations of the NrSE Listings Rules.

The offer period must not be less than ten (10) working days

04 | NrSE Prospectus or Information Memorandum

An NrSE Prospectus or Information Memorandum, relating to public offerings for the Nairobi MIMS, must contain all such information as investors would reasonably require and expect to find therein, for purposes of making an informed assessment of the

financial position, performance and prospects and the rights attaching to those securities.

The following must be included in the NrSE Prospectus or Information Memorandum:

The applicant issuer and its share capital

- › Name, registered office and head office of the applicant issuer (if different);
- › Previous name of the applicant issuer, if the name has changed in the last five (5) years;
- › Country of incorporation, date of incorporation and length of life of the applicant issuer (except where indefinite);
- › Legislation under which the applicant issuer operates and legal form adopted;
- › A description of the applicant issuer's principal objects;
- › Place and date of registration and registration number of the applicant issuer;
- › Details of the authorised and issued capital and the amount of any capital agreed to be issued and the number and classes of shares of which it comprises, with details of their principle characteristics;
- › Where the applicant issuer has authorised but unissued share capital or is committed to increase the capital, include the amount and, if appropriate, the duration of the authorisation, the categories of persons having preferential subscription rights and the terms and arrangements for the share issues;
- › If the applicant issuer has shares which do not represent capital, include the number and main characteristics of such shares, the amount of any outstanding convertible debt securities, exchangeable debt securities or debt securities with warrants and a summary of conditions governing and the procedures for conversion, exchange or subscription;
- › A summary of the provisions for a change in the capital and rights of the various classes of securities;
- › A summary of changes in the issued share capital of the applicant issuer, and, if material, a member of the group, in the preceding three (3) years;
- › Names of persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the applicant issuer;
- › A summary of any change in the controlling shareholder and trading objectives of the applicant issuer and its subsidiaries in the preceding two (2) financial years;
- › Proposed change of name and a statement as to whether or not consent to the change has been obtained from the Kenyan Registrar of Companies;
- › If the applicant issuer has subsidiary undertakings or parent undertakings, a description of the group undertakings and, if the applicant issuer is a subsidiary undertaking, include the name and number of shares held by each parent undertaking;
- › Any contractual arrangement with the controlling shareholder which ensures that the applicant issuer is capable, at all times, of carrying on its business independently of any controlling shareholder;
- › Details of any promoter of any member of the group and the amount of any payments made or given in the preceding three (3) years or proposed to be paid;
- › A summary of all sums paid or agreed to be paid to directors or any company in which the director is beneficially interested (directly or indirectly) or a director of or any association of which he is a member of, to induce him or qualify him as a director or for services rendered in connection with the promotion and formation of the applicant issuer;
- › If an issue relates to a merger, division of a company, takeover, acquisition of an undertakings assets and liabilities or transfer of assets, the aggregate value and settlement terms and any variation of directors emoluments as a result of the transaction and details of a third party if the applicant issuer or any of its subsidiaries is to be managed by such a third party;
- › Location, size and tenure of the group's principal establishments (accounts more than ten (10)% of net turnover or production) and a summary of land and buildings owned or leased;

- › Main investments in other undertakings over the past five (5) financial years (including the current financial year);
- › Principal investments (new plant, factories etc.) during the current financial year and planned to be made, providing geographical distribution and method of financing;
- › If significant, the policy on research and development of new products and processes over the past three (3) financial years;
- › Basis of statements made regarding the competitive position of the applicant issuer;
- › Risk factors specific to the applicant issuer and the industry;
- › Details of major shareholders (beneficial owners of at least three (3) per cent. or more), including name, number of shares, percentage shareholding, any significant change in the percentage shareholding over the preceding three (3) years and whether they have different voting rights compared to other shareholders;
- › Portion of each class of security held in Kenya and the number of shareholders in Kenya;
- › A statement as to whether the applicant issuer is directly or indirectly owned or controlled by any other corporations, foreign government or other natural or legal persons severally or jointly, including the names of such parties, the nature of control and the amount and proportion of capital held, giving the right to vote; and
- › Name of any person who, directly or indirectly, is interested in ten (10) % or more in the applicant issuers share capital and the amount of each person's interest.

Directors, senior management and advisers

- › Name, age, home and/or business address, nationality and function within the group and principal activities performed by them outside the group (where significant), with respect to the group:
 - » Directors, alternate directors and proposed directors, including details of other directorships;
 - » Senior management, including chief executive, board secretary and finance director, with details of professional qualifications and period of employment;
 - » Founders, if the business has been in existence for fewer than five (5) years or has been established as a family business, and the nature of the relationship, if any; and
 - » Details of chief executive or other senior management changes planned or expected during twenty four (24) months following the issue and listing, or an appropriate negative statement.
- › Description of other relevant business interests and activities;
- › Total aggregate remuneration paid and benefits granted to the directors of the applicant issuer by any member of the group during the preceding two (2) financial years;
- › Aggregate of the directors, direct or indirect, beneficial or non-beneficial, interests in the applicant issuer and the direct or indirect, beneficial or non-beneficial, interests of each director holding in excess of three (3) % of the share capital of the applicant issuer, or appropriate negative statement;
- › A statement of any change in those directors interests between the financial year end and the date of publication of the NrSE Prospectus or Information Memorandum, or an appropriate negative statement;
- › The nature and extent of the applicant issuer's directors interests in transactions which are or were considered unusual in nature or conditions or significant to the business during the current or immediately preceding financial year, an earlier financial year which transaction remains outstanding or unperformed or an appropriate negative statement;
- › Outstanding loans granted by any member of the group to any director and any guarantees provided for their benefit;
- › Details of share incentive schemes;
- › Details of any agreed waiver of current or future emoluments by a director of the applicant issuer during the past financial year and details of such waiver;
- › Estimate of amounts payable to directors of the applicant issuer, including proposed directors, by any member of the group for the current financial year;
- › Details of directors' and proposed directors' service contracts, including:
 - » Name of employing company;
 - » Date of the contract, the unexpired term and details of notice periods;
 - » Directors' remuneration (salary and benefits);
 - » Any commission or profit sharing arrangements;
 - » Any provision for compensation payable upon early termination of contract;
 - » Details of any other arrangements necessary to enable investors to estimate the possible liability of the company upon early termination of the contract; and

- » Restrictions prohibiting the director, or any person acting on his behalf or connected to him, from dealing in securities in the company during a closed period or at the time the director is in possession of price sensitive information.
- » Kenyan MOI provisions, in respect of:
 - » Voting by a director on a proposal, arrangement or contract in which he is materially interested;
 - » In the absence of an independent quorum, the voting by a director in respect of remuneration to themselves or members of their body; and
 - » Retirement and non-retirement of directors under an age limit.
- » Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which the director or member of senior management was selected as such;
- » Average number of employees and changes therein over the last five (5) financial years, and where possible the information broken down by main categories of activity;
- » Details of the audit committee, remuneration committee and nomination committee, including names of the committee members and a summary of the terms of reference under which they operate;
- » A declaration of each of the directors of the applicant issuer, accepting responsibility for the accuracy of the information provided in the NrSE Prospectus or Information Memorandum;
- » Auditor's names, address and qualifications;
- » Include a statement, if an auditor has resigned, been removed or was not re-appointed during the last three (3) financial years and deposited a statement with the applicant issuer of the circumstances which they believe should be brought to the attention of the members and creditors; and
- » Names and address of the applicant issuer's bankers, legal advisers, sponsors, reporting accountants and any other expert (which has provided a report to be included in the NrSE Prospectus or Information Memorandum).

Securities for which application is being made

- » Indication whether all shares have been marketed or are available, in whole or in part, to the public, in conjunction with the application;
- » Statement of the resolutions, authorisations and approvals by virtue of which the shares have been or will be created and/or issued;
- » Nature and amount of the issue;
- » Number of shares which have been or will be created and/or issued;
- » Summary of rights attaching to the shares, including the extent of the voting rights, entitlement to share in the profits and in the event of a liquidation the entitlement to any surplus and any other special rights;
- » If the rights of the securities being offered or listed are or may be materially limited or qualified by the rights evidenced by any other class of securities or provisions, include information of such limitations or qualifications and its effect on the rights;
- » Details of any change in the controlling shareholders, as a result of the issue;
- » Time limit after which entitlement to dividends lapses and an indication of the person in whose favour the lapse operates;
- » Statement regarding tax on the income from the shares withheld, in the country of origin and in Kenya;
- » Arrangements for the transfer of shares and (where permitted) any restrictions on their free transferability;
- » Fixed date on which entitlement to dividends arises;
- » Other securities exchange where admission to listing is being or will be sought;
- » Names and addresses of the applicant issuer's registrar and paying agent for the shares in any other country where admission to listing has taken place;
- » Terms and conditions of the issue of securities, whether through a public or private placing with respect to the listing at a securities exchange, where such issue or placing is being effected at the same time as the listing or has been effected within the three (3) months preceding the admission:
 - » Any right of pre-emption of shareholders exercisable in respect of shares or of the disapplication of such right;
 - » Total amounts which have been or are being issued or placed and the number of shares offered (where applicable, by category);
 - » If a public or private issue or placing has been or is being made simultaneously on the markets of two (2) or more countries and if a tranche has been or is being reserved for any of these, details of any such tranche including:
 - Issue price or offer or placing price, stating the nominal value or accounting par value or the amount to be capitalised;
 - The issue premium and the amount of any expenses specifically charged to any subscriber or purchaser;
 - The methods of payment of the price;

- » Procedure for the exercise of any right of pre-emption, transferability of subscription rights and treatment of subscription rights not exercised;
- » Period during which the issue or offer remained open or will remain open after publication of the NrSE Prospectus and Information Memorandum and the names of the receiving agents;
- » Names, addresses and descriptions of persons underwriting or guaranteeing the issue. Where the underwriter is a company, include the following:
 - Place and date of incorporation and registration number;
 - Names of the directors;
 - Name of the company secretary;
 - Bankers; and
 - Authorised and issued share capital.
- » If part of the issue is underwritten or guaranteed, a statement of the portion which is not covered;
- » Estimated overall amount and/or amount per share of the charges relating to the issue, payable by the applicant issuer, stating the total remuneration of the financial intermediaries (i.e. commissions); and
- » Estimated net proceeds and intended application of such proceeds.
- » Minimum subscription amount and number of shares, including specific details relating to the amounts required for:
 - » The purchase price of any property;
 - » Preliminary expenses or commissions payable;
 - » The repayment of monies borrowed;
 - » For working capital purposes, including details of the specific purposes for which it is to be used;
 - » Material expenditure, stating the nature and purpose and amount;
 - » Amounts to be provided in respect of matters aforesaid, otherwise than out of the proceeds of the issue and the sources from which those amounts are to be provided; and
 - » If the proceeds are being used, directly or indirectly, to acquire assets, other than in the ordinary course of business, describe the assets and their cost. Disclose the person from whom the assets will be acquired and how the cost is determined if the acquisition is from an affiliate if the applicant issuer.
- » If the estimated capital is more than the minimum subscription amount, the reasons for the difference;
- » Number of shares and the nominal value or accounting par value for which an application is made and the exact designation or class and coupons attached;
- » If no shares have been previously sold to the public, include the number of shares available to the market, the nominal or accounting par value and the minimum offer price;
- » The exchange on which the shares will be listed, including the date of admission and the date on which dealings will commence;
- » Names of the securities exchanges on which shares of the same class are already listed;
- » If a public takeover offer by a third party or the applicant issuer has occurred during the last or current financial year, include information of the price or the exchange terms attaching to any such offers and the outcome thereof;
- » Where the shares for which application is being made, are shares of a class already listed and if significant suspensions has occurred in the prior three (3) years, information regarding the price history in Kenya and the market outside Kenya, as follows:
 - » The five (5) most recent full financial years, the annual high and low market prices;
 - » The two (2) most recent full financial years and any subsequent period, the high and low market prices for each full quarter; and
 - » The most recent six (6) months, the high and low market prices for each month;
- » Statement whether the applicant issuer accepts the responsibility for the withholding tax;
- » Details of whether major shareholders, directors or members of the applicant issuer's management, supervisory or administrative bodies intend to subscribe for shares under offer or whether any persons intend to subscribe for more than five (5) % of the offering;
- » Identify targeted potential investors and whether certain tranches of shares are being reserved for any offers made to investors in any other countries or any group of particular investors and whether there are any preferential allocation arrangements in place;
- » In the event of an oversubscription, indicate whether the amount of the offering could be increased by the applicant issuer or the vendor by exercise of a "greenshoe" option, subject to a maximum of fifteen (15) % of the securities offered in the NrSE Prospectus or Information Memorandum;
- » Indicate the amount and outline the plan of distribution of any securities that are being offered otherwise than through underwriters;
- » If securities are offered through selling efforts of stockbrokers or dealers, describe the plan of distribution and the terms of agreement or understanding;

- › If securities are to be offered in connection with the writing of exchange traded call options, describe the transaction;
- › Where there is a substantial disparity between the offer price and the effective cash cost to directors or senior management or affiliated persons, of securities acquired by them in transactions during the past five (5) years, or which they have a right to acquire, include a comparison of the public contribution in the proposed public offering and effective cash contributions of such persons;
- › Amount and percentage of immediate dilution of existing shareholders holdings, resulting from the offer;
- › In the case of a subscription offering to existing shareholders, disclose the amount and percentage of immediate dilution, if they do not subscribe to the new offering;
- › Expense disclosure must include the following:
 - » Discounts or commissions payable to underwriters or other selling agents, including the percentage such commissions represents of the offering amount and the amount of discounts or commissions per share; and
 - » Advertisement, printing, approval and listing fees, brokerage commissions, financial advisory fees, legal fees and underwriting fees.
- › If securities are being offered for the account of a selling shareholder, indicate the portion of such expenses to be borne by such shareholder;
- › Amount, percentage and amount per share of charges relating to the issue, payable by the applicant issuer; and
- › If the minimum number of subscriptions in a public offering is not obtained, that applicant issuer shall not be eligible to make another public offering before the expiry of one (1) year from the date of approval of the previous public offering.

Group's activities

- › A description of the group's principal activities, including the main categories of products and services and any new significant products or activities;
- › The degree of any government protection and any investment encouragement law affecting the business of the group;
- › Material changes if the business during the past five (5) years;
- › Details of any exceptional factors which has affected the group's activities;
- › Summary of dependence on patents and licences, industrial, commercial or financial contracts or new manufacturing processes, which are fundamental to the business and its profitability;
- › Particulars of royalties payable or items of a similar nature in respect of the applicant issuer or its subsidiaries;
- › Any legal or arbitration proceedings which may or has had a significant effect on the group's financial position (for the previous nine (9) months);
- › Any interruptions in the groups business which may have or has had a significant effect of the group's financial position (previous nine (9) months);
- › General trend of the group's business since the end of the financial year, including trends relating to production, stocks, state of order book, costs and selling prices; and
- › Information on the group's prospects for the current financial year.

Financial information

- › Net turnover (last five (5) financial years) by categories of activity and geographical markets;
- › Material changes in net revenues and to the extent these changes are attributable to changes in prices, volume and amount of products or services sold and the introduction of new products and services;
- › Impact of inflation, foreign currency fluctuations and any governmental factors on the applicant issuer's business, operations and investments;
- › If a profit forecast or estimate is presented, include the principal assumptions and, if required, be reported on by a reporting accountant or auditor and the inclusion of their report thereon;
- › Material inter-company finance;
- › Statement that the last five (5) year's annual accounts have been audited. If an audit report has been refused or a qualification made, include details and reasons of such refusal or qualification;
- › Statement as to what other information included in the NrSE Prospectus or Information Memorandum has been audited;

- › Details of transactions or loans for the preceding five (5) financial years, including the largest amount outstanding during the period covered, the amount outstanding at the last practicable date, the nature of the loan, the transaction in which it was incurred and the interest rate, between the applicant issuer and:
 - » Enterprises that directly or indirectly (through one (1) or more intermediaries), control or are controlled by, or are under common control with, the applicant issuer;
 - » Associates;
 - » Individuals owning, directly or indirectly, an interest in the voting power of the applicant issuer and close member of such individuals family;
 - » Key management personnel; and
 - » Enterprises in which a substantial interest in voting power is owned, directly or indirectly, by any persons detailed above, or over which such person is able to exercise significant influence.
- › A comparative table (including subsequent interim financial information, if available), including a reporting accountants report thereon, containing the following (on a consolidated and company basis, if applicable and only if it provides significant additional information):
 - » Cash flow statement for the last five (5) financial years;
 - » In respect of each undertaking in which the applicant issuer holds (directly or indirectly), on a long term basis, an interest in the capital, which is likely to have a significant effect on the assessment of the applicant issuers own assets and liabilities, financial position or performance:
 - Name and address of registered office;
 - Field of activity;
 - Proportion of capital held;
 - Issued capital (unless consolidated into the group or the Kenyan CMA allows otherwise);
 - Reserves (unless the undertaking does not publish annual accounts);
 - Profit or loss after tax (ordinary activities) for the last financial year (unless the undertaking does not publish annual accounts);
 - Value at which the applicant issuer shows the interest held;
 - Amounts still to be paid up on the shares held;
 - Dividends received over the last financial year (unless the Kenyan CMA allows otherwise); and
 - Debts owed to and by the applicant issuer (unless consolidated into the group or the Kenyan CMA allows otherwise);
 - Information above must be included where the applicant issuer has a direct or indirect participating interest and (i) if the book value of that participating interest represents at least twenty five (25)% of the capital and reserves of the applicant issuer or (ii) interest accounts for at least twenty (20)% of the net profit or loss of the applicant issuer or (iii) the book value represents at least twenty (20)% of the consolidated net assets or at least twenty (20)% of the consolidated net profit or loss of the group.
- › Name, registered office and proportion of capital held (if below twenty (20)% unless it is of negligible importance;
- › Reporting accountants report on the information included in the comparative table on the asset which is subject of the transaction;
- › Earnings per share (ordinary activities) after tax of the company and the group for the last five (5) financial years;
- › If the number of shares in issue has changed as a result of an increase in or reduction or reorganisation of the capital, the earnings per share must be adjusted to make each of the year's comparable and the basis or the adjustment must be disclosed;
- › Dividend policy details;
- › Pro forma balance sheet and the effect on the net asset value of the proposed issue of securities, on a consolidated basis (if applicable);
- › Total dividends, dividend per share and dividend cover for the last three (3) financial years (adjusted for comparability);
- › If more than nine (9) months have elapsed since the last financial year end, an interim audited financial statements for the first six (6) months following the financial year end must be included;
- › If not more than six (6) months has elapsed since the last financial year end, unaudited financial statement covering the period preceding the six (6) months shall be included (if the company is already listed on another stock exchange);
- › If the issuer prepares consolidated annual accounts, the interim financial statements must be in consolidated form or include a statement that in the opinion of the directors, the interim financial statements enable investors to make an informed assessment of the results and activities of the group;
- › Description of any significant change in the financial or trading position of the group since the last financial period, for which audited annual financial statements or interim financial statements have been published, or an appropriate negative statement;
- › If the issuers own annual or consolidated annual accounts do not give a true and fair view of the financial performance and position of the group, additional information must be provided;

- › If consolidated annual accounts are presented, include the following:
 - » Consolidated principles applied;
 - » Names and registered offices of undertakings included in the consolidation;
 - » Total proportion of third-party interests for each of the undertakings above, if annual accounts are wholly consolidated; and
 - » Total proportion of the consolidation, calculated on the basis of interests, if consolidation is on a pro rata basis.
- › Arrangements under which future dividends are waived or agreed to be waived;
- › Details on a consolidated basis, at the most recent practicable date, of the following information (if material):
 - » Borrowing powers of the applicant issuer and its subsidiaries exercisable by the directors and the manner in which the powers may be varied;
 - » Circumstances, if applicable, under which the borrowing powers have been exceeded during the past three (3) years;
 - » Any exchange control or other restrictions on the borrowing powers;
 - » Total amount of any loan capital outstanding in the group and loan capital created but unissued and term loans, distinguishing between loans guaranteed, un-guaranteed, secured and unsecured;
 - » Off balance sheet financing of the applicant issuer and its subsidiaries;
 - » All other borrowing and indebtedness in the nature of borrowing, distinguished between guaranteed, un-guaranteed, secured and unsecured borrowings and debts, including bank overdrafts, liabilities under acceptances, acceptance credits hire purchase commitments and obligations under finance leases;
 - » Total amount of material commitments, lease payments and contingent liabilities or guarantees of the group; and
 - » How the borrowings above arose, names of lenders, amount, terms and conditions of repayment or renewal, rates of interest payable, details of security, details of conversion rights and if debts are re-payable in the next twelve (12) months, how the re-payments will be financed.
- › Material loans by the applicant issuer or its subsidiaries, including loans made or security furnished for the benefit of any director or manager or associate of such persons, including:
 - » Date of the loan;
 - » To whom the loan is made;
 - » Rate of interest;
 - » Last date on which the interest was paid and extent of the arrears;
 - » Period of the loan;
 - » Security held, value of security and method of valuation, reasons for a loan being unsecured; and
 - » If the loan was made to another company, the name and addresses of the directors of said company.
- › Detail of how loans receivable arose;
- › Statement providing an opinion of the directors as to whether the issued capital is adequate for purposes of the business for the foreseeable future, which statement is supported by the auditor, reporting accountant, investment banker, sponsoring broker and other adviser acceptable to the Kenyan CMA;
- › Details of acquisitions, within the last five (5) years, or proposed acquisitions by the applicant issuer or its subsidiaries, of any securities in or a business undertaking of another company or business enterprise or any immovable property or fixed asset or any option to acquire such property, including the following details:
 - » Date of acquisition or proposed acquisition;
 - » Consideration payable and method of payment;
 - » Valuation of the property;
 - » Goodwill and how it was accounted for;
 - » Loans incurred or to be incurred to finance the acquisitions or proposed acquisition;
 - » Nature of title or interest acquired/to be acquired; and
 - » Vendor information (refer below).
- › Details of property disposal proposed or during the last five (5) years by the applicant issuer or its subsidiaries, including:
 - » Date of disposal or proposed disposal;
 - » Consideration received and method of payment;
 - » Valuation of the property; and
 - » Names and addresses of the acquirers. If the acquirer is a company, the names and addresses of the beneficial shareholders of the company.
- › If the financial statements above are prepared in a currency other than KES, disclosure of the exchange rate of the reported currency and the KES should be provided (using the exchange rate designated by the Central Bank of Kenya), either:
 - » At the last practicable date;
 - » The high and low exchange rates for each month during the preceding twelve (12) months; and
 - » For the five (5) most recent financial years and any subsequent interim period, the average rates for each period;
- › With respect to initial offers to the public, an accountants report confirming compliance by the issuer of the financial disclosure requirements.

General information

- › Details of documents and consents available for inspection at a named place agreed with the Kenyan CMA for a period not less than five (5) working days from the date of the NrSE Prospectus or Information Memorandum or for the duration of the offer period;
- › Details of material contracts (not in the ordinary course of business) entered into by a member of the group within the preceding two (2) years;
- › Any material contract relating to the acquisition of less than one hundred (100)% of securities in an unlisted subsidiary or associate company, the reasons why and whether anyone associated with the controlling shareholder or associated or subsidiary companies has an interest and to what extent;
- › Any arrangement which may result in a change in control;
- › Statement of experts consent;
- › Experts employed on a contingent basis, which owns shares in the applicant issuer or its subsidiaries which is material to that expert, or has a material (direct or indirect) economic interest in the applicant issuer or depends on the success of the offering, include a description of the nature and terms of the contingency fee;
- › With respect to initial offers to the public, a legal opinion, which shall include (but not be limited to):
 - » Whether all licenses and consents required to perform the business/proposed business have been duly obtained;
 - » Validity of evidence of ownership of land, plant and equipment and other important and relevant assets;
 - » Any agreements or contracts with respect to the proposed issue of securities;
 - » Any material litigation, prosecution or other civil or criminal legal action in which the applicant issuer or any of its directors are involved;
 - » Whether the existing capital and any proposed changes thereto is in conformity with the applicable laws and has received the necessary authorisations; and
 - » Any other material items relating to the legal status of the applicant issuer and the proposed issue.
- › If under exceptional circumstances, the applicant issuer is not able to obtain a legal opinion, the directors will be required individually and severally to declare and give an undertaking on such matters mentioned above and a statement in this regard be included in the NrSE Prospectus or Information Memorandum.

Vendor information

- › Assets purchased or acquired by the applicant issuer or its subsidiary during the past five (5) years or proposed to be acquired, include:
 - » Names and addresses of the vendors;
 - » Amount paid and method of payment;
 - » Goodwill;
 - » Cost of the asset to the vendor and date of purchase by the vendor (if within the preceding five (5) years); and
 - » Where the vendor is a company, the names and addresses of the beneficial shareholders.
- › Details of indemnities, guarantees or warranties;
- › If there is a preclusion from the vendor carrying on business in competition with the applicant issuer or any of its subsidiaries or other restriction, disclose details of payments made regarding the restraint of trade and nature of the restraint;
- › Settlement terms of the liability for accrued taxation or any apportionment thereof to the date of the acquisition;
- › Where securities are purchase in a subsidiary company, reconciliation between the amounts paid and the value of the net assets;
- › Where securities are purchased in companies other than subsidiary companies, a statement as to how the value was derived;
- › Amount paid or benefit given within the preceding five (5) years or proposed to be paid or given to any promoter, not being a director, and the consideration for such payment or benefit; and
- › Statement whether transfer of the assets acquired has occurred and whether the assets have been ceded or pledged.

05 | Continuing obligations of a general nature

General obligation of disclosure

Issuers must disclose all information to the NrSE and market:

- › Which shall include, but not be restricted to, any major development in the issuer's sphere of activity or expectation of performance, which is not public knowledge and which may lead to substantial movement in the price of its securities;
- › Where the issuer proposes to announce information at a meeting of shareholders, which might lead to substantial movement in the issuer's share price;
- › By way of a cautionary announcement, where information could lead to material movements in the share price of the issuer, if at any time, the necessary degree of confidentiality cannot be maintained or that confidentiality has or may have been breached;
- › Relating to a change of address of the registered office of the issuer or office at which the register of holders of securities is kept;
- › Relating to a change in the directors, company secretary or auditors of the issuer;
- › Any proposed significant alteration of the Kenyan MOI of the issuer;
- › Any application filed in a court of competent jurisdiction to wind up the issuer or its subsidiaries. Details of the suit and probable outcome is to be submitted to the NrSE and Kenyan CMA;
- › The appointment or imminent appointment of receiver manager or liquidator of the issuer or its subsidiaries; and
- › Any profit warning, where there is a material discrepancy (at least a twenty five (25)% lower level of earnings) between the projected earnings for the current financial year and the earnings for the previous financial year.

Closure of books

An issuer shall announce any intention to fix a books closing date and the reason thereof, stating the books closure date, which shall be:

- › At least twenty one (21) days after the date of notification to the NrSE, in the case of an interim dividend; and
- › Subject to the approval of shareholders at the annual general meeting, in the case of a final dividend.

Notifications relating to capital

An issuer must make an announcement and notify the NrSE and Kenyan CMA of the following information, as it relates to the capital of the issuer:

- › Alterations to capital structure;
- › New issues of debt securities;
- › Changes of rights attaching to securities;
- › Basis of allotment;
- › Issues affecting conversion rights; and
- › Results of new issues.

Notifications of major interest in shares

An issuer at the end of each calendar quarter must disclose to the NrSE, every person who holds or acquires three (3)% or more of the issuer's ordinary shares.

Information which is not public knowledge and which may lead to substantial movement in the price of the issuer's securities, must be disclosed to the NrSE and the market

Communication with shareholders

Shareholders must be provided with the following information:

- › A written notice for any meeting of shareholders (other than an adjourned meeting), which shall be called by a twenty one (21) day notice period;
- › Notices and circulars giving information in respect of:
 - » The allocation and payment of dividends and interest;
- › The issue of new securities (including arrangements for allotment, subscriptions, renunciation, conversion or exchange of securities);
- › Redemption or repayment of the securities; and
- › Proxy forms (sent along with the notice of meeting of shareholders).

Communication with NrSE and the Kenyan CMA

The issuer must provide copies of the following information to the NrSE and Kenyan CMA:

- › All circulars, notices, reports, announcements or other documents at the same time as they are issued; and
- › All resolutions passed by the issuer at any general meeting of shareholders, within ten (10) days after the relevant general meeting.

Shareholder approvals

An issuer shall make an announcement and obtain shareholder approval for any:

- › Acquisition of shares of another company or any transaction resulting in such other company becoming a subsidiary or related company of the issuer;
- › Sale of shares in another company resulting in that company ceasing to be a subsidiary of the issuer; or
- › Substantial sale of assets involving twenty five (25)% or more of the value of the total assets of the issuer.

06 | Continuing obligations of a financial nature

Dividends and interest

The following communication policy will apply in the event of a declaration of dividends or payment of interest to holders of the issuer's securities:

- › Within twenty four (24) hours of the resolution or recommendation to declare an interim and final dividend, respectively, the issuer must notify the NrSE, Kenyan CMA and issuer's shareholders of such a resolution or recommendation, by way of a press announcement;
- › If in the event the final dividend as recommended is not approved by shareholders at the annual general meeting, this fact must be announced within twenty four (24) hours of the annual general meeting taking place; and
- › Notification of non-declaration of dividends or payment of interest must be published either in the interim or quarterly report, annual financial statements or by way of press announcement.

Interim reports

An issuer shall publish an interim report within two (2) months of the end of the interim financial period and notify the NrSE and Kenyan CMA.

Where an issuer has subsidiaries, the interim report shall be prepared on the group accounts.

Annual financial statements

Issuers must prepare an annual report containing audited annual financial statements within four (4) months of the close of the financial year end. Where an issuer has subsidiaries, its audited annual financial statements must be prepared in consolidated form.

Every issuer must notify the NrSE, Kenyan CMA and media of its annual results within twenty four (24) hours following the approval of the issuer's directors for submission to shareholders.

Within six (6) months after the financial year end and twenty one (21) clear days (including weekends and public holidays) before the date of the annual general meeting, the issuer must distribute to its shareholders:

- › A notice of annual general meeting and annual financial statements; and
- › The auditor's report.

07 | Continuing obligations for dual listings

An issuer whose securities are listed on another exchange outside of Kenya, must ensure the equivalent information is made available at the same time to the market at all such securities exchanges listed on.

08 | Fees

Every issuer of securities approved for listing on the Nairobi MIMS, shall pay the listing fees prescribed below.

Initial listing fees

The fees charged for initial listing on Nairobi MIMS is 0.06% of the value of the securities to be listed (subject to a minimum of US\$2 284 (KES200 000) and maximum of US\$17 133 (KES1.5 million)).

Additional listing fees

The fees charged for the listing of additional securities on Nairobi MIMS is 0.1% of the nominal value of the additional securities to be listed

(subject to a minimum of US\$571 (KES50 000) and maximum of US\$17 133 (KES500 000)).

Annual listing fees

Annual listing fees shall be based on the daily average market capitalisation from 1 January to 30 November annually (excluding the value of new or additional listings during the year). The annual fees charged on the Nairobi MIMS is 0.06% of the market capitalisation (subject to a minimum of US\$2 284 (KES200 000) and maximum of US\$17 133 (KES1.5 million)).

The annual listing fee shall be payable upon the expiry of the twelve (12) month period following the initial listing fee. Where the period for which the first annual listing fee payable is less than twelve (12) months, the annual listing fee shall be pro-rata to December of that year.

09 | Kenyan CDSC

The Kenyan CDSC is the legal entity (twenty (20)% held by the NrSE) which provides clearing, delivery and settlement services for securities traded on the NrSE.

It oversees the conduct of Central Depository Agents comprised of stockbrokers and investments banks which are members of NrSE and Custodians.

In 2011, the equity settlement cycle moved from the previous T+4 settlement cycle to the T+3 settlement cycle, on a delivery-versus-payment basis.



Mauritius

Opportunities

- › Using Mauritius as a base to expand and invest in the rest of Africa and in Asia;
- › Foreign direct investment into “emerging” sectors such as medical, tourism and information and communication technology is on the up;
- › Services sector will continue to be the main driver of economic growth; and
- › Large concentration of middle and high income earners presents opportunities for consumer-oriented industries.

Strengths

- › The most accommodative business environment in Africa with high levels of economic freedom and low tax rates;
- › Macroeconomic policies are transparent and market-orientated;
- › Well developed, profitable and stable financial sector; and
- › Low level of political risk which is expected to continue over the medium to long term.

Weaknesses

- › Exposure to struggling euro zone economy. Over fifty (50)% of exports are destined for Europe, while the continent accounts for around two thirds of tourist arrivals;
- › MUR moves in step with the EUR/US\$ exchange rate. Weaker EUR/US\$ exchange rate tends to weaken MUR/US\$ exchange rate but strengthen the MUR/EUR, making exports less competitive and imports more costly;
- › Indebtedness of the public sector, corporate sector and households; and
- › The small size of the economy means it is exposed to external shocks. In addition, the exports/GDP ratio is low in an international context.





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01 | Overview of the SEM

Introduction

The SEM was incorporated in Mauritius on 31 March 1989 under the Mauritius SX Act. SEM was originally incorporated as a private limited company responsible for the operation and promotion of an efficient and regulated securities market in Mauritius. SEM became a public company in September 2008 and operates under the supervision of the Mauritius FSC.

The SEM currently operates two markets:

- › The Official Market; and
- › The Mauritius DEM.

The SEM is currently ranked as the third (3rd) largest exchange by market capitalisation in sub-Saharan Africa, excluding South Africa and is one of four (4) African stock exchanges that is a member of the WFE. The SEM is also a member of the South Asian Federation of Exchanges, the ASEA and the Committee of SADC Stock Exchanges.

SEM offers a diverse range of products, including, *inter alia* equity, exchange traded products and debentures, specialised debt products and services for global funds, global business companies, mining and mineral companies, depositary receipts and Africa-based ventures to attract regional and global capital and Government securities.

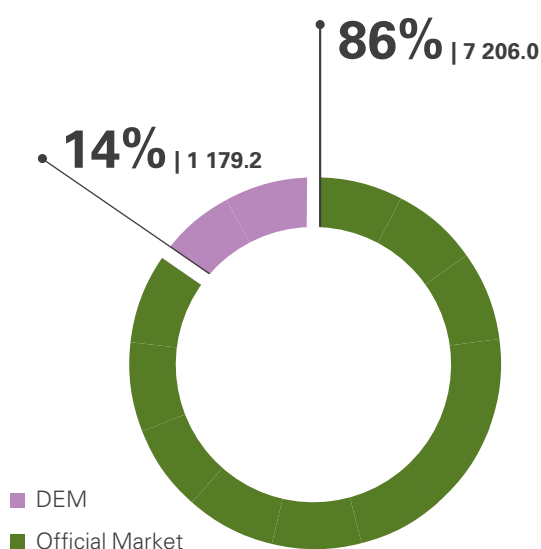
An exchange rate of US\$1 = MUR30.3565 on 30 June 2014 has been used throughout this section.

Equity market capitalisation of the SEM

As at the date of this publication, the equity market capitalisation of the SEM amounted to approximately US\$8 385.2 million (MUR254 544.2 million) of which US\$8 316.1 million, in respect of eighty seven (87) equity issuers, relates to domestic equity and US\$69.1 million, in respect of two (2) equity issuers, relates to foreign equity.

A diagrammatic overview of the split of the equity market capitalisation of the SEM between the Official Market and the Mauritius DEM, in US\$ millions, is set out below:

Equity market capitalisation attributable to each of the Official Market and the Mauritius DEM (in US\$ millions)

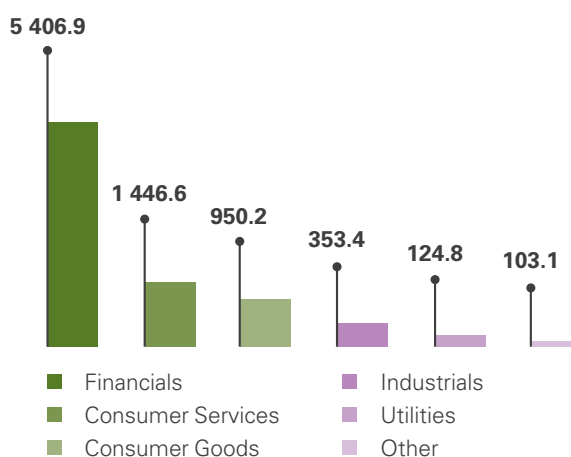


There are two (2) equity issuers, namely MCB Group Limited (previously the Mauritius Commercial Bank Limited) (Industry: Financials; Sector: Banks) and

State Bank of Mauritius Limited (Industry: Financials; Sector: Banks) each with market capitalisations of over US\$1.0 billion.

The equity market capitalisation of the SEM by Industry, in US\$ millions, is set out below:

Equity market capitalisation by major Industry (in US\$ millions)

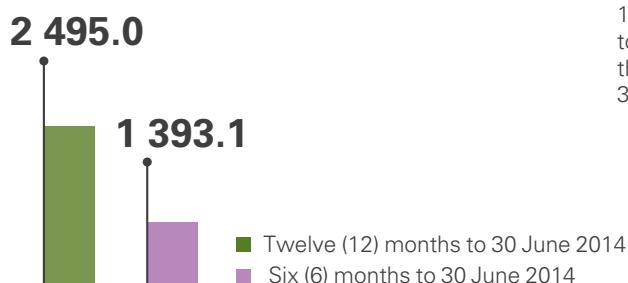


The Financials industry has the highest equity market capitalisation and comprises of forty three (43) equity issuers, of which there are three (3) banks, three (3) insurance equity issuers, eight (8) real estate equity issuers and twenty nine financial services equity issuers.

Volumes of equity shares traded

The volumes of the equity shares traded on the SEM for the twelve (12) months to 30 June 2014 and for the six (6) months to 30 June 2014 are set out below:

Volume of equity shares traded on the SEM (in millions)



During the twelve (12) months to 30 June 2014, 2 495.0 million shares traded on the SEM out of a total of 40 528.1 million issued shares (approximately six (6)% of the cumulative issued shares on 30 June 2014).

During the six (6) months to 30 June 2014, 1 393.1 million shares traded on the SEM out of a total of 40 528.1 million issued shares (approximately three (3)% of the cumulative issued shares on 30 June 2014).

Attractiveness as a foreign listing destination

The principle advantages of listing on the SEM are as follows:

- › The SEM is the only exchange in Africa, and one of the few exchanges in the world, that can list the securities of an issuer in the local currency as well as in US\$, EUR, GBP and ZAR. The SEM also has the ability to organise for the trading and settlement of securities in the above international currencies;
- › Foreign investors do not need approval to trade shares, unless the investment is for the holding of more than fifteen (15)% in a sugar company;
- › Foreign investors benefit from numerous incentives, for example, revenue on the sale of shares can be freely repatriated, there is no withholding tax on dividends and there is no tax on capital gains; and
- › During 2011, SEM was designated by the United Kingdom's Her Majesty's Revenue and Customs

("HMRC"), as a "recognised Stock Exchange" under section 1005 (1) (b) Income Tax Act 2007 with the result that securities admitted to trading and listed on the Official Market of the SEM meet the HMRC interpretation of "listed" as set out in section 1005 (3) (a) and (3) (b) Income Tax Act 2007. The benefits of this designation are as follows:

- » UK pension schemes are permitted to hold securities listed on the Official Market of the SEM, giving companies and funds listed on SEM access to a larger market of sophisticated, well-capitalised investors;
- » Securities listed on the Official Market of the SEM may be held in tax advantaged Individual Savings Accounts and Personal Equity Plans by UK investors; and
- » Inheritance tax advantages may accrue to UK holders of securities listed on the Official Market of the SEM.

Listing authority

The SEM Listing Rules are established, administered and enforced by the SEM subject, to the approval of the Mauritius FSC.

The SEM has set up a SEM Listing Executive Committee has the following responsibilities in respect of listing matters:

- › To determine the suitability of listing applications made to the SEM;
- › To consider, where relevant, specific matters as per the requirements of the SEM Listing Rules;
- › To recommend changes to the SEM Listing Rules to the governing board of the SEM, including the listing fee rates, as determined by the SEM from time to time;

- › To assess cases of apparent breaches of the SEM Listing Rules and to make recommendations to the governing board for their adjudication; and

- › To assess cases on the suspension or cancellation of a listing on the SEM and to refer these to the governing board for consideration.

The SEM provides the necessary staff and other resources to assist the SEM Listing Executive Committee in carrying out its functions.

The SEM Listing Rules may, subject to the approval of the Mauritius FSC, be amended by the SEM from time to time. Issuers are bound by decisions of the SEM.



The SEM may waive compliance with the SEM Listing Rules, subject to the following:

- › In the case of new applicants, the SEM may waive the requirement to comply with the SEM Listing Rules with the prior approval of the SEM Listing Executive Committee. In circumstances where the waiver relates to information otherwise required to be disclosed in the new applicant issuer's SEM Listing Particulars, a statement detailing the decision to waive the applicable requirements must be included in such new applicant's SEM Listing Particulars. The SEM must notify the Mauritius FSC of the waiver; and
- › The SEM requires the prior approval of the Mauritius FSC when granting a waiver in respect of post-listing obligations. The decision of the Mauritius FSC with regards to the waiver must be provided to the SEM within five (5) business days for the date on which the approval was sought. The Mauritius FSC may, in approving such a waiver, require the SEM to publicly notify the waiver.

General principles embodied in the SEM Listing Rules

The SEM Listing Rules are designed to ensure that investors have and can maintain confidence in the market and in particular that:

- › The securities for which the application for listing is made, are suitable for listing;
- › The issue and marketing of the securities is conducted in a fair and orderly manner;
- › Potential investors and the public are provided with sufficient information to enable them to make a properly informed assessment regarding the applicant issuer and the securities for which listing is being sought;
- › Subsequent to listing, sufficient disclosure of information that might affect the interests of investors and the public must be made and, in particular, any information which might reasonably be expected to have a material effect on market activity in, and the prices of, listed activities;
- › All holders of listed securities are treated fairly and equally;
- › Directors of a listed issuer act in the interest of its shareholders as a whole; and
- › Security holders are given adequate opportunity to consider in advance and vote upon major changes in the business operations of the issuer and matters of importance concerning the issuer's management and constitution.



02 | Principal listing requirements and procedures

The information set out below relates only to the Official Market of the SEM, which lists some of the largest companies in Mauritius.

The Official Market has one set of SEM Listing Rules that applies to both foreign and domestic companies and primary and secondary listings, subject to certain additional requirements, modifications or exceptions.

The Official Market has alternative listing and continuing obligations requirements for investment entities, public sector issuers, specialist companies and debt instruments, depositary receipts, mineral companies and exchange traded funds.

Admission to the official list

A company seeking admission to the Official Market must make an application to the SEM which has the power to either grant or reject the application.

An applicant issuer must meet certain basic conditions as a pre-requisite to a listing of its securities on the Official Market. The SEM must be of the opinion that the applicant and its business

are suitable for admission to trading on the Official Market and that there is an adequate and open market in the securities for which listing is sought. The SEM may make the admission of securities to listing subject to any special condition which it considers appropriate in the interests of protecting investors and of which the SEM has specifically informed the applicant issuer.

Registration

An applicant issuer must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment and must be operating in conformity with its Constitutional Documents.

The Constitutional Documents must comply with the provisions of the SEM Listing Rules.

Applicant issuers and/or existing issuers incorporated in Mauritius must be (and remain) public companies.

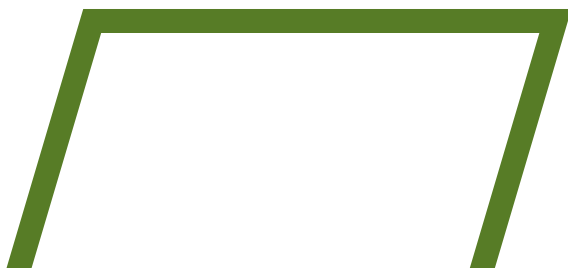
Criteria for listing

Market capitalisation

The anticipated aggregate market value of the equity securities for which application for a new listing has been made, calculated as the anticipated number of shares in issue multiplied by the anticipated share price, must be at least US\$0.7 million (MUR20.0 million).

Audited accounts

A new applicant issuer must have published or filed audited accounts for a period of at least three (3) financial years which must have been reported on by the auditors without qualification.



The audited accounts must be consolidated and prepared in accordance with the applicant's national law and IFRS.

The audit must be performed by an audit firm approved by the Financial Reporting Council of Mauritius.

If more than six months have elapsed since the end of the financial year to which the published annual results relate, interim financial information for the first six months of the current financial year must be included in the SEM Listing Particulars.

Accountants' report

An accountants' report on the results, assets and liabilities of, and other financial information relating to, the applicant, issuer on a consolidated basis for the most recent three financial years, must be included in the SEM Listing Particulars.

The accountants' report must be prepared by independent public accountants.

Nature and duration of business

A new applicant issuer which is a company must be carrying on as its main activity, either by itself or through one or more of its subsidiaries, an independent business which is revenue earning and must have done so for a minimum period of three (3) years.

Continuity of management

The SEM may have regard to the continuity of management of a new applicant during the three (3) year period covered by the audited accounts when determining the new applicant's suitability for listing.

Directors

The directors of a new applicant issuer must have collectively appropriate expertise and experience for the management of the business.

Controlling shareholder

Where a new applicant issuer has a controlling shareholder, the SEM may require the appointment of a sufficient number of independent non-executive directors (less than half the members of the Board) to ensure independence.

Shareholder spread

At least twenty five (25)% of its securities must be held by at least two hundred (200) members of the public.

Where a new applicant issuer has a controlling shareholder, the SEM may require the appointment of a sufficient number of independent, non-executive directors to ensure independence

Corporate governance

There are no specific corporate governance requirements included in the SEM Listing Rules, however, there is a Mauritius Code.

The Mauritius Code applies to the following entities, which in the case of non-compliance, shall disclose and explain the reasons for their non-compliance:

- › companies listed on the SEM;
- › banks and non-banking financial institutions;
- › large public companies;
- › state-owned enterprises including statutory corporations and parastatal bodies; and
- › large private companies ("Relevant Companies").

The board of directors of Relevant Companies are responsible for the implementation of and compliance with the Mauritius Code by their companies.

Relevant Companies must state in their Annual Reports the extent of their compliance with the Mauritius Code and must identify and give reasons for areas of non-compliance and, where applicable, state the alternative practices adopted.

Regulators and stakeholders are responsible for monitoring the application by Relevant Companies of the principles set out in the Mauritius Code.

The Mauritius Code provides specific guidance in the following areas:

- › boards and directors;
- › board committees;
- › role and function of the company secretary;
- › risk management, internal control and internal audit;
- › accounting and auditing;
- › integrated sustainability reporting; and
- › communication and disclosure.

Minimum issue price

There is no minimum issue price.

Trading and transferability

All of the securities to be listed must be freely transferable.

Listing particulars

An applicant issuer applying for a listing of its securities on the Official Market must publish SEM Listing Particulars.

Sponsors and authorised representatives

An issuer may appoint a sponsor while it is applying for a new listing. An issuer must appoint two authorised representatives to act as the issuer's principal channel of communication with the SEM.

Foreign issuers with or seeking a primary listing on the SEM

A foreign issuer with, or seeking, a primary listing on the Official Market must comply with all the SEM Listings Rules relevant to companies, modified in the manner set out below:

The SEM may accept different standards in an accountants' report and in the Annual Report of an international applicant issuer and/or issuer, if it is satisfied that the accounts have been prepared to an appropriate standard for a company of international standing and repute. However,

- › The accounts must be consolidated;
- › Unless otherwise required by law, amounts transferred to reserves must be dealt with as appropriations of profit; and
- › Adequate information must be provided in the accounts as to the basis of asset valuation.

A foreign issuer must appoint and maintain throughout the period the foreign issuer's securities are listed on the Official Market, the appointment of a person authorised to accept service of process and notices on its behalf in Mauritius.

In the case of registered securities, provision must be made for a register of holders to be maintained in Mauritius and for transfers to be registered locally.

The SEM may authorise the omission of certain information from the SEM Listing Particulars. Regard will be given as to whether the applicant issuer is listed on an overseas securities exchange and conducts its business and makes disclosure according to internationally accepted standards and the nature and extent of the regulation to which the applicant issuer is subject in its country of incorporation or other establishment.

Documentation required in terms of the SEM Listing Rules and notifications to the SEM must be in English.

If a foreign issuer publishes an interim report in its country of incorporation, the SEM may authorise it to publish that report (in English) provided that the standards are appropriate to companies of international standing and repute.

Where the SEM Listing Rules refer to an issuer incorporated in Mauritius, an international issuer must comply so far as:

- › The information available enables it to do so; and
- › Compliance is not contrary to the law in its country of incorporation.

Foreign issuers with or seeking a secondary listing on the SEM

In circumstances where an overseas company is seeking, or has, a secondary listing in Mauritius, the primary listing will normally be in the country of incorporation or the country of first listing or the country in which a majority of the company's securities are held.

A foreign issuer with, or seeking, a secondary listing on the Official Market must comply with all of the SEM Listings Rules, modified as for foreign issuers with, or seeking, a primary listing on the Official Market, unless the SEM, after consultation with the relevant foreign regulatory body, agrees otherwise.

The audited accounts of a foreign issuer seeking a secondary listing on the Official Market must cover at least three (3) years ended not more than twelve (12) months before the date of the SEM Listing Particulars.

A foreign issuer seeking a secondary listing on the Official Market must be in compliance with the requirements of any overseas securities exchange on which it has listed securities and any competent authority or equivalent regulatory body which regulates it and must submit a letter to the SEM confirming its compliance with these bodies.

A foreign issuer with a secondary listing on the Official Market does not need to comply with the shareholder spread requirements.

SEM Listing Particulars that have been produced by a foreign issuer and approved, within the preceding six (6) months, by a securities exchange on which its securities have a primary listing and which is recognised by the SEM, may be accepted as listing particulars by the SEM.

03 | Listing process

Set out below is an overview of the key steps in the listing process:

Step	Process
1 Preparation	<ul style="list-style-type: none"> › Meetings with and appointment of advisors to the listing; › Undertake a due diligence, if necessary; › Meeting with the Mauritius FSC and the SEM to discuss the potential listing; and › Preparation of the SEM Listing Particulars and other application documents.
2 Application for listing	<ul style="list-style-type: none"> › Lodging of the prospectus with the Mauritius FSC (public offer); › Application documents sent to the SEM, including SEM Listing Particulars; › Review of the application documents by the listing division of the SEM; › Granting of approval for listing by the SEM Listing Executive Committee of the SEM. Conditional approval may be given in cases where there are suspensive conditions; and › Filing of the final SEM Listing Particulars with the Mauritius FSC.
3 Marketing and bookbuilding (relevant for IPO's)	<ul style="list-style-type: none"> › Roadshows, meetings with investors and advertising in the press; and › Bookbuilding exercise.
4 Admission to listing	<ul style="list-style-type: none"> › Admission of the applicant issuer to listing on the business day communicated by the SEM (subject to successful capital raising and fulfilment of the other conditions to the listing); › Deposit of share certificates in the Mauritius CDS; and › Start of trading.
5 Post listing	<ul style="list-style-type: none"> › Compliance with the continuing obligations of the SEM Listing Rules.

A company seeking a listing on the Official Market must make an application

04 | Contents of Listing Particulars

The requirements for the listing of equity securities are as follows:

General information about the applicant issuer, its advisors and the SEM Listing Particulars

- › The full name, registered number and address of the registered office of the applicant issuer;
- › A statement that the SEM Listing Particulars have been prepared in accordance with the SEM Listing Rules for the purpose of giving information with regards to the applicant issuer and that the directors are responsible for the accuracy or completeness of the information provided and confirm that no facts have been omitted which would make any statements contained in the SEM Listing Particulars misleading;
- › The names and addresses of all advisors and experts;
- › The names and addresses and professional qualifications of the auditors who have audited the applicant issuer's annual financial statements in accordance with national law for the last three (3) financial years;
- › The date and country of incorporation of the applicant issuer and the length of life of the applicant issuer;
- › A summary of the provisions of the Constitutional Documents with regards to:
 - » Any power enabling a director to vote on a proposal, arrangement or contract in which he is materially interested;
 - » Any power enabling the directors to vote remuneration to themselves or any members of their body and any other provisions relating to directors' remuneration;
 - » Borrowing powers exercisable by the directors and how such borrowing powers can be varied;
 - » Retirement or non-retirement of directors under an age limit;
 - » Directors' qualification shares;
 - » Changes in capital;
 - » Any time limit after which entitlement to dividend lapses and an indication of the party in whose favour the lapse operates; and
 - » Arrangement for the transfer of the securities and, where permitted, restrictions on the free transferability;
- › Details relating to any experts including:
 - » Qualifications of the expert;
 - » Details of such expert's shareholding in the group or any of its members or any right by such expert to subscribe for or to nominate persons to subscribe for securities in any member of the group;
 - » Confirmation that the expert has given, and has not withdrawn, his written consent to the issue of the SEM Listing Particulars which includes the expert's statement in the form and context in which it appears therein; and
 - » The date of the expert's statement and whether or not it was made by the expert for the purpose of incorporation in the SEM Listing Particulars;
- › With regards to any promoter:
 - » The name of any promoter and, if the promoter is a company, details of such company;
 - » Details of any cash, securities or other benefit paid, allotted or given to any promoter within two (2) years from the date of issue of the SEM Listing Particulars; and
 - » Details of any cash, securities or other benefit proposed to be paid, allotted or given to any promoter;
- › The name of any other exchange on which the applicant issuer's securities are already listed or on which admission to listing of the securities is being or will be sought;
- › Particulars of any arrangement under which future dividends are waived or agreed to be waived; and
- › Particulars of any commissions, discounts, brokerages or other special terms granted within the most recent two (2) years in connection with the sale or issue of any capital of any member of the group together with the names of any directors or proposed directors, promoters or experts who received any such payment or benefit and the details thereof.

Information about the securities for which listing is sought and the terms and conditions of their issue and distribution

- › A statement that application has been made to the SEM for the listing of the securities;
- › A statement that the SEM Listing Particulars have been filed with or registered by the FSC;
- › The nature, number and issue price of the securities to be issued;
- › A summary of the rights attaching to the securities;
- › The terms and conditions of the issue of the securities;
- › Where a listing is sought for securities with a fixed dividend, particulars of the profits cover for such dividend;
- › A statement of the net tangible asset backing for each class of security for which listing is sought, after making allowances for any new securities to be issued;
- › The date of which dealings in the securities is expected to commence;
- › Details of convertible equity securities, options, warrants or similar rights to subscribe for equity securities for which listing is sought;
- › The amount or estimated amount of expenses of the issue and of the application for listing payable by the listing;
- › A statement as to whether the securities are in registered or bearer form; and
- › Details of the intended use of the proceeds of any new issue.

Information about the applicant issuer's capital

- › Details of the applicant issuer's share capital;
- › Details relating to any planned increase in the applicant issuer's capital;
- › The amount of any outstanding convertible debt securities and the conditions governing and procedures for conversion, exchange or subscription of such securities;
- › Details of any alterations to the capital of the applicant issuer and its member companies during the past two (2) years;
- › Particulars of any capital of any member of the group which is under option;
- › General information about the group's activities including the following:
 - » A brief history of and a description of the general objectives and nature of the business of the group by material sector of activities;
 - » If the group does business outside of Mauritius, a statement showing a geographical analysis of its business operations;
 - » Where a material proportion of the group's assets are situated outside of Mauritius, details of such assets and the amount of the assets situated in Mauritius;
 - » Details of the group of which the applicant issuer is a member including, if the applicant issuer is a subsidiary company, the names and the number of shares held by each holding company of the applicant issuer;
 - » Particulars of any material trademarks, patents or other intellectual or industrial property rights;
 - » Particulars of any interruptions in the business of the group that have had a significant effect on the financial position during the last twelve (12) months;
 - » The number of employees and changes thereto during the last financial year including a breakdown of persons employed by main categories of activity;
 - » Particulars and location of the principal investments being made or planned by the group;
 - » Details relating to subsidiary companies of the applicant issuer or companies whose profits or assets make or will make a material contribution to the figures in the accountants' report or the next published accounts;
 - » Particulars of the location, size and tenure of the principle establishments of the group; and
 - » Particulars of any restriction affecting the remittance of profits or repatriation of capital into Mauritius from outside Mauritius, if applicable.

Directors are responsible for the accuracy or completeness of the information provided in the SEM Listing Particulars

Information about the financial position of the group and its prospects

- › A reporting accountants report as detailed above;
- › Interim financial statements as detailed above;
- › A statement by the reporting accountants as to whether or not the accountants' report is qualified and, if so, the details of and reasons for such qualification;
- › A statement on a consolidated basis as at the most recent practicable date (not more than forty two (42) calendar days prior to the publication of the SEM Listing Particulars) of the following, if material:
 - » The total amount of any issued and outstanding debt securities of the group and term loans or an appropriate negative statement;
 - » The total amount of all other borrowings or indebtedness in the nature of borrowings of the group or an appropriate negative statement;
 - » All mortgages and charges of the group or an appropriate negative statement;
 - » The total amount of any contingent liabilities or guarantees of the group;
- › General information on the trend of the group's business since the date of the most recent audited accounts;
- › A statement as to the financial and trading prospects of the group for the current financial year, together with any material information which may be relevant thereto;
- › If a profit forecast appears in the SEM Listing Particulars, the principal assumptions upon which it is based must be stated. The accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants;
- › Working capital adequacy statement by the directors for twelve (12) months from the date of issue of the SEM Listing Particulars;
- › A statement by the directors of any material adverse change in the financial or trading position of the group since the last audited accounts or published interim statements have been published;
- › Information regarding legal or arbitration proceedings which may have or have had a significant effect on the group's financial position over the past twelve (12) months or an appropriate negative statement; and
- › Details of the earnings per share and dividend per share for the last three financial years, adjusted for any increases in or reduction in or reorganisation of capital.

Information about the applicant issuer's management

- › The name, nationality, residential or business address and description of every director or proposed director;
- › The full name and professional qualifications, if any, of the secretary of the applicant issuer;
- › The address at which the statutory records of the applicant issuer are kept;
- › The address of a foreign company's registered office in Mauritius and where its branch share register is located, if applicable;
- › Interests of each director and chief executive of the applicant issuer and their associates in the equity or debt securities of the applicant issuer or a negative statement;
- › Interests of shareholders, other than a director or chief executive of the applicant issuer, who are directly or indirectly interested in five (5)% or more of the applicant issuers issued share capital carrying rights to vote in all circumstances at shareholders meetings and the amount thereof or a negative statement;
- › The aggregate of remuneration paid and benefits in kind granted to the directors of the issuer by any member of the applicant issuer's group for the last completed financial year;
- › An estimate of the aggregate remuneration payable to, and benefits in kind receivable by, the directors or any proposed directors of the applicant issuer by any member of the group in respect of the current financial year under the arrangements in force at the date of the SEM Listing Particulars;
- › Details of any contract or arrangement existing at the date of the SEM Listing Particulars in which any director is materially interested and which is significant in relation to the business of the group or a negative statement;
- › Details of any outstanding loans from any member of the group to the directors and/or guarantees provided for the benefit of directors;
- › Details of any scheme involving staff;
- › Details of arrangements in terms of which a director has waived or agreed to waive future emoluments as well as any waivers during the past financial year; and
- › Details of all material contracts and other documents lying open for inspection.

Foreign applicant issuers

Foreign applicant issuers who have a primary listing on a securities exchange which is recognised by the SEM and who have issued a document that has been approved by its primary security exchange within the preceding six (6) months may submit this listing document as be accepted as listing particulars to the SEM.

Such applicant issuers will not be required to comply with the SEM Listing Rules, however, the SEM may require additional information to be produced by such an applicant issuer as an annexure to the document.

Such a document must either be in English or accompanied by a translation in English and must be approved by the SEM.



05 | Continuing obligations

Issuers are subject to certain specific continuing obligations and financial reporting requirements.

General obligation of disclosure

Issuers must keep the SEM, members of the issuer and other holders of its listed securities informed, as soon as reasonably possible, of information which:

- › Is necessary to enable them and the public to appraise the position of the group;
- › Is necessary to avoid the establishment of a false market in its securities; and
- › Might reasonably be expected to materially affect market activity in and the price of its securities.

Closure of books

In circumstances that require an issuer's register to be closed, the issuer shall publish notice of the closure of its register of members, in at least two

widely circulated daily newspapers, at least fourteen (14) calendar days before such closure and shall give notice thereof to the SEM and Mauritius CDS.

Notification relating to capital

An issuer must notify the SEM of the following changes to its capital:

- › Alterations to capital structure;
- › New issues of debt securities;
- › Changes of rights attaching to securities;
- › Redemption or drawing;
- › Basis of allotment;
- › Issues affecting conversion rights; and
- › Results of new issues.

Notification of major interests in shares

An issuer must disclose to the SEM any information disclosed to it in respect of its obligation to keep a register of substantial shareholders.

Rights as between holders of securities

Shareholder consent is required prior to:

- › The issuer allotting, issuing or granting shares, securities convertible into shares or options, warrants or similar rights; and
- › Any major subsidiary of the issuer making any allotment, issue or grant that will result in the issuer's equity interest in the subsidiary being materially diluted.

Communications with shareholders

Shareholders must be provided with the following information:

- › Notices of annual general and other general meetings of shareholders and the ability to exercise their right to vote, where applicable;
- › Proxy forms;
- › When issuers need to communicate with shareholders, an advertisement must be published in at least two (2) national daily newspapers of wide circulation, referring to the communication and giving an address or addresses from which copies can be obtained. Such advertisements must be pre-approved by the SEM;

- › Airmail must be used, where available, when sending documents to shareholders residing outside Mauritius;
- › The SEM must review and approve copies of:
 - » Draft announcements relating to the issue of new or further securities or changes relating to the arrangements regarding trading in an issuer's securities;
 - » Circulars relating to a substantial transaction, disclosable transactions and certain related party transactions;
 - » Copies of documents issued in connection with takeovers, mergers or demergers; and
 - » Copies of drafts of any proposed amendments to its Constitutional Documents.

Substantial transactions

A substantial transaction is any acquisition or disposal by an issuer of its subsidiaries where:

- › The value of the assets being acquired or sold equals fifty (50)% or more of the net assets or consolidated net assets of the acquiring or realising group; or
- › The net profit (before taxation) attributable to the assets being acquired or realised, as disclosed in the latest published audited accounts represents fifty (50)% or more of such net profit of the acquiring or realising group*; or
- › The aggregate value of the consideration given or received represents fifty (50)% or more of the net assets or consolidated net assets of the acquiring or realising group; or

- › The value of the equity capital issued as consideration by the acquiring issuer, represents fifty (50)% or more of the value of the equity capital previously in issue.

** The profits test may be disregarded by SEM if the issuer can demonstrate that the comparison is affected by exceptional factors without which the comparison would have produced a result below the percentage.*

A substantial transaction requires the preparation of a circular and is subject to shareholder approval. Once the SEM has approved the circular it, together with the notice of meeting of shareholders, must be despatched to each of the issuer's shareholders.

A substantial transaction which entails the acquisition by a listed issuer of another business, assets or company/ies, substantially all of which are not listed, and where the relevant percentages detailed above are one hundred (100)% or more or would result in a change in control through the introduction of a majority holder/s, the listing of the issuer's shares will be suspended and the issuer's application for the lifting of the suspension will be treated as if it were an application for listing from a new applicant by the SEM unless certain mitigating conditions are present.

Disclosable transactions

A disclosable transaction is any acquisition or realisation of assets where the relative percentages are fifteen (15)% or more.

A disclosable transaction requires the preparation of a circular, final copies of which must be delivered to the SEM. A summary of the circular must be published in at least two (2) daily newspaper and must provide details of where copies are available for a period of fourteen (14) calendar days.

Copies of circulars and resolutions

An issuer must forward to the SEM a copy of all circulars, notices, reports, announcement of other documents when they are issued and all resolutions passed by the issuer at meetings of shareholders.

Directors

Certain information relating to directors must be disclosed to the SEM such as board changes, interests of directors and their associates and notifications of controlling shareholders.

06 | Continuing obligations of a financial nature

Annual report

An issuer must issue an Annual Report (including the auditor's report thereon) and send it to every member not less than fourteen (14) calendar days before the date of the annual meeting of shareholders. A copy of the Annual Report must be filed with the SEM within ninety (90) calendar days of, but not later than six (6) months, after its balance sheet date.

An abridged version of the audited annual financial statements must be filed with the SEM and published, in at least one (1) daily newspaper, as soon as it is approved by the board (within ninety (90) calendar days after its balance sheet date). The abridged results must also be published in two (2) additional local newspapers.

Interim (quarterly) reports

All issuers must prepare an interim (quarterly) report, on a group basis, on its activities.

The interim (quarterly) report must be published within forty-five (45) calendar days of the end of the period to which it relates.

07 | Continuing obligations of foreign issuers

General obligation of disclosure

The same as for local issuers.

Changes in capital structure

A foreign issuer must notify the SEM of the following changes to its capital:

- › Any proposed changes to its capital structure or structure of its listed debt securities;
- › Any new issues of listed debt securities including any guarantee or security in respect thereof;
- › Changes to the rights attaching to any class of securities; and
- › Any purchase, sale, drawing or redemption by an issuer of its listed securities.

Acquisitions and disposals

Foreign issuers must, subject to the provisions of the Code on Mergers and Takeovers, notify to the SEM details of acquisitions and disposals of assets required by the securities exchange on which the issuer has its primary listing.

Interests in shares

A foreign issuer must notify to the SEM when a person or entity acquires or disposes of shares in the foreign issuer that results in such person or entity's shareholding exceeding or falling below ten (10)%,

twenty (20)%, thirty three point three (33.3)%, fifty (50)% and sixty six point seven (66.7)% of the total voting rights.

Change in directorate

A foreign issuer must notify the SEM without delay when a new director is appointed and the resignation or removal of a director takes effect.

Dividends

A foreign issuer must notify the SEM of any decision to pay or make any dividend or other distribution in respect of listed securities or any failure to pay any dividend or interest payment on listed securities.

Equality of treatment

A foreign issuer having listed shares must ensure equality of treatment for all holders of such shares who are in the same position.

Prescribed information to shareholders

A foreign issuer must, in respect of all Mauritian security holders:

- › Inform them of the holding of any meetings that they are entitled to attend;
- › enable them to exercise their right to vote, where applicable; and

› Publish notices or distribute circulars relating to:

- » The allocation and payment of dividends and interest;
- » The issue of new securities; and
- » Redemption or repayment of securities.

Paying agent and registrar

A foreign issuer must appoint a paying agent and a registrar in Mauritius (where either there are two hundred (200) or more holders resident in Mauritius or ten (10)% or more of the securities are held by persons resident in Mauritius).

Annual report

The same as for local issuers.

The annual report, together with a copy of the auditors' report, must be circulated to all holders of its listed securities whose addresses are in Mauritius.

08 | Fees

Initial listing fees

The fee charged for a listing of securities in respect of an introduction, offer for sale, offer for subscription and placing, for applicants without securities already listed, is US\$3 294 (MUR100 000).

The fee charged for a listing of securities in respect of an offer for sale, offer for subscription, placing, rights issue and conversion, for applicants with securities already listed, is US\$2 471 (MUR75 000).

The fee charged for a listing of securities in respect of a consideration issue or a capitalisation issue, for applicants with securities already listed, is US\$1 647 (MUR50 000).

The fee charged for a listing of securities in respect of a block issue, for applicants with securities already listed, is the lesser of US\$659 (MUR20 000) or one tenth (1/10) of one (1)% of the value of the shares to be listed.

Annual listing fees

The annual fees charged for a listing of equity securities is determined based on the market capitalisation of the issuer.

The minimum initial listing rate for an existing issuer with a market capitalisation of up to US\$3.3 million (MUR100.0 million) is US\$1 729 (MUR52 500). The minimum listing rate for a listing of additional equity securities by an existing issuer, where such additional equity securities have a market capitalisation of up to US\$3.3 million (MUR100.0 million), is US\$865 (MUR26 250).

The maximum initial listing rate for an existing issuer with a market capitalisation of above US\$1.3 million (MUR40.0 million) is US\$23 175 (MUR703 500) plus 0.001% on the excess of US\$1.3 million (MUR40.0 million). The maximum additional listing rate for a listing of additional equity securities by an existing issuer, where such additional equity securities have a market capitalisation of above US\$1.3 million (MUR40.0 million), is US\$11 587 (MUR351 750) plus 0.001% on the excess over US\$1.3 million (MUR40.0 million).

09 | Mauritius CDS

The Mauritius CDS provides centralised depository, clearing and settlement services for the Mauritian equity and debt markets. The CDS provides its services within an online computer system with participants having direct on-line access to the system. Trades are settled within a rolling T+3 settlement cycle on a delivery versus payment basis.

The Mauritius CDS complies with the Principles for Financial Market Infrastructures issued in April 2012 by the Bank for International Settlements, the International Organization of Securities Commissions and the G30 recommendations. The Mauritius CDS is also covered by the Thomas Murray Capital market Infrastructure Risk Ratings Service.

Securities on the SEM trade
in dematerialised form

Namibia

Opportunities

- › The majority of food and consumer goods purchased in the country are imported from South Africa, signalling import-substitution opportunities;
- › Walvis Bay Port is undergoing a major expansion in order to create more capacity to handle imports and exports from landlocked neighbours;
- › The real estate sector is experiencing a boom in prices and development due to a housing shortage and high demand from abroad; and
- › Oil exploration continues along the coast.

Strengths

- › Low political risk with stable trend lines suggests that the country should continue on this footing over the long term;
- › Small size and low growth rate of population, high literacy rates, and GDP per capita relatively high among developing countries;
- › Links with South Africa's economy are supported by a closely aligned legal environment, good quality economic data and linguistic features; and
- › Financial sector is small but well developed and regulated. The capital market (used to help finance fiscal deficit is deep by African standards).

Weaknesses

- › Dependant on mineral exports for foreign revenues and state income. This makes the country susceptible to international developments affecting demand and prices of copper, uranium and diamonds;
- › The country imports thirty (30)% of its electricity needs and basically all its liquid fuel supplies;
- › The country faces significant climate change risks over the next few decades. Groundwater recharge could fall by thirty (30)% to seventy (70)% in some areas;
- › More than two (2) decades after independence, Namibian society is still beset by unacceptable levels of inequality along the lines of gender, race, religion, ethnicity and class, according to the United Nations; and
- › The NAD, which is linked to the ZAR, is very volatile.





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01 | Overview of the NSX

Introduction

At present, the NSX is a non-proprietary association licensed by NAMFISA to operate as a stock exchange in Namibia. The NSX has forty three (43) founder members, each of whom contributed US\$945 (NAD\$10 000), and six (6) stock broking members who may attend general meetings of the association and annually elect the directors and appoint the auditors of the NSX and its subsidiaries. The NSX is the only stock exchange in Namibia and is located in Windhoek.

The NSX currently operates two (2) equity markets:

- › The Main Board; and
- › The Development Capital Board.

The NSX is one of the largest stock exchanges, by market capitalisation, in Africa.

An exchange rate of US\$1 = NAD10.5784 on 30 June 2014 has been used throughout this section.

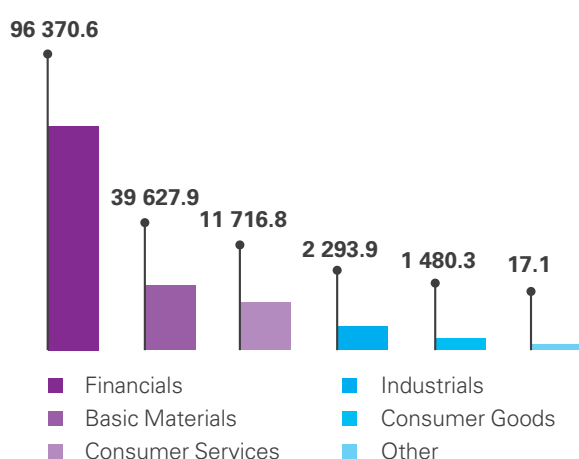
Equity market capitalisation of the NSX

At the date of this publication, there were thirty three (33) issuers listed on the NSX. The approximate equity market capitalisation of the NSX at the date of this publication amounted to US\$151 412.3 million, of which US\$ 2 002.4 million related to domestic equity listed on the NSX and US\$149 410.0 million related to foreign equity listed on the NSX. Anglo American Plc, in the Basic Minerals industry, is the largest equity issuer listed on the NSX with a market capitalisation of US\$37 600.0 million (twenty five (25)% of the total market capitalisation) at the date of this publication. Thirteen (13) of the thirty three (33) issuers had a US\$ denominated market capitalisation of greater than US\$1 billion, the largest being Anglo American Plc.

The NSX is one of the largest stock exchanges, by market capitalisation, in Africa

The equity market capitalisation of the NSX by Industry, in US\$ millions, is set out below:

Equity market capitalisation by Industry (in US\$ millions)



The Financials industry has the largest equity market capitalisation and comprises of five (5) banking equity issuers, four (4) insurance equity issuers, two (2) real estate equity issuers and four (4) financial service equity issuers.

Of the fifteen (15) equity issuers in the Financials industry, eight (8) have equity market capitalisations of over US\$1.0 billion, as follows:

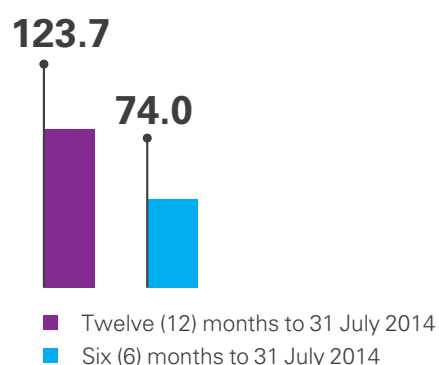
- › Firststrand Limited - US\$22 720.4 million;
- › Standard Bank Group Limited – US\$22 104.6 million;
- › Old Mutual Plc – US\$16 192.8 million;
- › Sanlam Limited – US\$12 439.6 million;
- › Nedbank Group Limited – US\$11 291.1 million;
- › MMI Holdings Limited – US\$3 843.5 million;
- › Investec Limited – US\$2 452.2 million; and
- › Santam Limited – US\$2 257.1 million.

The second largest industry is the Basic Minerals industry, which is dominated by Anglo American Plc, followed by the Consumer Services industry, comprising of, *inter alia*, Shoprite Holdings Limited and Truworths International Limited, with market capitalisations of US\$8 710.3 million and US\$3 001.7 million, respectively.

Volumes of equity shares traded

The volumes of the equity shares traded on the NSX for the twelve (12) months to 31 July 2014 and for the six (6) months to 31 July 2014 are set out below:

Volume of equity shares traded on the NSX (in millions)



During the twelve (12) months to 31 July 2014, 123.7 million shares traded on the NSX out of a total of 28 945.3 million issued shares (approximately zero point four (0.4)% of the cumulative issued shares on 31 July 2014).

During the six (6) months to 31 July 2014, 74.0 million shares traded on the NSX out of a total of 28 945.3 million issued shares (approximately zero point three (0.3)% of the cumulative issued shares on 31 July 2014).

Attractiveness as a foreign listing destination

Considerations when listing on the NSX are as follows:

- › A ten (10)% non-resident shareholder withholding tax on dividends is levied but there is no marketable securities or capital gains tax;
- › There are no general restrictions on foreign investment but investors must apply through an authorised dealer (most commercial banks) to ensure free remittance of dividends and proceeds of sales;
- › Applicant issuers applying for a listing on the NSX need to consider the relevant exchange control legislation, more details of which are provided in the “criteria for listing” section below;
- › The proposed modalities of Regulation 28 to the Namibian Pension Fund Act in terms of which pension funds will be required to reduce their investment in dual listed shares that qualify as domestic shares from thirty five (35)% to ten (10)% over a period of five (5) years to 2017; and
- › The NSX has established a guarantee fund to protect investors in the event of default by a broker on the exchange and also has a fidelity insurance policy against fraud or misappropriation of investor’s funds up to US\$9 453.2 (NAD100 000).

Listing authority

The NSX operates under a license from NAMFISA, an independent institution established in terms of the Namibia Financial Institutions Supervisory Authority Act, Act 3 of 2001 to regulate and supervise the non-banking financial sector in Namibia including the stock exchange. The stock exchange is regulated by the Namibian SECA.

NAMFISA has been authorised to draft a Financial Institutions and Market Bill to replace various financial sector Acts including the Namibian SECA. It is anticipated that this legislation will be tabled by the Namibian Parliament this year. At a consultative meeting with members of the financial sector in November 2012, NAMFISA announced that the NSX would be required to convert to a company (demutualise) within twelve (12) months of the enactment of this new legislation.

The NSX Board is the competent authority responsible for:

- › The list of the securities which may be dealt in on the NSX;
- › Applications by applicant issuers for the listing of securities on the NSX; and
- › The annual revision of the list.

In terms of the Namibian SECA, the NSX Board has delegated its authority in relation to the application of the NSX Listings Requirements, to the listings committee and management of the NSX.

The NSX Listings Requirements fall into two (2) categories, namely, the general principles and the main body. The NSX may apply the spirit of the general principles and the main body to areas or circumstances not expressly covered in the NSX Listings Requirements.

The NSX has the discretion to modify the application of a requirement contained in the main body in appropriate circumstances, for example when the NSX considers that the strict application of the requirement would conflict with the general principles.

Subject to the provisions of Namibian SECA, the NSX has the power:

- › Subject to the NSX Listings Requirements, to grant, review, suspend or terminate a listing of securities;
- › To prescribe, from time to time, the NSX Listings Requirements with which a new applicant issuer must comply before securities issued by such new applicant are granted a listing;
- › To prescribe, from time to time, the NSX Listings Requirements with which applicant issuers must comply;
- › To prescribe, from time to time, the NSX Listings Requirements with which an applicant issuer’s directors must comply while securities issued by such applicant issuer remain listed;
- › To suspend, alter or rescind a NSX Listings Requirement prescribed before or after a listing has been granted and to prescribe additional NSX Listings Requirements, from time to time, either by way of amendment to these NSX Listings Requirements or by way of the issue of practice notes; and
- › To prescribe the circumstances under which a listing of securities shall or may be suspended or terminated.

The NSX Listings Requirements promote investor confidence in standards of disclosure and corporate governance

General principles of the NSX

The general principles of the NSX include the following:

- › Provide a market to raise primary capital and to trade securities in the secondary market;
- › To ensure that only appropriate securities are listed;
- › To ensure that full, equal and timeous public disclosure is made to all holders of securities and the general public regarding activities of an issuer that are price sensitive;
- › Provision of full information and ability to consider and vote on any of the following:
 - » Substantial changes in an issuer's business operations; and
 - » Matters affecting the issuer's Constitutional Documents or the rights of shareholders;
- › High standards of care are taken in the dissemination of information into the market place;
- › All shareholders of the same class are treated fairly and equally; and
- › The NSX Listings Requirements promote investor confidence in standards of disclosure and corporate governance.

02 | Principal listing requirements and procedures

The information presented below relates to the Main Board of the NSX.

The Main Board has one (1) set of NSX Listings Requirements that applies to both foreign and domestic and primary and secondary listings, subject to certain additional requirements, modifications or exceptions.

The NSX has alternative listing and continuing obligations requirements for exploration, mineral, property and pyramid companies as well as investment entities.

Admission to the Main Board

Listings are granted subject to compliance with the NSX Listings Requirements and applicant issuers and their directors must comply with the NSX Listings Requirements. The NSX may grant a listing subject to any additional conditions that it considers appropriate, in which event the applicant issuer will be informed of, and will have to comply with, any such conditions.

The NSX may, at its discretion, grant a listing to an applicant issuer that does not meet the NSX Listings Requirements or refuse a listing to an applicant issuer that does comply with the NSX Listings Requirements on the grounds that, in the NSX's opinion, the grant or refusal of the listing is in the interests of the investing public.

Applicant issuers with a primary listing on the NSX and which are also listed on another stock exchange/s must comply in full with the NSX Listings Requirements. Generally, the exchange on which a applicant issuers primary listing resides takes precedence in the enforcement of any listings requirements over the exchange on which such applicant issuers secondary listing resides, however, the NSX reserves the right to instruct an applicant issuer to comply with certain specific sections of, or in full with, the NSX Listings Requirements, where it determines such requirements to be in the interests of shareholders.

Irrespective of the jurisdiction in which the applicant issuer is incorporated, an applicant issuer seeking a listing on the NSX must contractually undertake to comply fully with all the NSX Listings Requirements.

Registration

A foreign applicant issuer must be registered as an external company, for transfer purposes only, in the Republic of Namibia.

A foreign applicant issuer with a listing on the NSX must appoint and maintain, while it remains listed on the NSX, a person authorised to accept service of due process and notices on its behalf in Namibia and must notify the NSX of such appointment.

Irrespective of the jurisdiction in which the applicant issuer is incorporated, an applicant issuer seeking a listing on the NSX must contractually undertake to comply fully with all the NSX Listings Requirements

Criteria for listing

Market capitalisation

An applicant issuer must have a subscribed capital (including reserves but excluding minority interests and revaluations of assets and intangible assets that are not supported by an independent valuation in the last six (6) months prior to listing) of at least US\$94 52.3 (NAD1.0 million).

In addition, the applicant issuer must have at least one (1) million equity shares in issue.

Report of historical financial information

For purposes of a new listing, a report of historical financial information must be prepared in respect of the following:

- › An applicant issuer;
- › The subject of any substantial acquisition or disposal (measured against the anticipated market capitalisation of the new applicant issuer at the date of listing) that has been effected by the applicant issuer in the current or preceding financial year; and
- › The subject of any substantial acquisition or disposal (measured against the anticipated market capitalisation of the new applicant issuer at the date of listing) that is planned to be effected by the applicant issuer and is known at the date of issue of the NSX PLS or Prospectus.

In terms of the NSX Listings Requirements the NSX regards "substantial" as being equal to or exceeding thirty (30) %.

The report of historical financial information must be prepared in accordance with IFRS.

The report of historical financial information must be presented in consolidated form in respect of a period of at least three (3) years up to and including the financial year immediately preceding the issue of the NSX PLS or Prospectus.

If more than nine (9) months have elapsed since the end of the most recent financial year, reviewed interim financial information is to be prepared in accordance with the IFRS on Interim Financial Reporting.

If more than twelve (12) months have passed since the period for which audited annual financial statements were prepared and issued, then audited annual financial statements must be prepared for the latest financial year ended and included in the NSX PLS or Prospectus.

The NSX Listings Requirements requires additional information to be presented in the report of historical financial information relating to the following:

- › Any major change in the nature or policy relating to the use of property, plant and equipment;
- › Details of material loans receivable;
- › Details of loans made to/or security furnished to directors;
- › Details of any material borrowings;
- › Details relating to any issues of shares and/or convertible securities;
- › Details of employee share schemes;
- › Details relating to subsidiaries;
- › The applicant issuer's share of net profits or losses of subsidiaries, joint ventures, partnerships and associates;
- › Particulars of directors' remuneration;
- › Net asset value and net tangible asset value per share;
- › Earnings, diluted earnings, headline earnings and dividends per share;
- › Any material change in the nature of the business of the applicant issuer or the group;
- › Any material post balance sheet events; and
- › A commentary by the directors incorporating a general review of the business and operations of the applicant issuer in respect of the subject of the transaction during the period under review.

Pro forma financial information

If an applicant issuer includes pro forma financial information in its NSX PLS or Prospectus, such pro forma financial information must comply with the requirements set out in the NSX Listings Requirements.

Profit forecasts

If an applicant issuer includes a profit forecast in its NSX PLS or Prospectus, then such profit forecast must comply with the requirements set out in the NSX Listings Requirements.

NSX Report

A NSX Report is required, *inter alia*, in respect of a report of historical financial information.

The NSX Report must express the following opinion/s on the report of historical financial information:

- › An audit opinion on the financial information relating to the financial year immediately preceding the issue of the NSX PLS or Prospectus;
- › Either an audit or a review opinion on financial information relating to the two (2) years prior to the most recent financial year; and
- › A review opinion on the interim financial information.

The accountant must be an accountant and auditor registered in terms of the Public Accountants' and Auditors' Act of 1991 and must have sufficient knowledge and experience in the application of the financial information requirements of the NSX Listings Requirements.

A NSX Report on pro forma financial information presented in a NSX PLS or Prospectus must be prepared and must provide an opinion as to whether the pro forma financial information has been compiled on the basis required by the NSX Listings Requirements.

A NSX Report on forecast information presented in a NSX PLS or Prospectus must be prepared and must provide an opinion as to whether:

- › The assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecasts;
- › Whether the forecast has been properly compiled on the basis stated; and
- › Whether the profit forecast is presented on a basis consistent with the accounting policies of the applicant issuer or its group.

Secondary listed issuers

In circumstances where the financial information of an issuer seeking a secondary listing on the NSX has not been prepared in accordance with IFRS, such applicant issuer must consult the NSX in order to obtain a ruling concerning what will constitute acceptable accounting practice and disclosure.

Profit history

An applicant issuer must have an audited profit history for the preceding three (3) financial years, the last of which reported an audited profit (before tax and after taking into account of the headline earnings adjustments on a pre-tax basis) of at least US\$47 266.1 (NAD500 000).

Shareholder spread

At least twenty (20)% of each class of an applicant issuer's securities must be held by the public.

An applicant issuer must have at least one hundred and fifty (150) public shareholders (equity securities).

Main activity

An applicant issuer must be carrying on as its main activity (by itself or through a subsidiary), an independent business (with a profit history mentioned above) which gives control (fifty (50)% plus one (1)) over the majority of its assets for the preceding three (3) financial years.

Directors and Company Secretary

The following criteria applies to directors and company secretary of the applicant issuer:

- › The directors and senior management of the applicant issuer must (collectively), have appropriate expertise and experience for the governance and management of the business of the applicant issuer; and
- › A chief executive officer and chairman must be appointed, and these two (2) roles must not be held by the same person.

Status of securities

Securities issued must be in compliance with the law of the applicant issuer's country of incorporation/ establishment and the applicant issuer's Constitutional Documents.

Where the applicant issuer already has securities listed on another exchange (other than the NSX) and is seeking a listing on the NSX, the issue of securities must be in compliance with the requirements of the other exchange and law of that country.



Trading and transferability

All securities to be listed must be fully paid up and freely transferable, unless otherwise provided by statute.

Corporate governance

The applicant issuer must comply and disclose compliance of the following corporate governance principles:

Applicant issuers must disclose every compliance and non-compliance with the principles of good governance

Principle	Description
Board appointment	<ul style="list-style-type: none"> › Must be a policy detailing the procedures for board appointment; and › Appointments must be formal and transparent and, where appropriate, assisted by the nomination committee (if required).
Balance of power	<ul style="list-style-type: none"> › A policy must be put in place to ensure a clear balance of power and authority amongst the members of the board.
CEO and chairman	<ul style="list-style-type: none"> › The CEO must not hold the position of the chairman.
CV:	<ul style="list-style-type: none"> › A brief CV of each director must be provided.
Audit committee	<ul style="list-style-type: none"> › Must have an audit committee appointed; › The composition of such committee, a brief description of its mandate, the number of meetings to be held annually and other relevant information must be disclosed; and › Must set the principles for recommending the use of the external auditors for non-audit services.
Remuneration committee	<ul style="list-style-type: none"> › Must appoint a remuneration committee; and › The composition of such committee, a brief description of its mandate, the number of meetings to be held annually and other relevant information must be disclosed.
Risk and nomination committee	<ul style="list-style-type: none"> › Where appropriate, given the nature of the business, a risk and nomination committee must be appointed; and › The composition of such committees, a brief description of their mandates, the number of meetings to be held annually and other relevant information must be disclosed.
Director classification	<ul style="list-style-type: none"> › The capacity of directors, as it relates to executive, non-executive and independent, must be categorised.

In addition to complying with the above principles, the applicant issuer must disclose the extent to which the applicant issuer has complied with the Code of Corporate Practices and Conduct representing the principles of good governance as laid out in the NamCode and reasons for each and every non-compliance.

The NamCode became effective for financial years commencing after 1 January 2014.

Minimum issue price

There is no minimum issue price.

NSX PLS or Prospectus

An applicant issuer applying for a listing of its securities on the Main Board must publish a NSX PLS or Prospectus. A prospectus, in compliance with both the NSX Listings Requirements and the Namibian Act, must be prepared by the applicant issuer if the listing process includes a sale or a subscription of shares.

Sponsors and authorised representatives

The NSX requires an issuer, including a foreign issuer, to have an appointed sponsor at all times.

Foreign applicant issuers with/seeking a primary listing on the Main Board of the NSX

An applicant issuer seeking a primary listing on the NSX, must comply in full with all the NSX Listings Requirements.

Exchange control approval

The approval of the Exchange Control Department of the Bank of Namibia is required for a new listing on the NSX. Such exchange control approval is obtained by the NSX as part of the listing process.



03 | Listing process

Set out below is an overview of the key steps in the listing process:

Step	Process
1 Preparation	<ul style="list-style-type: none"> › Meetings with and appointment of advisors (accounting, legal and sponsor) to the listing; › Undertake a due diligence, if necessary; and › Preparation of the NSX PLS or Prospectus and other application documents.
2 Informal comments	<ul style="list-style-type: none"> › Submission of the NSX PLS or Prospectus, annotated in the margin to indicate which specific paragraph numbers of the NSX Listings Requirements have been complied with, to the NSX by 10am on a business day to be deemed to have been lodged at 10am on such business day ("Deemed Lodgement Time"); and › The NSX will provide the relevant sponsor with its informal comments on the NSX PLS or Prospectus within approximately seventy two (72) hours of the Deemed Lodgement Time.
3 Informal approval	<ul style="list-style-type: none"> › Incorporation of the NSX comments into the NSX PLS or Prospectus; › Within approximately forty eight (48) hours of the Deemed Lodgement Time for informal approval, the NSX will either: <ul style="list-style-type: none"> » Grant informal approval; or » Refuse informal approval and return the documents to the relevant sponsor with additional comments or outstanding information; and › If informal approval is not granted, the sponsor may re-submit the documents after correcting the omission or incorporating the relevant comments.
4 Formal approval	<ul style="list-style-type: none"> › Once the informal approval of the NSX has been obtained, five (5) copies of the final NSX PLS or Prospectus, together with a copy of the applicable exchange control approval and copies of the consents by experts to the use of their name and reports in the documentation, must be submitted to the NSX for formal approval; › Within approximately forty eight (48) hours of the Deemed Lodgement Time for formal approval, the NSX will either: <ul style="list-style-type: none"> » Grant formal approval; or » Refuse formal approval (with comments, if the NSX PLS or Prospectus is capable of repair); and › The Committee may, upon request, take an additional forty eight (48) hours to consider the NSX PLS or Prospectus.



Set out below is an overview of the key steps in the listing process: (continued)

Step	Process
5 Part I documentation	<ul style="list-style-type: none"> › Submission of Part I documents to the NSX for approval as part of the formal approval submission detailed above: <ul style="list-style-type: none"> » Application for listing; » Sponsor appointment and undertaking; » Directors undertaking; » Transfer secretaries appointment; » Explanation of how shareholder spread will be achieved; » Dated and signed NSX PLS or Prospectus; » If the document is a prospectus, a certificate from the company's attorneys stating that the requirements of the Namibian Act have been complied with; » A statement from the accountant that the contents of the NSX PLS or Prospectus are not contradictory with the information contained in the NSX Report/s; » If the application for listing is not accompanied by an offer, a list of shareholders and an analysis of shareholders must be submitted; » Where applicable, the underwriting agreement and the prescribed details relating thereto; » The Constitutional Documents complying with the NSX Listings Requirements; » Debenture trust deed, if applicable; » For certification purposes, a specimen, cancelled by mutilation, of the share certificate or allotment letter (prior to the issue); » A statement as to listings on other exchanges including details in the event of an application for listing on any stock exchange having been refused or deferred; » List of other directorships or past directorships during the past five (5) years of each director and the nature of business conducted by such companies; » The draft placing document, where an issue of securities is being made by means of a placing; » An audited list of share and/or debenture holders as at the date of listing; » All details concerning any planned price stabilisation exercise; » A notarially certified copy of the applicant issuer's Constitutional Documents embodying any amendments required by the NSX; » A notarially certified copy of the registration certificate, and certificate to commence business, if the company was registered within the last two (2) years. Where a company is registered outside of Namibia, it must furnish a notarial copy of the certificate of registration as an external company in Namibia; » For certification purposes, a specimen (cancelled by mutilation) of the share or debenture certificates (if applicable) (subsequent to the issue); » The general undertaking by the company; » Original copies of any experts' consents; » A statement by the applicant issuer's company secretary; » A cheque in payment of the documentation and listing fee; » Details of any dividend recommended or declared but not yet paid as at the date of application; » Undertaking regarding mechanical signatures on certificates of title; and » Application for approval to issue certified deeds and other temporary documents of title.

Step	Process
6 Marketing and bookbuilding (relevant for IPO's)	<ul style="list-style-type: none"> › Publication of abridged pre-listing statement in the press; › NSX PLS or Prospectus available; › Offer opens; › Roadshows, meetings with investors; and › Bookbuilding exercise.
7 Admission to listing	<ul style="list-style-type: none"> › Latest closing of offer at 12pm; › Submission of Part II documentation to the NSX: <ul style="list-style-type: none"> » Certificate by the sponsor confirming that the published NSX PLS or Prospectus was materially the same as the signed NSX PLS or Prospectus approved by the NSX; » Notarially certified copy of the NSX PLS or Prospectus, dated and signed by the directors; » Confirmation from the sponsor and the applicant issuer of the achievement of the necessary shareholder spread; » Fifty (50) copies of the published NSX PLS or Prospectus are required for circulation to members; » A statutory declaration; and › Date of listing on the NSX.
8 Post listing	<ul style="list-style-type: none"> › Submission of Part III document to the NSX: <ul style="list-style-type: none"> » A certificate from the auditors certifying that the applicant issuer's share capital and share premium issued since the date of issue of the last annual financial statements or date of incorporation, have been fully subscribed for and, if applicable, deposited for the company's account with the company's bankers; » An audited list of all security holders, by each class of security, if applicable, showing the securities held by each security holder at the date of listing; » A statement detailing, at the date of listing, the number of securities applied for by the public, the number of securities allotted and the basis of allotment and the number of securities taken up by any underwriter, if applicable; » An analysis of the shareholdings at the date of listing, as follows: <ul style="list-style-type: none"> - The number of shareholders in Namibia and the total number of securities held exclusive of those held by directors and any controlling shareholder and their associates and employees, promoters, vendors, underwriters; - The number of shareholders other than in Namibia and the total number of securities held exclusive of those held by directors and any controlling shareholder and their associates and employees, promoters, vendors, underwriters; - The number of shareholders that are employees and are beneficiaries of any trust or scheme for their benefit and the total number of shares held by them; - Details of shares held by the directors and any controlling shareholder and their associates, any associates of the applicant issuer and vendors, promoters and underwriters; and - The combined total; and › Compliance with the continuing obligations of the NSX Listing Requirements.

04 | NSX PLS or Prospectus

The NSX PLS or Prospectus must be formally approved by the NSX before publication.

A prospectus must comply with the requirements set out in the Namibian Act in addition to the NSX Listings Requirements and must be registered with the Namibian Registrar of Companies.

All NSX PLS' or Prospectus' should contain the following information:

The applicant issuer and its capital

- › Information about the applicant issuer and its capital including:
 - » The name and address of the registered office and of the transfer office and the date of incorporation;
 - » The previous name of the company if it changed during the past three (3) years;
 - » Details of the share capital consisting of either par value or no par value shares;
 - » A description of the rights attaching to the shares;
 - » Consents required to vary the rights attaching to securities;
 - » A summary of the issues or offers of securities of the applicant issuer and its securities during the preceding three (3) years;
 - » A summary of any consolidations or subdivisions of shares during the preceding three (3) years;
 - » A statement as to who controls the issue or disposal of the authorised but unissued securities of the applicant issuer; and
 - » A statement as to what other classes of securities are listed and on which stock exchanges.
- › The borrowing powers of the applicant issuer and its subsidiaries exercisable by the directors and the manner in which they can be varied;
- › Any circumstances when the borrowing powers have been exceeded during the past three (3) years;
- › Any exchange control or other restrictions on the borrowing powers of the applicant issuer or any of its subsidiaries;
- › The amount of debentures created in terms of the trust deed and the amount issued/agreed to be issued;
- › Details of material loans, including debentures, made to the applicant issuer and any of its subsidiaries;
- › Particulars of debentures issued by way of conversion or replacement of debentures previously issued including all material differences between the two (2) instruments;
- › Disclose as to how all borrowings arose and whether they arose from the purchase of assets;
- › A negative statement if no loan capital is outstanding;
- › Details of all material loans receivable by the applicant issuer and its subsidiaries;
- › Details of loans to any director or manager or their associates by the applicant issuer or any of its subsidiaries;
- › Details as to how and why each loan receivable arose;
- › Details of any arrangements whereby any option or preferential right is proposed to be given to any person to subscribe for any securities of the applicant issuer or any of its subsidiaries including the acquisition of securities from a person to whom they were allotted or were agreed to be allotted, with a view to offering them for sale;
- › The names of any controlling shareholder/s of the applicant issuer;
- › Details of any change in controlling shareholder as a result of the issue; and
- › The names of any shareholders (other than directors of the applicant issuer) who are, directly or indirectly beneficially interested in five (5)% or more of any class of the applicant issuer's capital and the number of shares held by such shareholders.

Directors, managers and advisors

- › The following details relating to each director and member of senior management of the applicant issuer:
 - » Full name;
 - » Business address;
 - » Function in the group;
 - » Nationality;
 - » Expertise and experience;
 - » Other directorships or partnerships, past and present;
 - » Details of bankruptcies or individual voluntary arrangements;
 - » Details of any receiverships, compulsory liquidations, creditors, voluntary liquidations, administration, company voluntary arrangements or any composition or arrangement with a company's creditors or any class of creditors where such a person was an executive director at the time or within twelve (12) months of such an event;
 - » Details of compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person was a partner at the time of or within the twelve (12) months preceding such events;
 - » Details of receiverships of any asset of such person of a partnership of which such person was a partner at the time of or within twelve (12) months preceding such an event;
 - » Details of any public criticisms of such person by statutory or regulatory authorities and whether such person has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; and
 - » Details of any offence involving dishonesty committed by such person.
- › Details of the information contained in the director's declaration (Schedule 21) required by the NSX;
- › For foreign applicant issuers, the above information must be provided in respect of the local executive management committee, if any. Where the NSX considers that the parent company is not adequately represented on the directorate of its Namibian or foreign subsidiaries, an appropriate explanation is required;
- › The term of office and other details relating to any director who has been or is to be appointed;
- › A summary of the provisions of the Constitutional Documents relating to:
 - Qualifications of directors;
 - Remuneration of directors; and
 - Any power enabling the directors to vote remuneration to themselves or any members of their body.
- › An analysis in aggregate and by director or proposed director of remuneration and benefits paid, or accrued as payable, during the last financial period by the applicant issuer or its group, directly or indirectly; or proposed to be paid by the applicant issuer to the directors in any capacity whatsoever, distinguishing separately between executive and non-executive directors and broken down into the categories detailed in the NSX Listings Requirements;
- › Fees paid or accrued as payable to a third party in lieu of directors' fees must also be disclosed;
- › A statement as to whether directors' remuneration will be varied subsequent to the listing and the details of any such variation;
- › Details of any third party who will be managing the business of the applicant issuer or its subsidiaries or any part thereof including the consideration paid in terms of such parties contract with the applicant issuer;
- › A summary of the provisions of the Constitutional Documents with regards to:
 - » Any power enabling a director to vote on a proposal, arrangement or contract in which he is materially interested;
 - » Any power enabling the directors, in the absence of an independent quorum, to vote remuneration, including pension or other benefits, to themselves or any members of their body;
 - » Borrowing powers exercisable by the directors and how they can be varied; and
 - » Retirement or non-retirement of directors under an age limit.
- › The full name, street, postal address and professional qualifications of the company secretary of the applicant issuer;
- › The names and street and postal addresses of the auditor, attorney, banker and sponsor to the applicant issuer and any other parties to the listing or documentation;

- › Details of any promoter and the amounts paid or proposed to be paid to such promoter within the preceding three (3) years;
- › Details of underwriters and the amount of any consideration paid to underwriters, within the preceding three (3) years;
- › The amount or estimated amount of preliminary expenses incurred within the preceding three (3) years, the amount of such payment and the person/s to whom such expenses were paid or payable;
- › The amount or estimated amount of the expenses of the issue and listing, the amount of such payment and the person/s to whom such expenses were paid or payable
- › Details of the nature and extent of any material beneficial interest, direct or indirect, of every director or promoter in the promotion of the applicant issuer and in any property acquired or proposed to be acquired by the applicant issuer out of the proceeds of the issue or during the three (3) years preceding the date of the NSX PLS or Prospectus;
- › Details of any amounts paid or agreed to be paid within the preceding three (3) years to any director or to any company in which such director is beneficially interested, directly or indirectly, in cash or securities or otherwise, by any person to induce him to become or to qualify him as a director or otherwise for services rendered by him or by the company in connection with the promotion or formation of the applicant issuer;
- › Details of direct and indirect interests of the directors' in the share capital of the applicant issuer, distinguishing between beneficial and non-beneficial interests. Any changes in such interests between the end of the financial year and the date of the NSX PLS or Prospectus should be detailed or a negative statement included that there are none;
- › Details of the nature and extent of any beneficial interests, whether direct or indirect, of directors, in transactions effected by the applicant issuer during the current or preceding financial year or during an earlier financial year which remain in any respect outstanding or underperformed or an appropriate negative statement;
- › A statement by the directors that they accept responsibility for the accuracy of the information provided in the NSX PLS or Prospectus and certifying that there are no other facts the omission of which would make any statement false or misleading; and
- › The NSX PLS or Prospectus must be signed by every director of the applicant issuer.

Securities for which application is being made

- › Details relating to the securities for which application to list is being made, including:
 - › The purpose of the issue/offer;
 - › Particulars of the issue/offer;
 - › Particulars of debentures issued/offered;
 - › Timing of the offer;
 - › Issue price of the securities; and
 - › Minimum subscription which must be raised in terms of the offer of the securities by the applicant issuer.
- › If the document is a Prospectus, a statement on the front cover confirming that the Prospectus has been registered by the Namibian Registrar of Companies in terms of the Namibian Act and the date of such registration;
- › A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued;
- › The time limit after which entitlement to dividend lapses and the person in whose favour the lapse operates;
- › The fixed date on which entitlement to dividends arises;
- › Particulars of any arrangement under which future dividends are waived or agreed to be waived; and
- › Any intention by the applicant issuer to extend a preference on allotment to any particular company or group in the event of over subscription.

Group's activities

- › The general history of the applicant issuer and its subsidiaries;
- › A general description of the business carried on/ or to be carried on by the applicant issuer and its subsidiaries;
- › Details of the degree of government protection and of any investment encouragement laws affecting the business/s;
- › Details of any material changes in the business of the applicant issuer during the past five (5) years;
- › The opinion of the directors as to the prospects of the business of the applicant issuer and its subsidiaries;
- › The situation, area and tenure of the principal immovable property held or occupied by the applicant issuer and any of its subsidiaries;

- › Details of material inter-company financial and other transactions, with specific disclosure of all inter-company balances before elimination on consolidation;
- › Details of changes to the controlling shareholder and trading objects of the applicant issuer and its subsidiaries during the past five (5) years and any proposed new name and the reason/s for the change and whether the Namibian Registrar of Companies has consented to the change;
- › Details relating to any acquisitions of securities in any company/ies or business enterprise or immovable or other property within the last three (3) years;
- › Details of any material property disposed of during the past three (3) years; and
- › Details of any legal or arbitration proceedings which have had or may have a material effect on the group's financial position or an appropriate negative statement.

Financial information

- › NSX Report/s on the applicant issuer and any acquisitions or proposed acquisitions;
- › Report of historical financial information on the applicant issuer or its group and any acquisitions or proposed acquisitions;
- › The profits before and after tax and general history, for the preceding three (3) years, of any proposed acquisition of securities in or the business undertaking of another company by the applicant issuer or its subsidiaries;
- › A statement by the directors that the working capital available to the group is sufficient for its requirements for a period of twelve (12) months from the date of issue of the NSX PLS or Prospectus; and
- › A description of any material change in the financial or trading position of the group which has occurred subsequent to the last financial period for which either annual financial statements or interim results have been published.

General information

- › Details of every significant contract (other than in the ordinary course of business) entered into by the applicant issuer or any of its subsidiaries within the past two (2) years or entered into at any time and containing an obligation or settlement that is material to the applicant issuer or the group at the date of the NSX PLS or Prospectus;
- › Any contract relating to the acquisition of less than one hundred (100)% of the securities in any unlisted company or associated company, the reason why one hundred (100)% was not acquired;
- › Details of contracts or proposed contracts relating to directors' and managerial remuneration, secretarial and technical fees payable and restraint payments;
- › A narrative statement of how the applicant issuer has complied with the relevant corporate governance requirements;
- › Particulars of royalties payable or items of a similar nature in respect of the applicant issuer or the group;
- › Details of experts' consents; and
- › Details of documents and consents available for inspection at the applicant issuer's registered office and in Windhoek in Namibia for at least fourteen (14) calendar days.

Vendors

- › The names and addresses of the vendors of any assets purchased or acquired by the group during the preceding three (3) years or proposed to be purchased and the details of the consideration paid as well as the cost of the assets to the vendors and the dates of purchase by them;
- › A statement as to whether the vendors have guaranteed the book debts or other assets and whether "normal guarantees" have been given;
- › Details of restraints of trade with the vendors;
- › Details of how liabilities for accrued taxation will be settled in terms of the vendor agreement;
- › When securities in a company have been purchased, a reconciliation between the purchase price and the net asset value of the company;
- › Details of the interests of any promoter or director in any such transaction; and
- › A statement as to whether the assets acquired have been transferred into the name of the group and whether or not the assets have been ceded or pledged.

05 | Continuing obligations

Issuers are subject to certain continuing obligations and financial reporting requirements:

Compliance with the NSX Listings Requirements

Where an issuer no longer meets the profit requirement criteria for listing on the Main Board of the NSX, such issuer will be afforded three (3) financial years to meet the criteria for listing on

the Main Board. Failure to meet this requirement will result in the issuer being transferred to the Development Capital Board.

Price sensitive information, confidentiality and cautionary announcements

There is a general obligation for an issuer to publish information relating to any developments which are not public knowledge and which may lead to material (ten (10)%) movements in the issuer’s share price unless such information is kept confidential for a limited period of time.

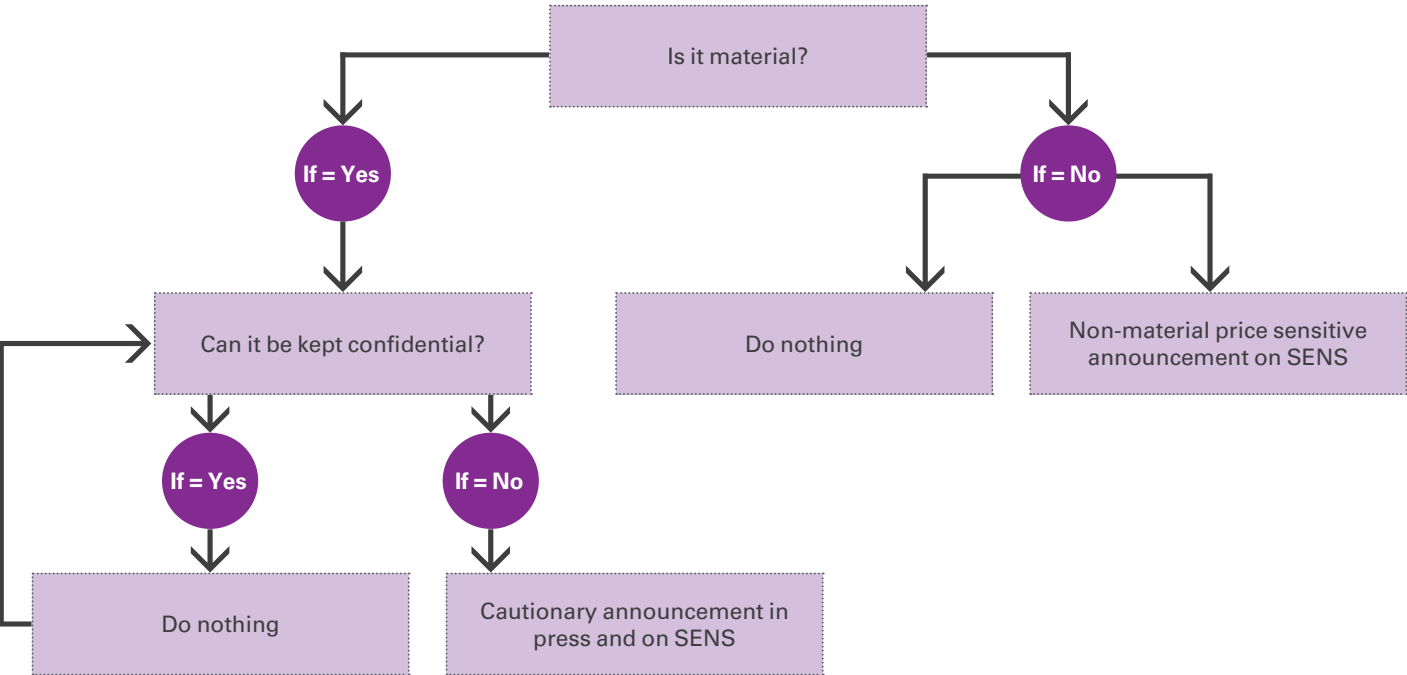
Material price-sensitive information may not be released (even under time embargo) until it is published on SENS or (if after hours) arrangements have been made to release such information on SENS before the market opens the next day.

An issuer may provide price sensitive information in the strictest confidence to its sponsors, advisors and/or any person/s with whom it is negotiating with a view to effecting a transaction or raising finance.

In such cases, the issuer must advise the recipients, preferably in writing, that the information is confidential and constitutes inside information.

If the necessary degree of confidentiality of material price sensitive information cannot be maintained or if the issuer suspects that confidentiality has or may have been breached, an issuer must publish a cautionary announcement on SENS and in two (2) daily national newspapers.

The decision tree set out below should be consulted when considering the action to be taken with regards to price sensitive information:



Trading updates

- › A trading update must be published as soon as an issuer becomes aware that the financial results for the period to be reported on next will be materially (ten (10)%) different from one (1) or more of the following:
 - » The financial results for the previous corresponding period; or
 - » A published profit forecast; or
 - » Shareholder expectations of the financial results based on previously issued guidance, trend analysis expectations and consensus analysts' forecasts.
- › A trading statement must provide specific guidance by making use of the following words:
 - » Significantly, meaning less than a ten (10)% increase or decrease (used in circumstances when the differences are not material but are deemed to be price sensitive and important enough to be the subject of a trading update;

- » Materially, meaning between a ten (10)% and a thirty (30)% increase or decrease; and
- » Substantially, meaning an equal to or greater than thirty (30)% increase or decrease.

Any other similar form of words that expressly, or by implication, state a minimum or maximum amount may be used to describe the differences.

- › The relevant financial results measurement for trading statement purposes is, in the first instance, headline earnings per share and earnings per share.

An issuer must either:

- › Include a statement in the trading update that the forecast has not been reviewed or reported on by the auditors; or
- › Produce and submit to the NSX a profit forecast or estimate and a NSX Report thereon.

Rights as between holders of securities

All shareholders of the same class must receive fair and equal treatment.

All listed securities of the same class must have the same voting rights.

Securities in each class for which listing is applied must rank *pari passu* in respect of all rights.

Before issuing new equity securities for cash, the securities must be offered by rights offer to existing shareholders in proportion to their existing holdings.

Waiver of pre-emptive rights

Shareholders may authorise an issuer, by way of an ordinary resolution as detailed below, to issue equity securities for cash other than to existing shareholders in proportion to their existing shareholdings, for a fixed period of time.

The NSX has the power to allow a waiver of shareholders' pre-emptive rights in exceptional circumstances such as rescue operations.

Voting

A resolution to approve a resolution regarding the waiver of pre-emptive rights for purposes of either a specific issue of shares for cash or a general issue of shares for cash requires a seventy five (75)% majority of votes cast by shareholders present or represented by proxy at the general meeting.

Profit warranties

Securities that are the subject of a profit warranty can only be allotted and issued once the profit required has been achieved in terms of the profit warranty and the issuer's auditors have confirmed to the NSX, in writing, that the conditions for the issue have been met.

Issues by major subsidiaries other than on listing

An issuer must obtain the specific approval (seventy five (75)% majority of votes cast by shareholders present or represented by proxy at the general meeting) of its shareholders before any major unlisted subsidiary (twenty five (25)% or more of the aggregate share capital and reserves (excluding minority interests and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the NSX prepared within the last six (6) months) or profits (after deducting all charges except taxation and excluding extraordinary items of the issuers group) undertakes an issue of shares for cash that would materially dilute the issuer's percentage interest in the equity securities of the subsidiary.

When a subsidiary of an issuer has a rights offer, and the issuer does not intend to follow its rights which could result in a material dilution of its interest in such subsidiary, the listed company must first obtain the specific approval of its shareholders.

Shareholder spread

Issuers must maintain the minimum shareholder spread required in order to list on the NSX. If the percentage of a class of securities held by the public does not comply with the minimum spread requirements, the NSX will allow a two (2) month period to restore the percentage unless this is precluded by the need to maintain the smooth operation of the market or in order to protect investors.

No corporate action will be required that would reduce the percentage level of securities held by the public below the minimum spread requirements and any application to list new shares will only be granted if such issue will improve the issuer's current spread.

An issuer must inform the NSX, in writing, when it becomes aware that it no longer complies with the minimum spread requirements.

Communications with shareholders

All announcements, except for announcements relating to quarterly reports, interim reports, provisional reports, preliminary reports and abridged reports, required in terms of the NSX Listings Requirements, must be approved by the NSX prior to publication on SENS and must be in English.

Announcements requiring publication in the press must be published in English in two (2) national daily newspapers.

Where an issuer has its own website address on the Internet, announcements may be made available on its website only after the announcement has been released through SENS.

Circulars and NSX PLS' and Prospectus' must be printed in English and distributed to all certificated holders and to those dematerialised shareholders who have elected to receive such documents.

Transactions and categorisation

Transactions include:

- › Acquisitions/disposals by the issuer or the issuer's subsidiary; and
- › The grant or acquisition of an option to acquire or dispose of assets;

Transactions exclude:

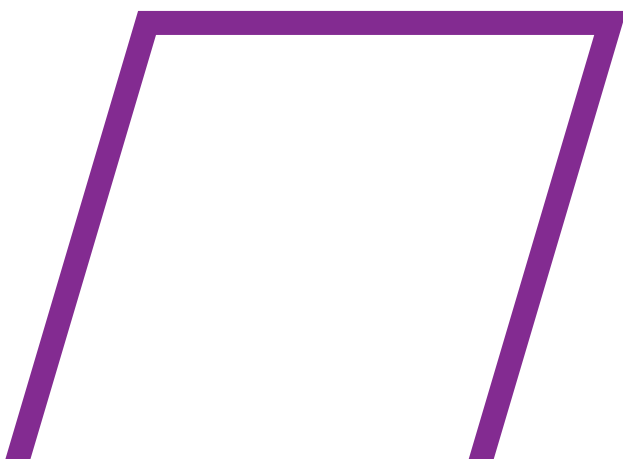
- › An issue of securities or a transaction to raise finance that do not involve the acquisition or disposal of any asset of the issuer or its subsidiaries.

Percentage ratios

For NSX purposes, a transaction is categorised by assessing its size relative to that of the issuer proposing to make it or its holding company, if applicable.

The comparison of size is made by the use of percentage ratios resulting from each of the following calculations:

- › **Consideration to market capitalisation**, i.e. the consideration divided by the aggregate market value of all the issuer's listed equity securities;
- › **Dilution**, i.e. the number of listed equity securities issued by the issuer as compensation for the acquisition, compared to those in issue, excluding treasury shares; and
- › **Transactions to be settled partly in cash and partly in shares** i.e. the categorisation size for such a transaction is calculated by first assessing the cash to market capitalisation percentage



and then adding this percentage to the dilution percentage.

Categorisation of and requirements for transactions

	Category 3 (\geq ten (10)%; <twenty (20)%)	Category 2 (\geq twenty (20)%; <forty (40)%)	Category 1 (\geq forty (40)%, no maximum)	Reverse take- over ² (\geq one hundred (100)%)
Announcement	Yes	Yes	Yes	Yes
Circular	No	Yes (within twenty eight (28) calendar days)	Yes (within twenty eight (28) calendar days)	Yes (within twenty eight (28) calendar days)
Revised Listing Particulars	No	No	No ¹	Yes
Shareholder approval	No	No	Yes	Yes
Reporting accountants report on subject of transaction	No	Yes	Yes	Yes
Pro forma financial information	Yes	Yes	Yes	Yes

¹ If the Category 1 transaction results in an issue of securities that, together with any other securities of the same class issued during the previous three (3) months would increase the securities issued by more than thirty (30)%, then the issuer must include in the category 1 circular the information required for a NSX PLS or Prospectus

² A reverse listing may also result if a transaction results in a fundamental change to the business, change in the board of directors or voting control

Related party transaction

Related parties

A "related party" is:

- › a person who is (or was within the last twelve (12) months) a material shareholder (holds ten (10)% or more of the issued share capital) or their associate;
- › a person who is, or was within the twelve (12) months preceding the transaction, a director of the listed company or any of its subsidiaries or its holding company or any of its fellow subsidiaries or their associate;
- › any advisor to the issuer who has, or had during the twelve (12) months preceding the transaction, a beneficial interest in the issuer or any of its subsidiaries; and
- › a person who is, or was within the twelve (12) months preceding the transaction, a principle executive officer of the issuer whether or not he is, or was, a director or his associate.

Requirements for a related party transaction

The requirements for a related party transaction are as follows:

- › An announcement in compliance with the NSX Listing Requirements;
- › A circular to shareholders in compliance with the NSX Listing Requirements;
- › Approval of the related party transaction by independent shareholders (excluding the related party); and
- › A fair and reasonable opinion from an independent expert in respect of the related party transaction.

A director may not deal in the issuers securities during a prohibited period

Dealing in securities by directors

An issuer must announce details of all transactions, including off market transactions, in securities relating to the issuer by or on behalf of a director and company secretary (direct or indirect beneficial or non-beneficial holdings) of the issuer or a major subsidiary of the issuer or their associates or any independent entity, in terms of which, any of the above mentioned parties may derive any beneficial or non-beneficial interest now, or in the future.

The definition of a transaction includes any sale or purchase of, or agreement to sell or purchase, any securities relating to the issuer and the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities, or any interest in securities relating to the issuer and “deal” shall be construed accordingly.

A director may not be given clearance to deal during a prohibited period as follows:

- › The date from the financial year end up to the date of earliest publication of the preliminary report, abridged report or provisional report;
- › The date from the expiration of the first six (6) month period of a financial year up to the date of publication of the interim results;
- › The date from the expiration of the second six (6) month period of a financial year up to the date of publication of the second interim results, where the financial period covers more than twelve (12) months;
- › In the case of quarterly reporting, the date from the end of the quarter up to the date of the publication of the quarterly results;
- › Any period when an issuer is trading under a cautionary announcement; and
- › Any period where there exists any matter which constitutes unpublished price sensitive information in relation to the issuer’s securities.

06 | Continuing obligations of a financial nature

Dividends and interest

Declaration of dividends, interest and other similar payments by an issuer should immediately be announced via SENS and by way of a press announcement, a copy of which must be sent to shareholders. The SENS announcement must be made at least fourteen (14) days prior to the last day to register. The last day to register must be a Friday or, if that day is a public holiday, the previous business day.

Payments of dividends/interest must be effected within six (6) weeks after the last day to register.

In circumstances where an issuer decides not to declare distribution payments, and such decision is deemed to be price sensitive, the decision must be announced immediately after it is taken.

Non-compliance with this section may result in the NSX imposing a penalty of US\$1 418 (NAD15 000).

Financial reporting

Quarterly reports: Must be published and distributed to all shareholders as soon as possible after the expiration of each quarter.

Interim reports: Must be published and distributed **within three (3) months of financial period end**.

After a two (2) week grace period the NSX will publish an announcement, in the Press and on SENS, informing shareholders that the issuer has not submitted its interim report and warning them that the listing is under threat of termination. On the date of publication of the announcement the issuer's listing will be annotated with an "RE" on the NSX trading system to indicate that it has failed to submit its interim report timeously. If the issuer fails to issue its interim report within a further two (2) weeks of the announcement, the issuer's listing will be suspended and a meeting of the NSX will be convened to consider the continued suspension or termination of the issuer's listing.

Annual reports: Either AFS or a provisional results announcement must be distributed **within three (3) months of financial period end**. If the AFS is not distributed within the three (3) month period above, the **AFS must be distributed within six (6) months of financial period end** and at least twenty one (21) clear days before the date of the Annual General Meeting. After a two (2) week grace period the NSX will publish an announcement, in the Press and on SENS, informing shareholders that the issuer has not submitted its AFS and warning them that the listing is under threat of termination.

On the date of publication of the announcement the issuer's listing will be annotated with an "RE" on the NSX trading system to indicate that it has failed to submit its AFS timeously. If the issuer fails to issue its AFS within a further two (2) weeks of the announcement, the issuer's listing will be suspended and a meeting of the NSX will be convened to consider the continued suspension or termination of the issuer's listing.

Annual reporting includes the following:

- › **Abridged reports:** a summary of the complete AFS, including annual general meeting details, which is published once the AFS are issued (i.e. distributed to shareholders).
- › **Preliminary reports:** a voluntary summary version of the AFS or condensed statements, when the AFS are not as yet available, which is published prior to the issue of the AFS or provisional report. A preliminary report must, at a minimum, be reviewed by the issuer's auditors.
- › **Provisional reports:** a compulsory summary version of the AFS or condensed statements, when the AFS are not available, which is published, and distributed to shareholders, if the AFS are not issued within three (3) months of the issuer's financial year end. A provisional report must, at a minimum, be reviewed by the issuer's auditors.

07 | Continuing obligations of secondary listings on NSX

Dual listed companies must release any information in both jurisdictions at an equivalent time.

All issuers with a NSX secondary listing must comply with Circular 7/2002, Headline Earnings issued by The Institute of Chartered Accountants of Namibia

through its affiliating with the South African Institute of Chartered Accountants.

The NSX must be notified if a dual listed issuers listing on any other exchange on which its shares are listed is suspended or terminated.

08 | Fees

Listing fees

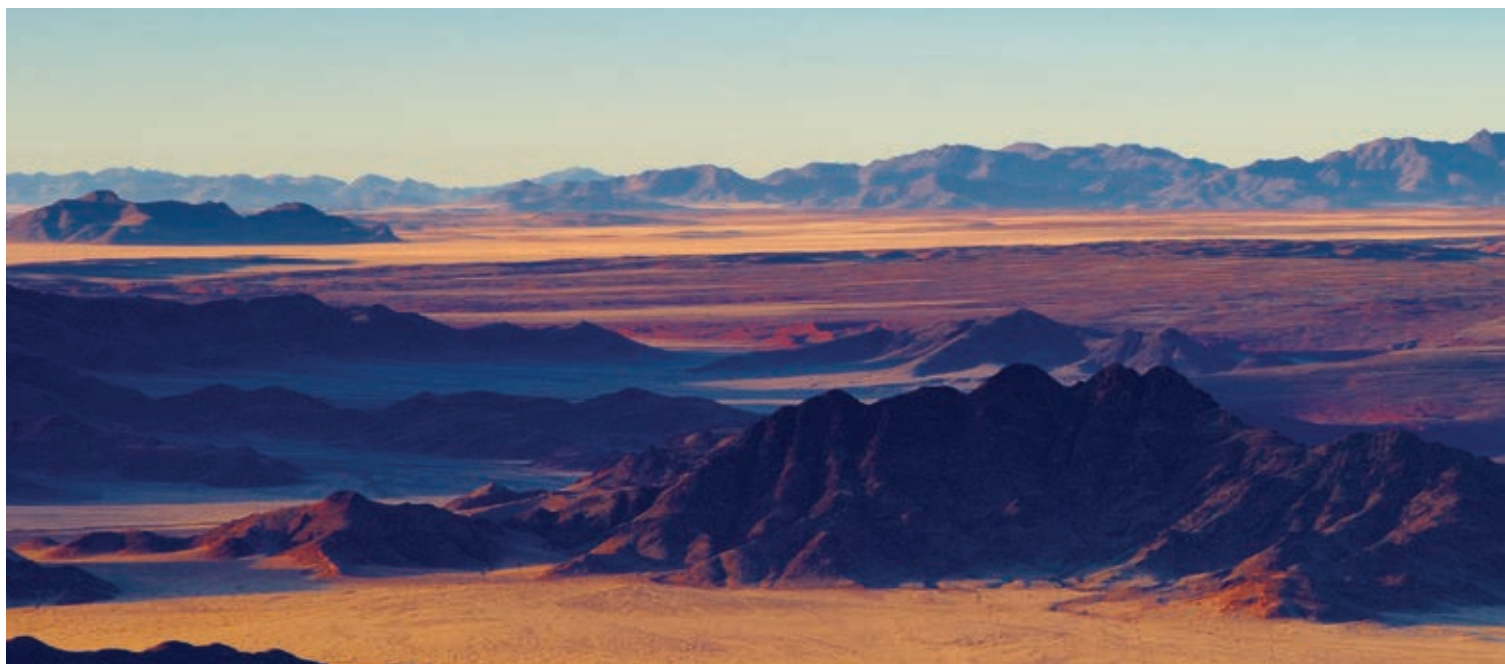
The fees charged for a listing of securities is determined as follows:

- › New listing:
 - » Primary listing fee in the case of capital raising and vendor placement (including documentation fee) – 0.05% of capital to be raised and on vendor shares to be listed on the NSX plus a minimum of US\$4 726.6 (NAD50 000);
 - » Primary listing fee without capital raising and vendor placement (including documentation fee) – US\$9 453.2 (NAD100 000); and

- » Dual listing fee without capital raising and vendor placement (including documentation fee) – US\$4 726.6 (NAD50 000).

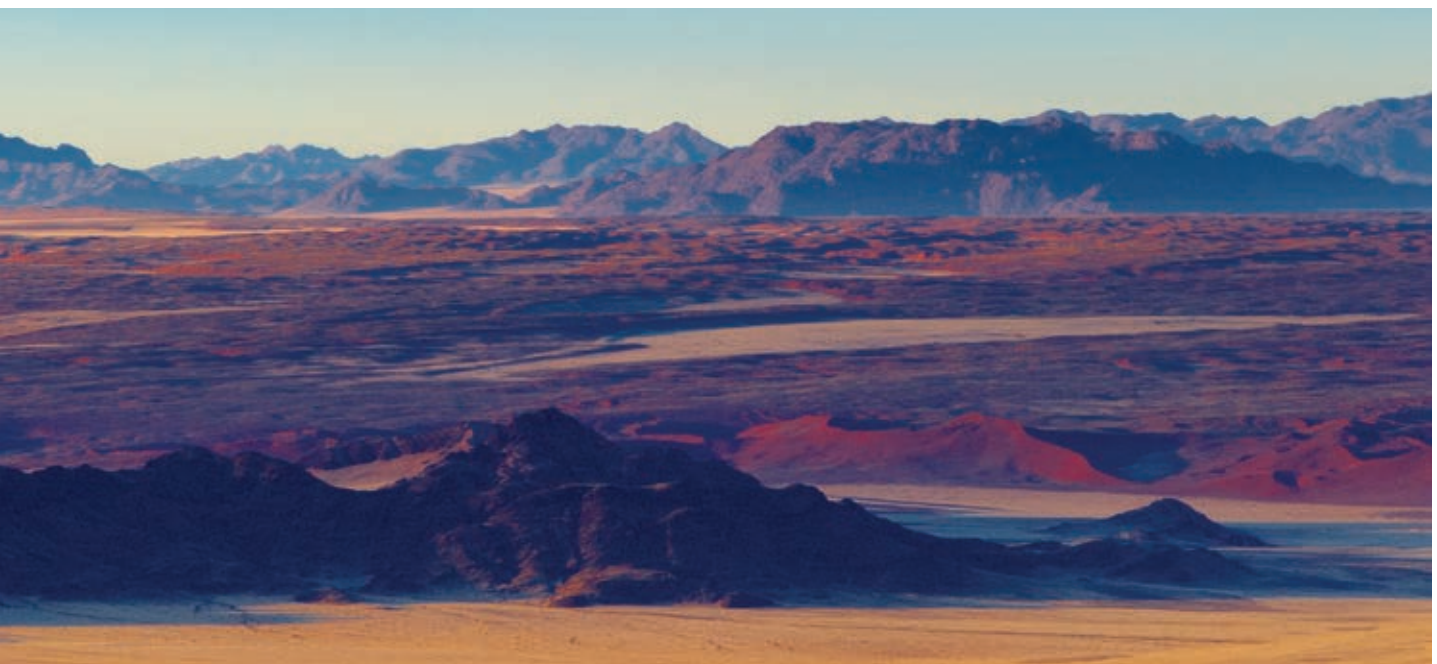
Annual listing fees

- › Primary listing (after the year in which the issuer lists) – 0.025% of capital when raised and on vendor shares listed on the NSX plus US\$3 781.3 (NAD40 000); and
- › Dual listed – US\$4 443 (NAD47 000).



09 | Clearing and settlement

Trading on the NSX currently takes place using certificated shares other than for South African dual listed shares on the NSX which trade through Strate in the same way as for issuers listed on the JSE. The NSX is in the process of establishing a Namibian CSD.



Nigeria

Opportunities

- › Significant scope for gas production for domestic use as well as exports. Privatisation of the power sector is progressing well;
- › Africa's most highly populated country including Africa's largest Muslim population and the biggest economy on the African continent;
- › Growing middle class offers opportunities in the services sector; and
- › One of the countries on the African continent with the most commercial agricultural opportunities.

Strengths

- › Robust real GDP growth performance – expected to be one of the fastest growing economies in the world in the 2013 – 2016 period;
- › Strong external position;
- › The government has made progress with some key reforms in recent years; and
- › Nigerian oil is of a very high quality and generally trades at a premium to Brent crude, while the cost of unearthing the oil is relatively low.

Weaknesses

- › Poor infrastructure and high cost of doing business;
- › Delays in passing the Petroleum Industry Bill have led to lower investment in the oil sector;
- › Security, especially in the Northern states, and the prospect of terrorism spreading deeper and wider in Nigeria are major elements in political risk;
- › Fiscal and external positions are vulnerable to lower oil prices and outputs.





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01 | Overview of the NSE

Introduction

The NSE is a privately owned and regulated by the Nigerian SEC.

The NSE currently operates the following markets:

- › Main Board for mature companies that meet all of the criteria for listing on the Main Board; and
- › The NSE ASM for emerging businesses with high growth potential.

The NSE services the second largest financial centre in sub-Saharan Africa and is the third largest stock exchange in Africa by market capitalisation and the leading stock exchange in West Africa. The NSE is an affiliate member of the WFE and a foundation member of the ASEA. The NSE has thirteen (13) branches spread across key cities of Nigeria and its corporate headquarters are located in Lagos.

An exchange rate of US\$1 = NGN161.675 on 30 June 2014 has been used throughout this section.

Equity market capitalisation of the NSE

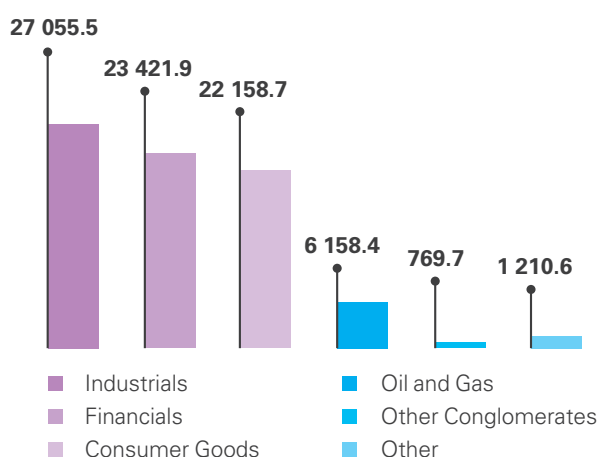
At the date of this publication, following the delisting of twenty one (21) equity issuers on 23 June 2013, the NSE hosted one hundred and seventy five (175) listed equity issuers in twelve (12) diverse sectors. Of the twenty one (21) equity issuers delisted, sixteen (16) of such issuers were delisted due to their failure to file quarterly and annual financial statements as required in terms of the NSE Listing Rules and five (5) were delisted for failing to regularise their listing on the NSE, having been given time to do so.

Following the de-listings referred to above, the equity market capitalisation of the NSE amounted to approximately US\$80 801.8 million (NGN3 063 629.6 million), of which US\$75 488.8 million related to domestic equity listed on the NSE and US\$5 313.0 million related to foreign equity listed on the NSE. Eighteen (18) of the one hundred and seventy five (175) equity issuers had a US\$ denominated equity market capitalisation of greater than US\$1.0 billion, the largest being Dangote Cement Plc, listed in the Industrial sector, with an equity market capitalisation of US\$23 569.5 million (twenty nine point two (29.2)% of the equity market capitalisation).

The split of the equity market capitalisation of the NSE, in US\$ millions, between the Main Board and the Alternative Securities Market is US\$80 796.9 million and US\$4.9 million, respectively.

The equity market capitalisation of the NSE by Industry, in US\$ millions, is set out below:

Equity market capitalisation by major Industry (in US\$ millions)

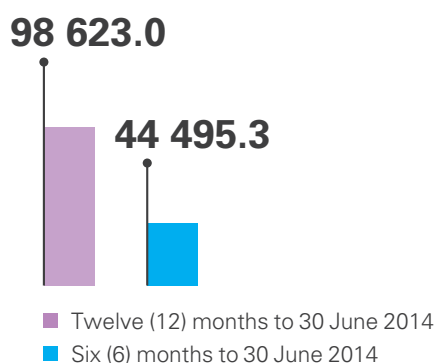


The Industrials industry has the highest equity market capitalisation and comprises of eight (8) Construction and Materials equity issuers and eighteen (18) Industrial Goods and Services equity issuers. The Industrial industry is dominated by Dangote Cement Plc which had an equity market capitalisation of US\$23 569.5 million. The Financials industry is the second largest sector and comprises twenty one (21) banking equity issuers, twenty nine (29) insurance equity issuers, three (3) real estate equity issuers and eight (8) financial services equity issuers. The three (3) largest equity issuers in the Financials industry are Guaranty Trust Bank Limited with a market capitalisation of US\$5 038.8 million, Zenith Bank Plc with a market capitalisation of US\$3 883.9 million and First Bank of Nigeria Plc (FBN Holdings) with a market capitalisation of US\$2 805.5 million.

Volumes of equity shares traded

The volumes of the equity shares traded on the NSE for the twelve (12) months to 30 June 2014 and for the six (6) months to 30 June 2014 are set out below:

Volume of equity shares traded on the NSE (in millions)



During the twelve (12) months to 30 June 2014, 98 623.0 million shares traded on the BSE out of a total of 910 255.0 million issued shares (approximately eleven (11)% of the cumulative issued shares on 30 June 2014).

During the six (6) months to 30 June 2014, 44 495.3 million shares traded on the BSE out of a total of 910 255.0 million issued shares (approximately five (5)% of the cumulative issued shares on 30 June 2014).

Nigeria offers a highly competitive tax regime for investors including zero capital gains tax and ten (10)% withholding tax on dividends

Attractiveness as a foreign listing destination

The main reasons for considering a foreign listing on the NSE are as follows:

- › Nigeria has a large and growing population of one hundred and sixty (160) million people;
- › Nigeria is attracting increasing direct investment from consumer goods and infrastructure companies;
- › Nigeria has one of the largest pools of investment capital in Africa, with approximately five (5) million registered capital market investors;
- › The NSE services the largest financial centre in Sub-Saharan Africa;
- › There are over one hundred and seventy (170) companies listed on the NSE, including several global brands in diverse sectors;
- › Nigerian CSCS, an associate company of the NSE, operates an electronic trading, clearing and settlement system thereby enabling fast and efficient trade execution and settlement;
- › Nigeria offers a highly competitive tax regime for investors including zero capital gains tax and ten (10)% withholding tax on dividends; and
- › The NSE subscribes to compliance standards that ensure listed companies conform to global best practices.

Listing authority

The current securities law that governs the Nigerian capital market is the Investment and Securities Act, 2007. Other laws, such as the Companies and Allied Matters Act, Banks and Other Financial Institutions Act, Nigeria Deposit Insurance Corporation Act as well as the Rules and Regulations of the Nigerian SEC among others, also contain provisions that impact on the capital market and need to be considered by an applicant issuer.

The Investment and Securities Act, 2007 provided for the establishment of the Nigerian SEC as the main regulatory institution of the Nigerian capital market and the principal advisor to the Nigerian government on capital market issues.

The Nigerian SEC is mandated to ensure orderly and equitable dealings in equity securities and to protect the market against insider trading abuses. The NSE supervises the operations of listed companies and also disciplines the management of companies and market operators. The Nigerian SEC has the power to review any disciplinary action taken by the NSE.

The NSE is governed by the NSE Council. The NSE Council has an upper limit of twenty five (25) members and comprises of individuals, institutions and stock broking companies. The NSE Council makes decisions on the policies of the NSE which are executed by the executive officers headed by the Director-General.



02 | Principal listing requirements and procedures

This summary relates only to the Main Board of the NSE.

The Main Board has one set of NSE Listing Rules that applies to both foreign and domestic companies, subject to certain additional requirements, modifications or exceptions.

The NSE Listing Rules provide for the following:

- › Securities of companies whose capital is not already listed on the NSE;
- › Securities of companies part of whose capital is already listed on the NSE;
- › Contents of the NSE Prospectus for companies whose capital is not listed on the NSE;
- › Contents of the NSE Prospectus for companies, part of whose capital is already listed on the NSE;
- › Takeovers and mergers;
- › Listing and contents of the NSE Prospectus for unit trusts;
- › Securities issued by statutory bodies;
- › Solid minerals companies;
- › Cross-border listings; and
- › Share buy backs.

Admission to the Main Board

A company seeking admission to the Main Board must:

- › Meet the initial listings requirements set out below;
- › Submit an application to the NSE; and
- › Appoint a NSE Dealing Member. The applicant issuer must appoint a NSE Dealing Member of the NSE to sponsor the proposed listing.

In addition to the initial listings requirements specified in the NSE Listing Rules, an applicant issuer must meet the following general requirements:

- › The applicant issuer must be a public company which will issue, or has issued, an invitation to the public to subscribe for its shares or has satisfied the NSE Council that the public is sufficiently interested in the applicant issuer to warrant a listing;
- › All securities for which a listing is sought shall first be registered with the Nigerian SEC;
- › The final NSE Prospectus for approval by the NSE must be forwarded to the NSE at least seven (7) working days before the date for the completion board meeting at which the all of the documentation for the listing is signed;
- › All applicant issuers must sign a general undertaking that they will provide promptly certain information about their operations and that they will follow certain administrative processes;

- › Where the authorised share capital of the applicant issuer is increased, the directors must state in the notice of meeting, whether or not they presently have any intention of issuing all or part thereof;
- › Subscriptions list must remain open for a maximum period of twenty eight (28) working days;
- › A maximum of ten (10)% of an offering will be allowed to be offered to staff of the applicant issuer. Such offerings must be placed in trust for the employees;
- › The applicant issuer must pay a listing fee;
- › All clauses in the Constitutional Documents that restrict the transfer of fully paid up shares must be removed;
- › The subscription monies must be deposited in a designed bank account appointed by a financial institution that engages in finding capital for established companies and the applicant issuer; and
- › Notices of annual general meetings must be advertised in at least two (2) widely read newspapers, at least twenty one (21) calendar days before the annual general meeting.

The NSE has the right to grant a listing to an applicant issuer that does not comply with all of the listing requirements or refuse a listing to an applicant issuer that does comply with all of the listings requirements, on the basis that, in the NSE's opinion, the grant or refusal of the listing is in the interest of the investing public.

Registration

An overseas applicant issuer must normally be registered under and comply with the provisions of the relevant portions of the Nigerian Companies Ordinance and the Nigerian Registrar of Companies, including, in particular, the nomination of a person authorised to represent the applicant issuer and perform the duties required by the NSE.

Only securities registered on the Nigerian register may be traded on the NSE. Where two (2) or more registers are maintained, it is not necessary for the Nigerian register to contain particulars of the shares registered on any other register.

Criteria for listing

An applicant issuer shall meet any one of the initial listings standards A, B or C as per the table below:

Criteria	Standard A	Standard B	Standard C
Registration:	Public limited company		
Operating track record:	A minimum of three (3) years’ operating track record	› A minimum of three (3) years’ operating track record; OR › Where the applicant issuer does not have three (3) years’ operating track record, the applicant issuer must provide evidence of a core investor who has a minimum of three (3) years’ operating track record.	
Operating profit:	Pre-tax profit from continuing operations of not less than US\$1.9 million (NGN300.0 million) cumulatively for the last three (3) fiscal years and a minimum of US \$0.6 million (NGN100.0 million) in two (2) of these years.	Pre-tax profit from continuing operations of not less than US\$3.7 million (NGN600.0 million) cumulatively for the last one (1) or two (2) fiscal years.	N/A

An applicant issuer shall meet any one of the initial listing standards A, B or C

Criteria	Standard A	Standard B	Standard C
Financial statements:	Nigerian SEC compliant financial statements for the last three (3) fiscal years, the most recent of which must not be more than nine (9) months old at the time of submission of the application to list.	<ul style="list-style-type: none"> › Nigerian SEC compliant financial statements for the last three (3) fiscal years, the most recent of which must not be more than nine (9) months old at the time of submission of the application to list; OR › Where the applicant issuer does not have financial statements for the last three (3) fiscal years, the applicant issuer shall provide evidence of a strong technical partner who has a minimum of three (3) years' operating track record with substantial equity and involvement in management and the financial statements for the last three (3) years of the technical partner. 	
Shareholders' equity:	Not less than US\$18.5 million (NGN3.0 billion).		Market capitalisation of US\$24.7 million (NGN4.0 billion) at the time of the listing (listing price multiplied by shareholders equity).
Lock-in provisions:	If the listing is an initial public offer, the promoters and directors must hold a minimum of fifty (50)% of their shares in the applicant issuer for a minimum period of twelve (12) months from the date of listing.		
Securities:	Must be fully paid up at the time of allotment or registration.		
Listings fees:	<ul style="list-style-type: none"> › Must provide an undertaking that these will be paid promptly; and › Based on market capitalisation. 		
Shareholder spread:	At least twenty (20)% of its securities must be held by at least three hundred (300) members of the public.		

Listing by introduction

Listing by introduction is considered appropriate in the following circumstances:

- › When the shares to be listed are already listed on another stock exchange;
- › In the case of an “in specie” distribution by the listed issuer to its own shareholders or the shareholder of another issuer;
- › Where a holding company is formed and its securities are issued and listed in exchange for those of one or more listed issuers*;
- › Schemes of arrangement*;
- › In circumstances where a foreign issuer issues securities in exchange for the securities of one or more local issuers and the listing/s of the local issuer/s is withdrawn at the same time as the foreign issuer lists on the NSE*.

** Approval by the local listed issuer’s shareholders is required*

Takeover regulations

A special resolution of the shareholders of a Nigerian listed issuer is required before a share exchange or scheme of arrangement, in terms of which the Nigerian listed issuer’s shareholders will receive shares in a foreign issuer in exchange for their shares in the Nigerian listed entities, can be implemented.

The following additional requirements must be complied with:

- › The relevant regulatory provisions (statutory and otherwise) relating to shareholder protections in the country of incorporation of the foreign issuer (“Relevant Shareholder Protections”) must be provided to the NSE and must not be lower than those prevailing in Nigeria;
- › A summary of the Relevant Shareholder Protections must be included in the listing documents distributed to the Nigerian listed issuer’s shareholders; and
- › If requested by the NSE, an independent financial advisor acceptable to the NSE must be appointed to confirm that the proposal/s are in the interests of the Nigerian listed issuer’s shareholders.

Any other requirements imposed by the NSE must be complied with in order to ensure that local investors will be afforded the same level of shareholder protection as exists in Nigeria in relation to the shares of the foreign issuer received subsequent to the implementation of the proposal/s.

Corporate governance

The NSE encourages all companies seeking a listing to comply with the Nigerian SEC Code to the extent reasonable to enhance corporate discipline, transparency and accountability within the tenets of its operations.

In terms of the general undertaking that all applicant issuers must sign before being granted a listing on the NSE, all applicant issuers undertake to adhere to any corporate governance disclosure policy requirements that may be issued by the NSE and be guided by the Nigerian SEC Code.



The Nigerian SEC Code is applicable to the following entities:

- › All public companies whose securities are listed on a recognised securities exchange, are expected to comply with the principles and provisions of the Nigerian SEC Code which should form the basis of the minimum standard of their corporate behaviour; and
- › All companies seeking to raise funds from the capital market, through the issuance of securities or seeking listing by introduction, are expected to demonstrate sufficient compliance with the principles and provisions of the Nigerian SEC Code as appropriate based on their size, circumstances or operating environment.

The Nigerian SEC Code includes the following guidance with regards to its application:

- › The Nigerian SEC Code is to be viewed and understood as a guide to facilitate sound corporate practices and behaviour;
- › The board of directors of a company is primarily responsible for ensuring compliance with or observance of the principles and provisions of the Nigerian SEC Code;
- › Shareholders, particularly institutional shareholders, are expected to familiarise themselves with the content and spirit of the Nigerian SEC Code and encourage, and when necessary, demand compliance by companies they are invested in;
- › The board of directors and its shareholders shall, in the first instance, and thereafter the Nigerian SEC, determine whether the company has complied with or observed the provisions of the Nigerian SEC Code;

- › When the Nigerian SEC determines that a company has breached the Nigerian SEC Code, it shall notify such company and specify the areas of non-compliance or non-observance and the remedial action required;
- › The Nigerian SEC issues guidelines or circulars, from time to time, to facilitate compliance with or observance of the principles and provisions of the Nigerian SEC Code;
- › Public companies are expected to indicate their level of compliance with the Nigerian SEC Code in their annual reports; and
- › When there is a conflict between the Nigerian SEC Code and the provisions of any other code in relation to a specific company covered by more than one code, the code that applies stricter provisions must be applied.

The Nigerian SEC Code provides specific guidance in the following areas:

- › The board of directors;
- › Relationship with shareholders;
- › Relationship with other stakeholders;
- › Risk management and audit;
- › Accountability and reporting;
- › Communication; and
- › Code of ethics.



Minimum issue price

There is no minimum issue price.

Trading and transferability

All of the securities to be listed must be freely transferable.

Listing particulars

An issuer applying for a listing of its securities on the Main Board must publish a NSE Prospectus. The NSE Prospectus must be registered with the Nigerian SEC.

Sponsors and authorised representatives

In order to list on the NSE the applicant issuer must be sponsored by a NSE Dealing Member.

Foreign issuers

The NSE may refuse a listing of securities of a foreign issuer if:

- › It believes that it is not in the public interest to list them; or
- › If the foreign issuer is incorporated or otherwise established in a jurisdiction where the NSE is not satisfied that the standards of shareholder protection are at least equivalent to those provided in Nigeria. However, the applicant issuer's Constitutional Documents may be varied to provide standards of shareholder protection equivalent to those provided in Nigeria.

An applicant issuer applying for a primary listing on another exchange must be listed on that stock exchange before a listing on the NSE can be granted.

A register of holders of registered securities must be maintained in Nigeria and transfers must be registered locally.

If the listing involves a marketing of the securities for which listing is being sought, then securities with an expected market capitalisation of at least US\$173 186.9 (NGN28.0 million), or equivalent, must be offered in Nigeria.



Share buy backs

Subsequent to listing, an issuer may repurchase or otherwise acquire admitted securities previously issued by it, in accordance with the Rules and Regulations of the Nigerian SEC, provided that:

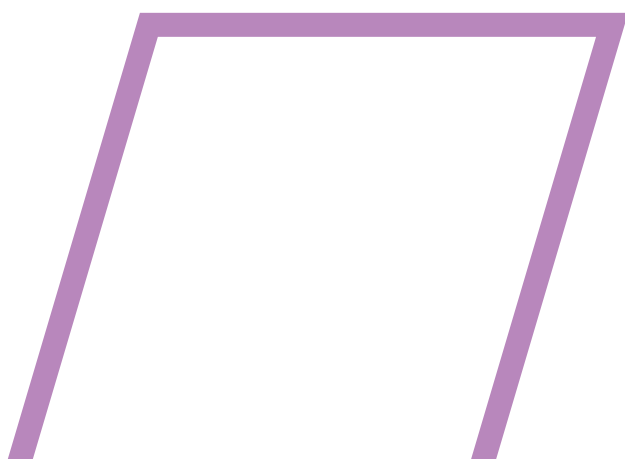
- › The issuer is authorised to do so in its Constitutional Documents;
- › Not more than fifteen (15)% of an issuer's issued shares may be acquired;
- › An explanatory statement must be sent to shareholders containing all the information reasonably necessary to enable shareholders to make an informed decision as to whether to vote for or against the ordinary resolution to approve the purchase, including the following:
 - » A statement of the total number and description of the shares the issuer proposes to purchase;
 - » A statement by the directors as to the proposed source of funds for making the proposed purchase (funds must be out of profits or the proceeds of a fresh issue, made for the purpose of the purchase);
 - » A statement as to any material adverse impact on the working capital or gearing position of the issuer, in comparison to the position disclosed in the issuer's most recent published audited accounts or an appropriate negative statement;
 - » A statement of the names of the directors and their associates, who have a present intention to sell shares to the issuer if the resolution is approved by shareholders or an appropriate negative statement;
- » A statement as to the consequences of any purchases which may arise under the takeover rules set out in Part XII of the Investments and Securities Act, 2007; and
- » No purchases of its own shares shall be undertaken by an issuer within fifteen (15) calendar days prior to the publication of its annual or interim results.
- › The directors of the issuer may approve a decision to purchase a range of shares over a period of not exceeding two (2) years at a board meeting. Such a decision will be subject to shareholder approval in general meeting and must be communicated to the NSE on the day of the board meeting;
- › An issuer that has purchased its own securities may not issue securities of the same class in any manner, whether by way of public issue, rights issue or bonus issue, for a period of one (1) year from the date of completion of the repurchase;
- › Repurchased shares must be cancelled by the issuer within ten (10) working days of the last date of completion of the repurchase and the NSE must be notified of the completion of the buyback programme; and
- › The issuer must maintain a register of the securities which have been cancelled.



03 | Listing process

Set out below is an overview of the key steps in the listing process:

Step	Process
1 Preparation	<ul style="list-style-type: none"> › Meetings with and appointment of advisors to the listing; › Undertaking a valuation and due diligence, to the extent necessary; › Entering into discussions with the Nigerian SEC and NSE; and › Preparation of the NSE Prospectus and other application documents.
2 Application for listing and market preparation	<ul style="list-style-type: none"> › Filing the listing application with the NSE and the Nigerian SEC; and › Preliminary discussions with qualified institutions.
3 Offering (relevant for IPO's)	<ul style="list-style-type: none"> › Receiving Nigerian SEC approval to hold the completion board meeting; › Convening of completion board meeting at which all documentation, including the NSE Prospectus, are signed. › Printing of NSE Prospectus; › Filing of executed documentation with the Nigerian SEC and obtaining approval for the opening of the offer; › Opening of the offer; and › Closing of the offer.
4 Allotment and listing	<ul style="list-style-type: none"> › Preparation of allotment proposal; › Obtaining Nigerian SEC approval of the allotment; › Remitting offer proceeds to the applicant issuer; › Returning of excess applications; and › Listing of the shares on the NSE and commencement of trading.
5 Post listing	<ul style="list-style-type: none"> › Compliance, <i>inter alia</i>, with the continuing obligations of the Nigerian SEC rules and the post listing requirements of the NSE.



04 | Contents of NSE Prospectus for a new listing (in respect of whose securities are not listed on the NSE)

The following information must be included in the NSE Prospectus where a listing is sought in respect of the securities of a company, no part of whose capital is already listed on the NSE:

- › The full name of the company;
- › A statement that an application has been made to the NSE Council for the securities to be admitted to the Main Board of the NSE;
- › In the case of a NSE Prospectus advertised in the press and accompanied by a form of application:
 - » The full names, address and description of every director and, if required by NSE Council, particulars of:
 - Any former fore names and surnames;
 - Nationality, if not Nigerian; and
 - Nationality of origin if present nationality is not the nationality of origin.
 - » The full names and professional qualification of the company secretary and situation of the registered office and transfer office (if different);
 - » The names and addresses of the advisors and other parties to the issue; and
 - » In circumstances where the authorised capital is increased and any of the voting capital will remain unissued, a statement that no issue will be made which will effectively alter the control of the company, without the prior approval of shareholders in general meeting.
- › The authorised, issued and un-issued share capital, together with the amount paid-up and a description and the nominal value of the shares:
 - » The authorised loan capital of the company and any of its subsidiaries, the amount issued and outstanding or agreed to be issued, or, if no loan capital is outstanding, a statement to that effect; and
 - » Particulars of any bank overdrafts, guarantees and similar commitments of the company and any of its subsidiaries, if there are no such commitments, a statement to that effect.
- › If the application is in respect of shares:
 - » The voting rights of shareholders; and
 - » If there is more than one (1) class of shares, the rights of each class of shares as regards voting, dividend, capital, redemption and the creation or issue of further shares ranking in priority or *pari-passu* with each class other than ordinary shares.
- › The provisions, or a reasonable summary, of the Constitutional Documents with regard to:
 - » Any power enabling the directors, in the absence of an independent quorum, to vote remuneration to themselves or any member of their body;
 - » The borrowing powers exercisable by the directors and how such borrowing powers can be exercised;
 - » Retirement or non-retirement of directors under an age limit;
 - » Issue of new and unissued shares; and
 - » Any restriction on the transfer of fully paid shares.
- › The date of incorporation and the authority under which the company was incorporated;
 - » A statement of the history of changes to the share capital during the two (2) years preceding the publication of the NSE Prospectus; and
 - » The names of the holders of any substantial (five (5)%) or controlling beneficial interest in the capital of the company and the amount of their holdings.
- › The general nature of the business of the company or group and the relative importance of each activity where there is more than one (1);
- › The situation, area and tenure of the company's principal landed properties distinguishing between various types of use;
- › Particulars of any mortgages, charges, hire purchase commitments or guarantees or other material contingent liabilities of the company and any of its subsidiaries or if there are no such liabilities, a statement to that effect;

- › A statement as to the financial and trading prospects of the company, together with any relevant material information including special trade factors or risks;
- › A statement by the directors that in their opinion, the working capital available is sufficient, or if not, how will the additional working capital be provided;
- › If the company or any of its subsidiaries, subsequent to the last date that the financial results of the company have been audited, acquires a business or other assets or shares which will result in the acquisition being treated as a subsidiary company, a report from a qualified Independent Accountant who shall be named in the NSE Prospectus must contain the following:
 - » Disclosure of the profits or losses of the acquisition or proposed acquisition for each of the three (3) completed years immediately preceding the publication of the NSE Prospectus or in respect of each year since the commencement of the business. Where the date of the most recent financial information is more than three (3) months before the publication of the NSE Prospectus, a statement that no accounts have been made up since that date;
 - » With respect to the assets and liabilities of the business or subsidiary, all other matters which the Independent Accountant considers to be relevant; and
 - » Any adjustments which the Independent Accountant consider to be appropriate for the purpose of the NSE Prospectus.
- › The same information as for an acquisition above shall be included in the NSE Prospectus in the event of a disposal;
- › A statement of persons holding five (5)% or more of the share capital of the company and the amounts of such holdings;
- › Particulars of the interests of each director (including his spouse and children under the age of twenty one (21)); trusts in which the director or his spouse is a settlor, (a person tasked with settling property on trust law for the benefit of beneficiaries), or a trustee and in which the director or his spouse or such children are beneficiaries or discretionary objects and companies known to him to be controlled by him and/or spouse and/or such children and/or the trustees of any such trusts as previously mentioned in their capacity as such trustees);
- › Details of any capital of the company or its subsidiaries which has been issued or is proposed to be issued for cash, since the group's last published audited accounts, and the terms of such issue;
- › Details of any capital of the company or its subsidiaries which is under option or agreed conditionally or unconditionally to be put under option and the terms of such option;
- › The costs or estimated costs of the issue and the application for listing and by whom such costs are payable;
- › Particulars of any commissions, discounts, brokerage or other special terms granted in connection with the issue or sale of any capital of the company or of any of its subsidiaries since the date of the last published audited accounts of the group;
- › Details of all contracts of service of any director of the company or any subsidiary and, where applicable, a statement to the effect that:
 - » There are no such contracts; and
 - » All such contracts are available for inspection and that none of the contracts was entered into or varied after the date of the notice convening the last annual general meeting;
- › Particulars of any interests of directors, direct or indirect, in any assets which have been acquired, disposed of or leased to the company or any of its subsidiaries since the date of the last published audited accounts of the group, including:
 - » The consideration to or from the company or any of its subsidiaries; and
 - » Brief particulars of all transactions relating to any such assets which have taken place since such date;
- › Where relevant, when a statement that capital transfer tax indemnities has not been given, the inclusion of a statement that the directors have been advised that no material liability for capital transfer tax would be likely to be incurred by the company or any subsidiaries;
- › Where the NSE Prospectus includes a statement from an expert, a statement by such expert that the expert has given and has not withdrawn his written consent to the issue of the NSE Prospectus including the statement included in the form and context in which it appears;
- › The dates and parties to all material contracts entered into within the two (2) years preceding the NSE Prospectus together with a description of their general nature and details of any consideration passing to or from the company; and
- › Details of documents lying open for inspection in Nigeria for a period of at least fourteen (14) days.

05 | Continuing obligations

Issuers are subject to certain specific continuing obligations and financial reporting requirements.

General disclosures

An issuer must immediately notify the Director-General of the NSE of any the following:

- › Any announcement of dividends, changes in capital structure or any other moves that could affect the price of the company's shares on the market;
- › Any change to the directorate of the company;
- › Any proposed alteration of the Constitutional Documents of the company;
- › Any proposed change in the general character or nature of the business of the company or of the group;
- › Any change in voting control or in beneficial ownership of the securities carrying voting control;
- › Any extension of time granted for the currency of temporary documents;
- › Any information necessary to enable shareholders to appraise the position of the company and to avoid the establishment of a false market in the shares of the company;
- › The date and time when the board is to meet to discuss dividends (at least fourteen (14) days in advance); and
- › To deliver to the NSE for vetting and approval, two (2) copies of proofs of all circulars and notices to shareholders, together with accompanying documents.

06 | Related party transactions

A related party transaction includes the following:

- › The provision or receipt of financial assistance; or
- › Acquisition, disposal or leasing of assets; or
- › The provision or receipt of services; or
- › The issuance or subscription of securities; or
- › The granting of or being granted options; and
- › The establishment of joint ventures or joint investments.

An interested person transaction with a value of five (5)% or more of the group's latest audited net tangible assets must be immediately announced by way of disclosure in the accounts and formal disclosure to the NSE.

Where the aggregate value of all transactions entered into with the same interested person during

the same financial year amounts to five (5)% or more of the group's latest audited net tangible assets, the issuer shall immediately make an announcement of the latest transaction and all proposed transactions to be entered into with that same interested person during that financial year.

An issuer shall obtain the approval of shareholders or any interested person transaction of a value equal to, or more than:

- › Five (5)% of the issuer or its group's latest audited net tangible assets; or
- › Five (5)% of the issuer or its group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year; or
- › Five (5)% of the issued share capital.

07 | Continuing obligations of a financial nature

Copies of all quarterly reports and forecasts, bi-annual and annual reports and accounts must be delivered to the NSE for vetting and approval at least fourteen (14) days before their despatch or publication.

The company must supply the published accounts of the company and either consolidated group accounts, or the accounts of each subsidiary, at least twenty one (21) days prior to the date of the annual general meeting of the company and not later than six (6) months after the relevant financial year end.

The issuer must prepare interim reports, such as first quarter, half year and nine-month accounts, approved by the directors and which must be sent to shareholders or inserted as a paid advertisement in two (2) leading newspapers, not later than six (6) weeks after the relevant period.

In terms of the Investments and Securities Act, 2007, a listed public company shall, within twenty (20) working days prior to the commencement of a quarter, disclose to the NSE its quarterly earnings forecast.

08 | Continuing obligations of international issuers

The NSE Listing Rules apply equally to listed foreign companies and to local companies, subject to additional requirements, modifications or exceptions set out in the Cross Border Listing section of the NSE Listings Rules or permitted by the NSE.

09 | Fees

Annual listing fees for equities are determined based on the market capitalisation of the issuer, subject to a maximum of US\$25 978 (NGN4.2 million) for the Main Board.



10 | Nigerian CSCS

Nigerian CSCS is an associate company to the NSE and operates a computerised depository, clearing settlement and delivery system for transactions in shares listed on the NSE.

Nigerian CSCS facilitates the delivery (transfer of shares from seller to buyer) and settlement (payment of bought shares) of securities transacted on the floors of the NSE. It enables stocks to be processed in an electronic book-entry form thereby substantially reducing the period it takes a transaction to commence and end.

The Nigerian CSCS system operates on a T+3 settlement cycle for transactions on the NSE floors in conformity with the practice in emerging markets. The T+3 settlement circle is facilitated by the immobilisation of share certificates in a central location, which in turn enables trades to be processed in an electronic book-entry form. In effect, physical delivery of share certificates to fulfil settlement obligations has been replaced by electronic credits and debits to shareholders stock positions.

The Nigerian CSCS system
operates on a T+3 settlement
cycle for transactions on the
NSE floors



South Africa

Opportunities

- › Immense scope for wind and solar power generation, through institutional factors need to be addressed;
- › Growing trade and investment benefits from joining the BRIC (Brazil, Russia, India, and China) grouping;
- › Growing middle class offering opportunities for the development of retail, entertainment and tourism sectors; and
- › Geographic location offers a gateway to African investment.

Strengths

- › Well-developed banking and financial sector – remained healthy throughout global financial crisis;
- › Well-managed fiscal and monetary policy over the past decade, albeit influenced by populist tendencies;
- › Large group of mega corporates, supporting fiscal revenues, while the country is not dependent on foreign aid; and
- › Diverse economy, with exports slowly moving away from minerals.

Weaknesses

- › Rising social unrest and political tension as government fails to live up to their voters' expectations;
- › Low economic growth is not keeping pace with employment creation and poverty reduction needs;
- › Water and electricity supply under increasing pressure;
- › The ZAR is very volatile; and
- › The export-orientated mining and manufacturing sectors are challenged by an unpredictable exchange rate.





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01 | Overview of the JSE

Introduction

The JSE (previously the JSE Securities Exchange and the Johannesburg Stock Exchange) was established in 1887 and demutualised and listed on its own exchange in 2005. The JSE is regulated by the South African FSB.

The JSE currently operates two (2) equity markets:

- The Main Board; and
- The AltX, for small and mid-sized issuers.

In addition to the equity markets described above, the JSE offers four (4) other financial markets, namely, bonds and financial, commodity and interest rate derivatives.

The JSE is currently ranked the nineteenth (19th) largest stock exchange in the world by market capitalisation and is the largest exchange on the African continent. The JSE has been a member of the World Federation of Exchanges since 1963.

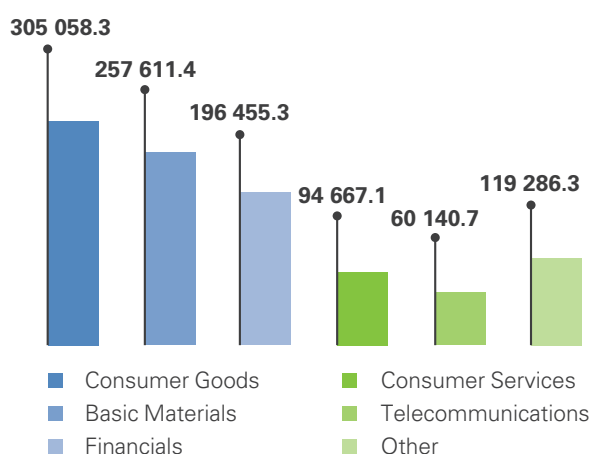
An exchange rate of US\$1 = ZAR10.6344 on 30 June 2014 has been used throughout this section.

Equity market capitalisation of the JSE

As at the date of the publication, there were three hundred and forty four (344) equity issuers listed on the JSE. The equity market capitalisation of the JSE on 30 June 2014 amounted to US\$1 033 209.0 million, of which US\$620 290.5 million related to domestic equity listed on the JSE and US\$412 215.4 million related to foreign equity listed on the JSE. British American Tobacco Plc on the Main Board, in the Consumer Goods industry, is the largest equity issuer listed on the JSE with an equity market capitalisation of US\$120 860.60 million.

The market capitalisation of the JSE by Industry, in US\$ millions, is set out below:

Equity market Capitalisation by Industry (in US\$ millions)



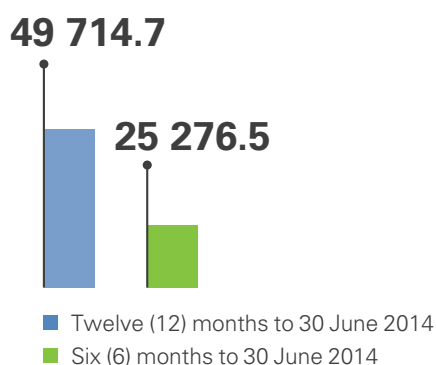
The Consumer Goods industry has the highest equity market capitalisation of US\$305 058.3 million, which comprises of twenty seven (27) equity issuers, of which twenty two (22) are on the Main Board and five (5) are on the AltX. The second largest industry by equity market capitalisation, amounting to US\$257 611.4 million, is the Basic Materials industry which comprises sixty nine (69) equity issuers, of which sixty three (63) are on the Main Board and six (6) are on the AltX.

There are ninety six (96) equity issuers which have an equity market capitalisation greater than US\$1.0 billion.

Volumes of equity shares traded

The volumes of the equity shares traded on the JSE for the twelve (12) months to 30 June 2014 and for the six (6) months to 30 June 2014 are set out below:

Volume of equity shares traded on the JSE (in millions)



During the twelve (12) month period to 30 June 2014, 49 714.7 million shares traded on the JSE out of a total of 191 164.3 million issued shares (approximately twenty six (26)% of the cumulative issued shares on 30 June 2014).

During the six (6) months to 30 June 2014, 25 276.5 million shares traded on the JSE out of a total of 191 164.3 million issued shares (approximately thirteen (13)% of the cumulative issued shares on 30 June 2014).

Attractiveness as a foreign listing destination

Considerations when listing on the JSE are as follows:

- › South Africa has mature capital markets that serve the domestic economy and the wider African continent;
- › South Africa is currently ranked first (1st) in the world in terms of regulation of securities exchanges in the World Economic Forum's Global Competitiveness Survey for 2013-2014;
- › In 2011, a decision to alter South Africa's inward listing rules was made, allowing foreign domiciled companies to be treated as domestic listings. While foreign firms had been allowed to list on the JSE since 2004, they were previously subject to foreign exchange rules, which limited the amount of these equities that local investors could hold;
- › Applicant issuers applying for a listing on the JSE need to consider the relevant exchange control legislation, more details of which are provided in the "criteria for listing" section below;
- › The JSE offers secure and efficient primary and secondary capital markets across a diverse range of instruments, supported by cost-effective services;
- › The South African interest rate market is the largest on the continent;
- › In July 2013, the JSE implemented a new trading platform, the Millennium Exchange, in the equity market. At the same time, the trading system was moved from London to Johannesburg. As a result, trades can now be executed up to four hundred (400) times faster than under the previous TradElect system resulting in increased liquidity and more algorithmic traders; and
- › South African companies, as well as companies investing in South Africa, need to consider the requirements of the Broad-Based Black Economic Empowerment Act, the objective of which is to facilitate broad-based economic empowerment by using the South African government's economic and regulatory influence to increase participation by black people in the South African economy. Black economic empowerment credentials are taken into consideration, inter alia, in the following instances:
 - » When obtaining trading rights, licences and concessions;
 - » When entering into public-private partnerships; and
 - » When determining qualification criteria for the disposal of state-owned assets.

Listing authority

- › The regulatory framework that governs the JSE comprises of the South African FMA, the JSE Rules and Directives and the Financial Intelligence Centre Act, 2001;
- › The South African FSB, established by the government of South Africa as its financial regulatory agency, is responsible for the non-banking financial services industry in South Africa. It is an independent body that supervises and regulates the financial services industry, including the regulation of the JSE, in the interests of the public;
- › On Friday, 11 July 2014, the South African FSB issued a directive and guideline relating to companies trading in their own securities. The directive is effective immediately and requires all companies that facilitate over-the-counter trading in their shares to register themselves as an "exchange" in terms of the South African FMA. The directive seeks to regulate unlicensed exchanges in the interests of fair, efficient and transparent markets.
- › In terms of the South African FMA, a person who acts as an exchange, without being licensed, is liable on conviction to a fine, not exceeding ZAR10.0 million or to imprisonment for a period not exceeding five (5) years, or both;
- › The JSE Board is the competent authority responsible for:
 - » The list of the securities which may be dealt in on the JSE;
 - » Applications by applicant issuers for the listing of securities on the JSE; and
 - » The annual revision of the list.
- › The JSE Board has delegated its authority in relation to the JSE Listings Requirements, excluding the termination of listings at the instance of the JSE (which authority has been delegated to the JSE's executive committee), to the management of the Issuer Regulation Division of the JSE;

- › The JSE Listings Requirements fall into two (2) categories, namely, the general principles and the main body. The JSE may apply the spirit of the general principles and the main body to areas or circumstances not expressly covered in the JSE Listings Requirements;
- › The JSE has the discretion to modify the application of a requirement contained in the main body in exceptional circumstances, for example, when the JSE considers that the strict application of the requirement would conflict with the general principles;
- › Subject to the provisions of the South African FMA, the JSE has the power to:
 - » Grant, review, suspend or terminate a listing of securities;
 - » To prescribe, from time to time, the JSE Listings Requirements with which a new applicant must comply, before being granted a listing;
 - » To prescribe, from time to time, the JSE Listings Requirements with which existing applicants must comply;
 - » To prescribe, from time to time, the JSE Listings Requirements with which an issuer's directors must comply, while such issuer remains listed on the JSE;
 - » To suspend, alter or rescind a JSE Listings Requirement before or after a listing has been granted and to prescribe additional JSE Listings Requirements from time to time;
 - » To prescribe the circumstances under which a listing of securities shall or may be suspended or terminated; and
 - » To prescribe, from time to time, the JSE Listings Requirements with which sponsors, designated advisors, auditors, IFRS advisors, reporting accountants and reporting accountant specialists must comply.

General principles of the JSE

The general principles of the JSE include the following:

- › Provide a market to raise primary capital and to trade securities in the secondary market;
- › To ensure that only appropriate securities are listed;
- › To ensure that full, equal and timely public disclosure is made to all holders of securities and the general public regarding activities of an issuer that are price sensitive;
- › Provision of full information and ability to consider and vote on any of the following:
 - » Substantial changes in an issuer's business operations; and
 - » Matters affecting the issuer's MOI or the rights of shareholders;
- › High standards of care are taken in the dissemination of information into the market place;
- › All shareholders of the same class are treated fairly and equally; and
- › The JSE Listings Requirements promote investor confidence in standards of disclosure and corporate governance.



02 | Principal listing requirements and procedures

The information presented below relates to the Main Board of the JSE.

The Main Board has one (1) set of listing rules that applies to both foreign and domestic and primary and secondary listings, subject to certain additional requirements, modifications or exceptions.

The Main Board has alternative listing and continuing obligations requirements for mineral, pyramid and property companies, investment entities and specialist securities. In addition, the JSE has separate debt listing requirements.

On 1 September 2014, the JSE issued global changes to the JSE Listings Requirements. The effective date of the JSE Amendments is 30 September 2014. The JSE Amendments are highlighted in red in the information presented below.

Admission to the Main Board

Applications for listing are granted subject to compliance by applicant issuers and their directors with the JSE Listings Requirements. The JSE may grant a listing subject to any additional condition/s

that it considers to be appropriate and the applicant issuer will be required to comply with such additional condition/s.

Registration

- › The applicant issuer must be a public company, duly incorporated or established under the law of the country of incorporation or establishment, and must be operating in conformity with its MOI or Constitutional Documents, if not South African, and all laws of its country of incorporation or establishment;
- › All issuers are required to maintain a transfer office or a receiving and certification office, with respect to the certificated environment,

and be approved by Strate and comply with the Central Securities Depository Rules, with respect to the dematerialised environment; and

- › A foreign applicant issuer applying for a dual listing on the JSE, either as a primary or secondary listing, must obtain a legal opinion as to whether the applicant issuer is required to be registered as an external company in terms of the South African Act.



Criteria for listing

An applicant issuer seeking a listing on the Main Board of the JSE must satisfy the following criteria for listing:

Description	Current to 30 September 2014	JSE Amendments
Subscribed capital	US\$2.4 million (ZAR25.0 million) (including reserves but excluding minority interests and revaluations of assets and intangible assets that are not supported by an independent valuation in the last six (6) months prior to listing).	US\$4.7 million (ZAR50.0 million) (including reserves but excluding minority interests and revaluations of assets and intangible assets that are not supported by an independent valuation in the last six (6) months prior to listing).
Issued share capital	Twenty five (25) million equity shares.	Twenty five (25) million equity shares.
Track record	<ul style="list-style-type: none"> › Audited profit history for the preceding three (3) financial years, the last of which reported an audited profit (before tax and after taking into account of the headline earnings adjustments on a pre-tax basis) of at least US\$0.8 million (ZAR8.0 million); and › The JSE may, in its absolute discretion, list a company which is in its developmental stage and which does not have the required profit history. In such instances, the applicant must have, prior to listing, a subscribed capital (including reserves but excluding minority interests and revaluations of assets and intangible assets that are not supported by an independent valuation in the last six (6) months prior to listing) of at least US\$47.0 million (ZAR500.0 million) and must have been in existence for at least twelve (12) months. 	<ul style="list-style-type: none"> › Audited profit history for the preceding three (3) financial years, the last of which reported an audited profit (before tax and after taking into account of the headline earnings adjustments on a pre-tax basis) of at least US\$1.4 million (ZAR15.0 million); or › Must have a subscribed capital (including reserves but excluding minority interests and revaluations of assets and intangible assets that are not supported by an independent valuation in the last six (6) months prior to listing) of at least US\$47.0 million (ZAR500.0 million); or › The JSE may, in its absolute discretion, list a company which is in its developmental stage and which does not have the required profit history. In such instances, the applicant must have, prior to listing, subscribed capital (including reserves but excluding minority interests and revaluations of assets and intangible assets that are not supported by an independent valuation in the last six (6) months prior to listing) of at least US\$47.0 million (ZAR500.0 million) and must have been in existence for at least twelve (12) months.
Main activity	The applicant issuer must carry on as its main activity (by itself or through a subsidiary), an independent business (with the profit history mentioned above) which gives it control (fifty (50)% plus one (1)) over the majority of its assets for the preceding three (3) financial years.	<ul style="list-style-type: none"> › The applicant issuer must carry on as its main activity (by itself or through a subsidiary), an independent business (with a profit history mentioned above) which gives it control (fifty (50)% plus one (1)) over the majority of its assets for the preceding three (3) financial years; or › Must have a reasonable spread of direct interests in the majority of its assets and the right to actively participate in the management of such assets, whether by voting or through other rights which give it influence in the decisions relating to the assets for the preceding three (3) financial years.

Description	Current to 30 September 2014	JSE Amendments
Public shareholders	<p>Twenty (20)% of each class of equity securities, with:</p> <ul style="list-style-type: none"> › Three hundred (300) public holders of equity securities; › Fifty (50) public holders of preference shares (if applicable); and › Twenty five (25) public holders of debentures (if applicable). <p>Foreign applicant issuers must refer to the criteria for a secondary listing set out below.</p>	Twenty (20)% of each class of equity securities.

Report of Historical Financial Information

A report of historical financial information must be prepared in respect of an applicant issuer and on the subject of any substantial acquisition or disposal (measured against the anticipated market capitalisation of the new applicant at the date of listing). In terms of the current JSE Listings Requirements, a report of historical financial information is also required on the subject of any substantial acquisition or disposal (measured against the anticipated market capitalisation of the new applicant at the date of listing) proposed to be made by the applicant issuer, however, **in terms of the JSE Amendments this requirement has been repealed.**

In terms of the current JSE Listings Requirements, the JSE regards “substantial” as being equal to or exceeding thirty (30)% **(in terms of the JSE Amendments, “substantial” is viewed as being equal to or exceeding fifty (50)%).**

The report of historical financial information must be prepared in accordance with International Financial Reporting Standards and the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The report of historical financial information must be presented in consolidated form in respect of a period of at least three (3) years up to and including the financial year immediately preceding the issue of the JSE PLS or Prospectus.

If more than nine (9) months have elapsed since the end of the most recent financial year, reviewed interim financial information is to be prepared in accordance with IAS 34. **In terms of the JSE Amendments comparative results do not need to be shown for the purposes of this reviewed interim financial information.**

If more than twelve (12) months **(fifteen (15) months in terms of the JSE Amendments)** have passed since the period for which audited annual financial statements were prepared and issued, then audited annual financial statements must be prepared for the latest financial year ended and included in the JSE PLS or Prospectus.

The JSE Listings Requirements currently requires additional information to be presented in the report of historical financial information relating to the following:

- › Any major change in the nature or policy relating to the use of property, plant and equipment;
- › Details of material loans receivable;
- › Details of loans made to or security furnished to directors;
- › Details of any material borrowings;
- › Details relating to any issues of shares and/or convertible securities;
- › Details of employee share schemes;
- › Details relating to subsidiaries;
- › The applicant issuer’s share of net profits or losses of subsidiaries, joint ventures, partnerships and associates;
- › Particulars of directors’ remuneration;
- › Net asset value and net tangible asset value per share;
- › Earnings, diluted earnings, headline earnings and dividends per share;
- › Any material change in the nature of the business of the issuer or the group;
- › Any material post balance sheet events; and
- › Commentary by the directors, incorporating a general review of the business and operations of the applicant issuer undertaking that this is the subject of the transaction, during the period under review (“Directors Commentary”).

In terms of the JSE Amendments, only Directors Commentary and earnings, diluted earnings, headline earnings, diluted headline earnings, net asset value, net tangible asset value and dividends per share, in cents, must be provided.

Pro forma financial information

If an applicant issuer includes pro forma financial information in its JSE PLS or Prospectus, such pro forma financial information must comply with the requirements set out in the JSE Listings Requirements.

Profit forecasts

If an applicant issuer includes a profit forecast in its JSE PLS or Prospectus, then such profit forecast must comply with the requirements set out in the JSE Listings Requirements.

JSE Report

- › A JSE Report is required, inter alia, in respect of a report of historical financial information;
- › The JSE Report must express the following opinion/s on the report of historical financial information:
 - » An audit opinion on the financial information relating to the financial year immediately preceding the issue of the JSE PLS or Prospectus;
 - » Either an audit or a review opinion on financial information relating to the two (2) years prior to the most recent financial year; and
 - » A review opinion on the interim financial information.
- › The reporting accountant must be accredited as a reporting accountant on the JSE list of Auditors and their advisors and must be independent of the applicant issuer;
- › A JSE Report on pro forma financial information presented in a JSE PLS or Prospectus must be prepared and must provide an opinion as to whether the pro forma financial information has been compiled on the basis required by the JSE Listings Requirements;
- › A JSE Report on forecast information presented in a JSE PLS or Prospectus must be prepared and must provide an opinion as to whether:
 - » The assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecasts;
 - » Whether the forecast has been properly compiled on the basis stated;
 - » Whether the forecast has been properly presented and all material assumptions are adequately disclosed; and
 - » Whether the profit forecast is presented on a basis consistent with the accounting policies of the applicant issuer or its group.

Secondary listed issuers

- › In circumstances where the financial information of an issuer seeking a secondary listing on the JSE has not been prepared in accordance with IFRS, the JSE may, for purposes of the JSE PLS or

Prospectus, accept financial information prepared in accordance with the following frameworks:

- » IFRS;
- » IFRS as adopted by the European Union;
- » United Kingdom GAAP;
- » United States GAAP;
- » Australian GAAP; and
- » Canadian GAAP.
- › Provided such financial information:
 - » Was published after the applicant issuer was granted a listing on the exchange where it has its primary listing and in accordance with that exchange's listings requirements;
 - » The extracts are in compliance with IAS 34; and
 - » The JSE PLS or Prospectus contains full details of the applicant issuer's accounting policies.
- › The applicant issuer must, via its sponsor, obtain a formal ruling from the JSE on the exact presentation of the financial information in the JSE PLS or Prospectus; and
- › The JSE may allow foreign applicant issuers to modify the relevant Part I and Part II Documents where full compliance will be in conflict with the requirements of the exchange where it has its primary listing or the dual listing and listings by external companies JSE Listings Requirements.

Directors and Company Secretary

The following criteria applies to directors and the company secretary of the applicant issuer:

- › The directors and senior management of the applicant issuer must (collectively), have appropriate expertise and experience for the governance and management of the business of the applicant issuer;
- › The applicant issuer must appoint an executive financial director and the audit committee must satisfy itself to the appropriateness of the expertise and experience of such executive financial director;
- › Such executive financial director must be appointed on a full time basis. The JSE may at its discretion, when requested to do so by the issuer and due to the existence of special circumstances, allow the financial director to be appointed on a part time basis only;
- › The applicant issuer must appoint a company secretary and the board must satisfy itself as to the competence, qualifications and experience of the company secretary; and
- › The applicant issuer must appoint a chief executive officer and chairman and these two (2) roles must not be held by the same person. The chairman must either be an independent director or the applicant issuer must appoint a lead independent director.

Status of securities

- › Securities issued must be in compliance with the law of the applicant issuer's country of incorporation/establishment and the applicant issuer's MOI or Constitutional Documents, if not South African; and
- › Where the applicant issuer already has securities listed on another exchange (other than the JSE) and is seeking a listing on the JSE, the issue of securities must be in compliance with the requirements of the other exchange and law of that country.

Trading and transferability

All securities to be listed must be fully paid up and freely transferable, unless otherwise provided by statute.

Corporate governance

The JSE Listings Requirements specify the mandatory principles, which applicant issuers must comply with and requirements with regards to the non-mandatory principles of corporate governance set out in the King Code.

There are no specific corporate governance requirements for secondary listings on the JSE.

Mandatory principles

The mandatory principles of corporate governance are as follows:

Principle	Description
Board appointment:	<ul style="list-style-type: none"> › Must be a policy detailing the procedures for board appointment; and › Appointments must be formal and transparent and where appropriate, assisted by the nomination committee (if required).
Nomination committee:	<ul style="list-style-type: none"> › If a nomination committee is appointed, the membership thereof must comprise only of non-executive directors, of which majority must be independent; and › The chairman of the board or the lead independent director must also be the chairman of the nomination committee.
Balance of power:	<ul style="list-style-type: none"> › A policy must be put in place to ensure a clear balance of power and authority amongst the members of the board.
CEO and chairman:	<ul style="list-style-type: none"> › Refer to the paragraph dealing with Directors and Company Secretary above;
Audit committee:	<ul style="list-style-type: none"> › Must have an audit committee appointed; › Must comprise of at least three (3) non-executive directors, of which all must be independent; and › The independent chairman of the board may be a member of the audit committee, subject to the following: <ul style="list-style-type: none"> » All other members are independent (at least two (2)); » The board chairman may not be the chairman of the audit committee; » The dual role must be disclosed to shareholders and approved by shareholders at the AGM.
Remuneration committee:	<ul style="list-style-type: none"> › Must appoint a remuneration committee; › Must comprise of a majority of non-executive directors of which majority must be independent; and › The chairman of the board may be a member of the remuneration committee, but may not be the chairman of the remuneration committee.

Principle	Description
Risk and nomination committee:	<ul style="list-style-type: none"> › Where appropriate, given the nature of the business, a risk and nomination committee must be appointed; › The risk committee must have a minimum of three (3) members, which should include both executive and non-executive directors; and › The chairman of the board may be a member of the risk committee, but may not be the chairman of the risk committee.
Election and re-election of directors:	<ul style="list-style-type: none"> › A brief CV for each director and for each director standing for election or re-election must accompany the notice of meeting.
Director classification:	<ul style="list-style-type: none"> › The capacity of directors, as it relates to executive, non-executive and independent, must be categorised.
Full time financial director and audit committee consideration:	<ul style="list-style-type: none"> › Refer to the paragraph dealing with Directors and Company Secretary above;
Company secretary:	<ul style="list-style-type: none"> › Refer to the paragraph dealing with Directors and Company Secretary above;

Non-mandatory principles

The JSE will expect issuers, in accordance with the King Committee recommendations, to:

- › Address all the principles as set out in the King Code, which currently covers seventy five (75) principles;
- › Disclose how each and every principle has been applied or explain why or to what extent they were not applied;
- › Document the assessment of the seventy five (75) principles in the form of a register which must be made available on the website of the issuer (the “Register”); and
- › Review the Register on a regular basis to ensure that the disclosures are current and remain relevant.

The King Code applies to “all entities regardless of the manner and form of incorporation or establishment and whether in the public, private or non-profit sectors. The King Code has opted for the

more flexible “apply” or “explain” approach to its principles and recommended practices in terms of which entities are required to make a statement as to whether or not they apply a specific principle and then explain if there is non-compliance with any of the detailed provisions supporting the principle.

The King Code includes guidance in respect of the following areas:

- › Ethical leadership and corporate citizenship;
- › Boards and directors;
- › Audit committees;
- › The governance of risk;
- › The governance of information technology;
- › Compliance with laws, rules, codes and standards;
- › Internal audit;
- › Governing stakeholder relationships; and
- › Integrated reporting and disclosure.



Minimum issue price

There is no minimum issue price.

JSE PLS or Prospectus

An applicant issuer applying for a listing of its securities on the Main Board must publish a JSE PLS or Prospectus.

Sponsors and authorised representatives

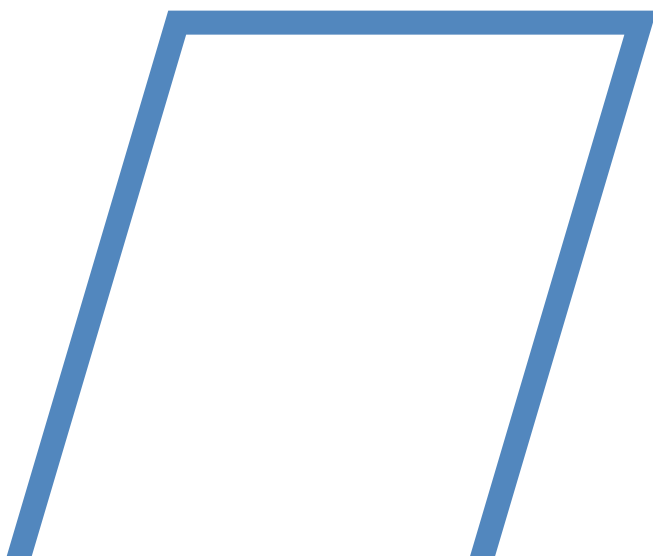
The JSE requires an issuer, including a foreign issuer, to have an appointed sponsor at all times. Only sponsors recorded on the JSE's register may act as sponsors.

Exchange control approval

Where Exchange Control Approval for an issue and listing of securities is required, the JSE will not approve such an issue and listing if the required Exchange Control Approval confirmation is not obtained.

Foreign applicant issuers with/seeking a primary listing on the Main Board of the JSE

An applicant issuer seeking a primary listing on the JSE, must comply in full with all the Listings Requirements of the JSE.



Foreign applicant issuers with/seeking a secondary listing on the Main Board of the JSE

- › An applicant issuer seeking a secondary listing on the JSE must comply with the criteria for listing as set out above;
- › A foreign applicant issuer seeking a secondary listing must also:
 - » Confirm that it has a primary listing on another exchange that is a member of the World Federation of Exchanges or that it has a subscribed capital of at least US\$47.0 million (ZAR500.0 million);
 - » Confirm that the primary listing is on a board or exchange at least equivalent to that for which the application is being made on the JSE;
 - » Not to have traded in its securities on the JSE in respect of which a secondary listing is sought of more than fifty (50)% of both the total volume and total value traded in those securities on all markets in which it is listed over the preceding twelve (12) months; and
 - » Competent Persons Report and other specific requirements for mineral companies.
- › A foreign applicant issuer must, upon application for a listing on the JSE, confirm that it is in full compliance with all of the requirements of the exchange/competent authority on which it has its primary listing. The JSE may request that this confirmation be supported by a letter from the relevant exchange/competent authority;
- › The securities of a foreign issuer applying for a secondary listing on the JSE must be listed in the country of incorporation or in the country of primary listing, unless the applicant issuer can demonstrate that the absence of such a listing;
- › A foreign applicant issuer must either:
 - » Meet the shareholder spread requirements twenty (20)% of the issue share capital held by a minimum of three hundred (300) public shareholders) on the South African share register; or
 - » Make arrangements, to the satisfaction of the JSE's clearing and settlement division, to ensure that sufficient scrip is available on the South African share register.

Fast track listing process

- › An applicant issuer with a primary listing for a period of at least eighteen (18) months on one of any of the Australian Securities Exchange, London Stock Exchange, NYSE and NYSE Euronext and Toronto Stock Exchange or such other exchange acceptable to the JSE at its discretion, may apply for a listing on the Main Board or the AltX of the JSE by taking advantage of the fast tracking listing process. In terms of the fast tracking listing process, such applicant may make an application for a secondary listing on the JSE by publishing a pre-listing announcement which must comply with the requirements of the JSE and must be published five (5) days before the listing date; and
- › In the event that capital will be raised in conjunction with the fast track listing process the JSE must be consulted and the applicant issuer must confirm to the JSE that such capital raising will comply with the requirements of the primary exchange.

There are no specific
corporate governance
requirements for a secondary
listings on the JSE

03 | Listing process

Set out below is an overview of the key steps in the listing process:

Step	Process
D = date	
1 Preparation	<ul style="list-style-type: none"> › Meetings with and appointment of advisors to the listing; › Undertake a due diligence, if necessary; and › Preparation of the JSE PLS or Prospectus and other application documents.
2 Informal comments	<ul style="list-style-type: none"> › Submission of the JSE PLS or Prospectus accompanied by the relevant corporate actions checklist/s to the JSE by 10am on a business day to be deemed to have been lodged at 10am on such business day ("Deemed Lodgement Time"); › Documentation may be submitted electronically and directly to the information database maintained by the Issuer Regulation Division of the JSE; and › The JSE will provide the relevant sponsor with its informal comments on the JSE PLS or Prospectus within one hundred and twenty (120) hours of the Deemed Lodgement Time (the JSE may insist on a further informal comments submission where additional corporate actions or transactions are inserted after the initial lodgement of the documentation).
3 Informal approval	<ul style="list-style-type: none"> › Incorporation of the JSE comments into the JSE PLS or Prospectus; › Within seventy two (72) hours of the Deemed Lodgement Time for informal approval, the JSE will either: <ul style="list-style-type: none"> » Grant informal approval; or » Refuse informal approval and return the documents to the relevant sponsor with additional comments or outstanding information; › If informal approval is not granted, the sponsor may re-submit the documents after correcting the omission or incorporating the relevant comments.
4 Formal approval	<ul style="list-style-type: none"> › Once the informal approval of the JSE has been obtained, five (5) copies of the final JSE PLS or Prospectus, together with a copy of the applicable exchange control approval and copies of the consents by experts to the use of their name and reports in the documentation, must be submitted to the JSE for formal approval; › Within forty eight (48) hours of the Deemed Lodgement Time for formal approval, the JSE will either: <ul style="list-style-type: none"> » Grant formal approval (D – 16); or » Refuse formal approval (with comments if the JSE PLS or Prospectus is capable of repair); › The JSE formal approval Committee may, upon request, take an additional forty eight (48) hours to consider the JSE PLS or Prospectus.

Step	Process
5 Part I documentation	<ul style="list-style-type: none"> › Submission of Part 1 documents to the JSE for approval as part of the formal approval submission detailed above: <ul style="list-style-type: none"> » Application for listing; » Explanation of how shareholder spread will be achieved; » Dated and signed JSE PLS or Prospectus; » If the document is a prospectus, a certificate from the company's attorneys stating that the requirements of the South African Act have been complied with; » A statement from the accountant that the contents of the JSE PLS or Prospectus are not contradictory with the information contained in the JSE Report/s; » If the application for listing is not accompanied by an offer, a list of shareholders and an analysis of shareholders must be submitted; » Where applicable, the underwriting agreement and the prescribed details relating thereto; » Debenture trust deed, if applicable; » Written confirmation from Strate that the applicant has been approved in terms of the Central Securities Depository Rules and Directives; » A statement as to listings on other exchanges; » List of other directorships of each director and the nature of business conducted by such companies; » All details concerning any planned price stabilisation exercise; » A notarially certified copy of the applicant issuer's MOI or other Constitutional Documents; » A notarially certified copy of the registration certificate, if the company was registered within the last two (2) years; » A specimen of the share or debenture certificates (if applicable); » The general undertaking by the company; » A statement by the applicant issuer's company secretary; » Details relating to payment of the documentation and listing fee; and » A letter signed by the chairman of the board of directors and by the chairman of the auditing committee relating to, inter alia, the financial information included in the JSE PLS or Prospectus.
6 Marketing and bookbuilding (relevant for IPO's)	<ul style="list-style-type: none"> › Publication of abridged pre-listing statement in the press (D - 15); › JSE PLS/Prospectus available; › Offer opens; › Roadshows, meetings with investors; and › Bookbuilding exercise.

Step	Process
7 Admission to listing	<ul style="list-style-type: none"> › Latest closing of offer at 12pm (D – 3); › Submission of Part II documentation to the JSE (D – 2): <ul style="list-style-type: none"> » Certificate by the sponsor confirming that the published JSE PLS or Prospectus was materially the same as the signed JSE PLS or Prospectus approved by the JSE; » Notarially certified copy of the JSE PLS or Prospectus, dated and signed by the directors; » Confirmation from the sponsor and the applicant issuer of the achievement of the necessary shareholder spread including the details thereof; » Electronic submission of the published final JSE PLS or Prospectus to the information database maintained by the Issuer Regulation Division for publication on the JSE website, together with one (1) hard copy signed by the directors; and » A certificate from the auditors certifying that the applicant issuer's share capital and share premium issued since the date of issue of the last annual financial statements or date of incorporation, have been fully subscribed for and, if applicable, deposited for the company's account with the company's bankers; › Listing on the JSE (D).
8 Post listing	<ul style="list-style-type: none"> › Compliance with the continuing obligations of the JSE Listing Requirements.

Documentation may be submitted electronically and directly to the information database maintained by the Issuer Regulation Division of the JSE



04 | JSE PLS or Prospectus

The JSE PLS or Prospectus must be formally approved by the JSE before publication.

A Prospectus must comply with the requirements set out in the South African Act in addition to the JSE Listings Requirements and must be registered with the South African CIPC.

All JSE PLS' or Prospectus' should contain the following information in terms of the JSE Listings Requirements (additional information may be required in terms of the South African Act if the document is a prospectus).

The applicant and its capital

- › Information about the applicant and its capital including:
 - » The name and address of the registered office and of the transfer office and the date of incorporation;
 - » The previous name of the company, if it changed during the past three (3) years;
 - » Details of the share capital consisting of either par value or no par value shares (the requirements of the South African Act must be considered for local applicant issuers with par value shares);
 - » A description of the rights attaching to the shares;
 - » Consents required to vary the rights attaching to securities;
 - » A summary of the issues or offers of securities of the applicant and its securities during the preceding three (3) years;
 - » A summary of any consolidations or sub-divisions of shares during the preceding three (3) years;
 - » A statement as to who controls the issue or disposal of the authorised but unissued securities of the company; and
 - » A statement as to what other classes of securities are listed and on which stock exchanges.
- › The borrowing powers of the applicant and its subsidiaries exercisable by the directors and the manner in which they can be varied;
- › Any circumstances when the borrowing powers have been exceeded during the past three (3) years;
- › Any exchange control or other restrictions on the borrowing powers of the applicant issuer or any of its subsidiaries;
- › The amount of debentures created in terms of the trust deed and the amount issued/agreed to be issued;
- › Details of material loans, including debentures, made to the applicant and any of its subsidiaries;
- › Particulars of debentures issued by way of conversion or replacement of debentures previously issued including all material differences between the two (2) instruments;
- › Disclose as to how all borrowings arose and whether they arose from the purchase of assets;
- › A negative statement if no loan capital is outstanding;
- › Details of all material loans receivable by the applicant and its subsidiaries;
- › Details of loans to any director or manager or their associates by the applicant or any of its subsidiaries;
- › Details as to how and why each loan receivable arose;
- › Details of any arrangements whereby any option or preferential right is proposed to be given to any person to subscribe for any securities of the applicant or any of its subsidiaries, including the acquisition of securities from a person to whom they were allotted or were agreed to be allotted, with a view to offering them for sale;
- › The names of any controlling shareholder/s of the applicant;
- › Details of any change in controlling shareholder as a result of the issue; and
- › The names of any shareholders (other than directors of the applicant issuer) who are, directly or indirectly beneficially interested in five (5)% or more of any class of the applicant's capital and the number of shares held by such shareholders.

Directors, managers and advisors

- › The following details relating to each director and member of senior management of the applicant issuer:
 - » Full name;
 - » Business address;
 - » Function in the group;
 - » Nationality;
 - » Expertise and experience;
 - » Other directorships or partnerships, past and present;
 - » Details of bankruptcies or individual voluntary arrangements;
 - » Details of any business rescue plans and/or resolution proposed by an entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the South African Act, receiverships, compulsory liquidations, creditors, voluntary liquidations, administration, company voluntary arrangements or any composition or arrangement with a company's creditors or any class of creditors where such a person was an executive director at the time or within twelve (12) months of such event;
 - » Details of compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person was a partner at the time of or within the twelve (12) months preceding such events;
 - » Details of receiverships of any asset of such person of a partnership of which such person was a partner at the time of or within twelve (12) months preceding such event;
 - » Details of any public criticisms of such person by statutory or regulatory authorities and whether such person has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
 - » Details of any offence involving dishonesty committed by such person;
 - » Details regarding such person's removal from an office of trust on the grounds of misconduct and involving dishonest; and
 - » Details of any court order declaring such person delinquent or placing him under probation in terms of Section 162 of the South African Act and/or Section 47 of the Close Corporations Act, 1984 or disqualifying him to act as a director in terms of Section 219 of the South African Act.
- › Details of the information contained in the director's declaration (Schedule 21) required by the JSE;
- › For foreign applicant issuers, the above information must be provided in respect of the local executive management committee, if any. Where the JSE considers that the parent company is not adequately represented on the directorate of its South African or foreign subsidiaries, an appropriate explanation is required;
- › The term of office and other details relating to any director who has been or is to be appointed;
- › A summary of the provisions of the MOI relating to:
 - » Qualifications of directors;
 - » Remuneration of directors; and
 - » Any power enabling the directors to vote remuneration to themselves or any members of their body;
- › An analysis in aggregate and by director or proposed director of remuneration and benefits paid, or accrued as payable, during the last financial period by the applicant issuer or its group, directly or indirectly; or proposed to be paid by the applicant issuer to the directors in any capacity whatsoever, distinguishing separately between executive and non-executive directors and broken down into the categories detailed in the JSE Listings Requirements;
- › Fees paid or accrued as payable to a third party in lieu of directors' fees;
- › A statement as to whether directors' remuneration will be varied subsequent to the listing and the details of any such variation;
- › Details of any third party who will be managing the business of the applicant issuer or its subsidiaries or any part thereof including the consideration paid in terms of such parties contract with the applicant issuer;
- › A summary of the provisions of the MOI with regards to:
 - » Borrowing powers exercisable by the directors and how they can be varied; and
 - » Retirement or non-retirement of directors under an age limit;
- › The full name, street, postal address and professional qualifications of the company secretary of the applicant issuer;
- › The names and street and postal addresses of the auditor, attorney, banker and sponsor to the applicant issuer and any other parties to the listing or documentation;

- › Details of any promoter and the amounts paid or proposed to be paid to such promoter within the preceding three (3) years;
- › Details of underwriters and the amount of any consideration paid to underwriters, within the preceding three (3) years;
- › The amount or estimated amount of preliminary expenses incurred within the preceding three (3) years, the amount of such payment and the person/s to whom such expenses were paid or are payable;
- › The amount or estimated amount of the expenses of the issue and listing, the amount of such payment and the person/s to whom such expenses were paid or are payable;
- › Details of the nature and extent of any material beneficial interest, direct or indirect, of every director or promoter in the promotion of the applicant issuer and in any property acquired or proposed to be acquired by the applicant issuer out of the proceeds of the issue or during the three (3) years preceding the date of the JSE PLS or Prospectus;
- › Details of any amounts paid or agreed to be paid within the preceding three (3) years to any director or to any company in which such director is beneficially interested, directly or indirectly, in cash or securities or otherwise, by any person to induce him to become or to qualify him as a director or otherwise for services rendered by him or by the company in connection with the promotion or formation of the applicant issuer;
- › Details of direct and indirect interests of the directors' (including a director who has resigned during the last eighteen (18) months), in the share capital of the applicant issuer, distinguishing between beneficial and non-beneficial interests. Any changes in such interests between the end of the financial year and the date of the JSE PLS or Prospectus should be detailed or an appropriate negative statement;
- › Details of the nature and extent of any beneficial interests, whether direct or indirect, of directors, (including a director who has resided during the last eighteen (18) months) in transactions effected by the applicant issuer during the current or preceding financial year or during an earlier financial year which remain in any respect outstanding or underperformed or an appropriate negative statement;
- › A statement by the directors, that they accept responsibility for the accuracy of the information provided in the JSE PLS or Prospectus and certifying that there are no other facts, the omission of which would make any statement false or misleading; and
- › The JSE PLS or Prospectus must be signed by every director of the applicant issuer.

Securities for which application is being made

- › Details relating to the securities for which application to list is being made, including:
 - » The purpose of the issue/offer;
 - » Particulars of the issue/offer;
 - » Particulars of debentures issued/offered;
 - » Timing of the offer;
 - » Issue price of the securities; and
 - » Minimum subscription.
- › If the document is a prospectus, a statement on the front cover confirming that the prospectus has been registered by the South African CIPC in terms of the South African Act and the date of such registration;
- › A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued;
- › The time limit after which entitlement to dividend lapses and the person in whose favour the lapse operates;
- › The fixed date on which entitlement to dividends arises;
- › Particulars of any arrangement under which future dividends are waived or agreed to be waived; and
- › Any intention by the issuer to extend a preference on allotment to any particular company or group in the event of over subscription.

Group's activities

- › The general history of the applicant issuer and its subsidiaries;
- › A general description of the business carried on or to be carried on by the applicant issuer and its subsidiaries;
- › Details of the degree of government protection and of any investment encouragement laws affecting the business/s;
- › Details of any material changes in the business of the applicant issuer during the past five (5) years;
- › The opinion of the directors as to the prospects of the business of the applicant issuer and its subsidiaries;
- › The situation, area and tenure of the principal immovable property held or occupied by the applicant issuer and any of its subsidiaries;
- › Details of material inter-company finance;
- › Details of changes to the controlling shareholder and trading objects of the applicant issuer and its subsidiaries during the past five (5) years and any proposed new name and the reason/s for the change and whether the South African CIPC has consented to the change;
- › Details relating to any acquisitions of securities in any company/ies or business enterprise or immovable or other property within the last three (3) years;
- › Details of any material property disposed of during the past three (3) years; and
- › Details of any legal or arbitration proceedings which have had or may have a material effect on the group's financial position or an appropriate negative statement.

Financial information

- › JSE Report/s on the applicant issuer and any acquisitions or proposed acquisitions;
- › Report of historical financial information on the applicant issuer or its group and any acquisitions or proposed acquisitions;
- › The profits before and after tax and general history, for the preceding three (3) years, of any proposed acquisition of securities in or the business undertaking of another company by the applicant issuer or its subsidiaries;
- › A statement by the directors that the working capital available to the group is sufficient for its requirements for a period of twelve (12) months from the date of issue of the JSE PLS or Prospectus; and
- › A description of any material change in the financial or trading position of the group which has occurred subsequent to the last financial period for which either annual financial statements or interim results have been published.



General information

- › Details of every significant contract (other than in the ordinary course of business) entered into by the applicant issuer or any of its subsidiaries within the past two (2) years or entered into at any time and containing an obligation or settlement that is material to the issuer or the group at the date of the JSE PLS or Prospectus;
- › Any contract relating to the acquisition of less than one hundred (100)% of the securities in any unlisted company or associated company, the reason why one hundred (100)% was not acquired;
- › Details of contracts or proposed contracts relating to directors' and managerial remuneration, secretarial and technical fees payable and restraint payments;
- › A narrative statement of how the applicant issuer has complied with the necessary corporate governance requirements;
- › Particulars of royalties payable, or items of a similar nature, in respect of the applicant issuer or the group;
- › Details of experts' consents; and
- › Details of documents and consents available for inspection at the applicant's registered office and in Johannesburg for at least fourteen (14) calendar days.

Vendors

- › The names and addresses of the vendors of any assets purchased or acquired by the group during the preceding three (3) years or proposed to be purchased and the details of the consideration paid as well as the cost of the assets to the vendors and the dates of purchase by them;
- › A statement as to whether the vendors have guaranteed the book debts or other assets and whether "normal guarantees" have been given;
- › Details of restraints of trade with the vendors;
- › Details of how liabilities for accrued taxation will be settled in terms of the vendor agreement;
- › When securities in a company have been purchased, a reconciliation between the purchase price and the net asset value of the company;
- › Details of the interests of any promoter or director in any such transaction; and
- › A statement as to whether the assets acquired have been transferred into the name of the group and whether or not the assets have been ceded or pledged.



05 | Continuing obligations

Issuers are subject to certain continuing obligations and financial reporting requirements:

Price sensitive information, confidentiality and cautionary announcements

There is a general obligation for an issuer to publish information relating to any developments which are not public knowledge and which may lead to material (ten (10)%) movements in the issuer’s share price.

Material price-sensitive information may not be released (even under time embargo) until it is published on SENS or (if after hours) arrangements have been made to release such information on SENS before the market opens the next day.

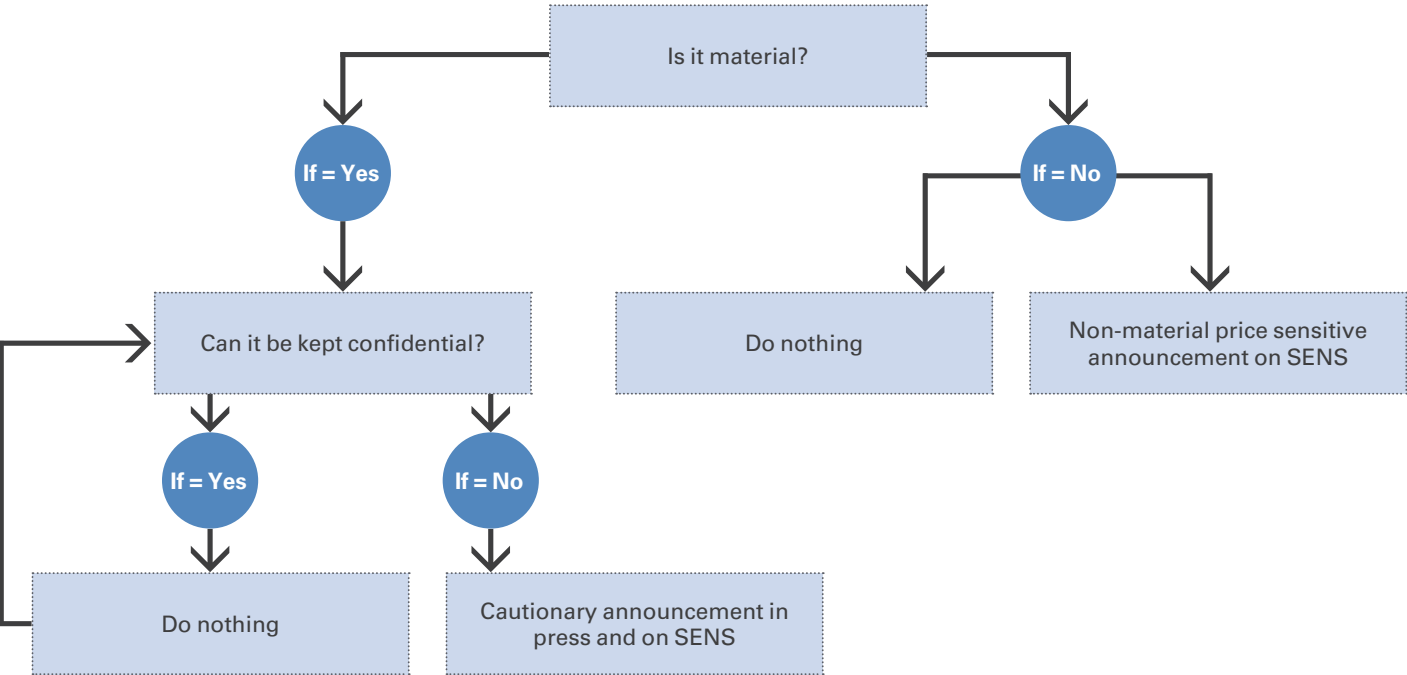
If an issuer deems it necessary to provide information to select parties prior to releasing such information on SENS, it must ensure that in doing so it does not commit an offence in terms of the South African FMA and, in particular, Section 73(3) which states:

- › Insider knows that he/she has inside information; and
- › Discloses the inside information to another person.

An issuer is only required to issue a cautionary announcement in the following circumstances:

- › The issuer acquires knowledge of material price-sensitive information; and
- › The confidentiality of such information cannot be maintained or the issuer suspects that the confidentiality has or may have been breached.

The decision tree set out below should be consulted when considering the action to be taken with regards to price sensitive information:



Trading updates

A trading update must be published when there is reasonable certainty that the financial results for the next financial period will differ by twenty (20)% or more from:

- › The financial results for the previous corresponding period; or
- › A published profit forecast.

A trading update must give specific guidance by the inclusion of the period to which it relates and:

- › A specific number or % to describe the differences;
- › A range to describe the differences (range may not exceed twenty (20)%); or

- › A minimum % difference (specific guidance to be provided at a later date).

The relevant financial results measurement for trading statement purposes is, in the first instance, headline earnings per share and earnings per share.

A trading update needs to be published on SENS **only**.

An issuer must either:

- › Include a statement in the trading update that the forecast has not been reviewed or reported on by the auditors; or
- › Produce and submit to the JSE a profit forecast or estimate and a JSE Report thereon.

Rights as between holders of securities

All shareholders of the same class must receive fair and equal treatment.

All listed securities of the same class must have the same voting rights.

Securities in each class for which listing is applied, must rank *pari passu* in respect of all rights.

Before issuing new equity securities for cash, the securities must be offered by rights offer to existing shareholders in proportion to their existing holdings.

Waiver of pre-emptive rights

Shareholders may authorise an issuer, by way of an ordinary resolution as detailed below, to issue equity securities for cash other than to existing shareholders in proportion to their existing shareholdings, for a fixed period of time.

The JSE has the power to allow a waiver of shareholders' pre-emptive rights in exceptional circumstances, such as rescue operations.

Voting

A resolution to approve a resolution regarding the waiver of pre-emptive rights for purposes of either a specific issue of shares for cash or a general issue of shares for cash requires a seventy five (75)% majority of votes cast by shareholders present or represented by proxy at the general meeting.

Profit warranties

Securities that are the subject of a profit warranty can only be allotted and issued once the profit required has been achieved in terms of the profit warranty and the issuer's auditors have confirmed to the JSE, in writing, that the conditions for the issue have been met.

Issues by subsidiaries other than on listing

An issue of shares for cash by a subsidiary of an issuer must be categorised in accordance with the provisions for transactions.

When a subsidiary effects an offer for subscription by way of a rights offer, the rights offer must be categorised in accordance with the provisions for transactions.

Communications with shareholders

All announcements required in terms of the JSE Listings Requirements must be approved by the issuer's sponsor prior to publication on SENS and must be in English.

Announcements requiring publication in the press must be published in a widely circulated

daily newspaper taking into account the specific composition and demographics of the issuer's stakeholders, in any official language.

Short-form announcements may be published in the press provided they comply with the JSE Listings Requirements.

Transactions and categorisation

Transactions include:

- › Acquisitions/disposals by the issuer or the issuer's subsidiary; and
- › The grant or acquisition of an option to acquire or dispose of assets.

Transactions exclude:

- › An issue of securities;
- › A transaction to raise finance that does not involve the acquisition/disposal of assets; and
- › A transaction between (i) a wholly-owned subsidiary of an issuer and the issuer or (ii) two (2) or more wholly-owned subsidiaries of the issuer or (iii) a wholly-owned subsidiary of an issuer and the issuer and one or more wholly-owned subsidiaries of the issuer.

Transactions are in the ordinary course of business and where both percentage ratios (described below) are equal to or less than ten (10)% or the issuer (or its subsidiary) is a financial institution dealing in funds which are not held primarily for the benefit of its shareholders and the counterparty to the transaction is not a related party.

Percentage ratios

For JSE purposes, a transaction is categorised by assessing its size relative to that of the issuer proposing to make it or its holding company, if applicable;

The comparison of size is made by the use of percentage ratios resulting from each of the following calculations:

- › Consideration to market capitalisation, i.e. the consideration divided by the aggregate market value of all the issuer's listed equity securities;
- › Dilution, i.e. the number of listed equity securities issued by the issuer as compensation for the acquisition, compared to those in issue, excluding treasury shares; and
- › Transactions to be settled partly in cash and partly in shares i.e. the categorisation size for such a transaction is calculated by first assessing the cash to market capitalisation percentage and then adding this percentage to the dilution percentage.

Categorisation of and requirements for transactions

	Category 2 (\geq five (5)%; < twenty five (25)%) JSE Amendments < thirty (30)%	Category 1 (\geq twenty five (25)%; no maximum. JSE Amendments \geq thirty (30)%	Reverse take- over (\geqOne hundred (100)%)⁴
Announcement	Yes	Yes	Yes
Circular	No	Yes (within sixty (60) calendar days)	Yes (within sixty (60) calendar days)
Revised listing particulars	No	No³	Yes
Shareholder approval	No	Yes	Yes
Reporting accountants report on subject of the transaction	No	Yes	Yes
Profit forecast ¹	Yes	Yes	Yes
Pro forma financial effects	Yes	Yes	Yes
Valuation report or Competent Persons Report ²	No	Yes	Yes

¹ Required for property entities

² Required for property entities/mineral companies

³ If the Category 1 transaction results in an issue of securities that, together with any other securities of the same class issued during the previous three (3) months, would increase the securities issued by more than twenty five (25)% (in terms of the JSE Amendments, this threshold has increased to fifty (50)%), then the issuer must include in the Category 1 circular the information required to be disclosed for a JSE PLS or Prospectus

⁴ A reverse listing may also result if a transaction results in a fundamental change to the business, change in the board of directors or voting control

Related party transaction

Related parties

A “related party” is:

- › A person who is (or was within the last twelve (12) months) a material shareholder (holds ten (10)% or more of the issued share capital) or their associate;
- › A person who is, or was within the twelve (12) months preceding the transaction, a director of the listed company or any of its subsidiaries or its holding company or any of its fellow subsidiaries or their associate;
- › Any advisor to the issuer who has, or had during the twelve (12) months preceding the transaction, a beneficial interest in the issuer or any of its subsidiaries;
- › A person who is, or was within the twelve (12) months preceding the transaction, a principle executive officer of the issuer whether or not he is, or was, a director or his associate; and
- › The asset manager or management company of a property entity, or its controlling shareholder, including anyone whose assets they manage or administer.

Requirements for a related party transaction

The requirements for a related party transaction are as follows:

- › An announcement in compliance with the JSE Listing Requirements;
- › A circular to shareholders in compliance with the JSE Listing Requirements;
- › Approval of the related party transaction by independent shareholders (excluding the related party); and
- › A fairness opinion from an independent expert in respect of the related party transaction except when a valuation report or a competent person’s report has been prepared on the subject of a transaction by a property entity or a mineral company, respectively.

Dealing in securities by directors

- › An issuer must announce details of all transactions, including off market transactions, in securities relating to the issuer by or on behalf of a director and company secretary (direct or indirect beneficial holdings) of the issuer or a major subsidiary of the issuer or their associates. **In terms of the JSE Amendments, these provisions also apply to any dealings by the issuer or any scheme (including a non-dilutive scheme) involving securities relating to the scheme, except in certain specified circumstances;**
- › The definition of a transaction in terms of this section is very wide and includes the following:
 - › Any sale, purchase or subscription (including in terms of a rights offer, capitalisation award or scrip dividend) of securities relating to the issuer;
 - › Any agreement to sell, purchase or subscribe for securities relating to the issuer;
 - › Any donations of securities relating to the issuer;
 - › Any dealing in warrants, single stock futures, contracts for difference or any other derivatives issued in respect of the issuer’s securities;
 - › The acceptance, acquisition, disposal or exercise of any option (including but not limited to options in terms of a share incentive/option scheme) to acquire or dispose of securities;
 - › The purchase or sale of nil or fully paid letters;
 - › The acceptance, acquisition or disposal of any right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities; or
 - › Any other transaction that will provide direct or indirect exposure to the share price of the issuer.
- › A director must get clearance to deal from the chairman or other designated director in advance of trading in the securities;
- › A director may not be given clearance to deal during a prohibited period, which is defined as follows:
 - › The date from the financial year end up to the date of earliest publication of the preliminary report, abridged report or provisional report;
 - › The date from the expiration of the first six (6) month period of a financial year up to the date of publication of the interim results;
 - › The date from the expiration of the second six (6) month period of a financial year up to the date of publication of the second interim results, where the financial period covers more than twelve (12) months;
 - › In the case of quarterly reporting, the date from the end of the quarter up to the date of the publication of the quarterly results;
 - › Any period when an issuer is trading under a cautionary announcement; and
 - › Any period where there exists any matter which constitutes unpublished price sensitive information in relation to the issuer’s securities.

Disclosure of voting rights of annual general/ general meetings

In terms of the JSE Amendments, an issuer must release an announcement on SENS within forty eight (48) hours after each annual general/general

meeting providing details of the voting results of the resolution/s proposed at such meeting and/or passed by written resolution.

06 | Continuing obligations of a financial nature

Dividends and interest

Declaration of dividends, interest and other similar payments by an issuer must be announced immediately.

Financial reporting

Quarterly reports: Must be published and distributed to all shareholders as soon as possible after the expiration of each quarter.

Interim reports: Must be published and distributed to shareholders within three (3) months of financial period end. After a two (2) week grace period the JSE will publish an announcement on SENS informing shareholders that the issuer has not submitted its interim report and warning them that the listing is under threat of suspension and possible termination. On the date of publication of the announcement the issuer's listing will be annotated with an "RE" on the JSE trading system to indicate that it has failed to submit its interim report timeously. If the issuer fails to issue its interim report within a further two (2) weeks of the announcement, the issuer's listing will be suspended and a meeting of the JSE will be convened to consider the continued suspension or termination of the issuer's listing.

Annual reports: Either AFS or a provisional results announcement must be distributed within three (3) months of financial period end. If the AFS is not distributed within the three (3) month period above, the AFS must be distributed within six (6) months of financial period end and at least fifteen (15) business clear days before the date of the Annual General Meeting. After a two (2) week grace period the JSE will publish an announcement on SENS informing shareholders that the issuer has not submitted its AFS and warning them that the listing is under threat of suspension and possible termination.

On the date of publication of the announcement the issuer's listing will be annotated with an "RE" on the JSE trading system to indicate that it has failed to submit its AFS timeously. If the issuer fails to issue its AFS within a further two (2) weeks of the announcement, the issuer's listing will be suspended and a meeting of the JSE will be convened to consider the continued suspension or termination of the issuer's listing.

Annual reporting includes the following:

- › **Abridged reports:** a summary version of the AFS, including annual general meeting details, which is published once the AFS are issued (i.e. distributed to shareholders).
- › **Preliminary reports:** a voluntary summary version of the AFS or condensed statements, when the AFS are not as yet available, which is published prior to the issue of the AFS or provisional report. A preliminary report must, at a minimum, be reviewed by the issuer's auditors.
- › **Provisional reports:** a compulsory summary version of the AFS or condensed statements, when the AFS are not available, which is published, and distributed to shareholders, if the AFS are not issued within three (3) months of the issuer's financial year end. A provisional report must, at a minimum, be reviewed by the issuer's auditors.

07 | Continuing obligations of secondary listings on the JSE

The requirements of the exchange of where the primary listing is held will take precedence, save for the following requirements:

- › All communications with shareholders must state where the primary and secondary listings exist;
- › All information to be published on another exchange must also be released on SENS at the same time of the release on the other exchange;
- › Headline earnings and diluted earnings per share, as well as a reconciliation between earnings and headline earnings, must be disclosed in the interim and year-end financial results;
- › Corporate actions timetables must be approved by the JSE in advance; and
- › By no later than 31 January of each year, the issuer must submit to the JSE the volume and value of securities traded on all exchanges for the previous twelve (12) months.

08 | Fees

Listing fees

The fees charged for a listing of securities is determined based on the value of the securities listed (i.e. listing price multiplied the number of shares to be listed).

The minimum listing fees for an issuer with a market capitalisation of up to US\$47 017 (ZAR500 000) is US\$99 (ZAR1 050).

The maximum listing fees for an issuer with a market capitalisation of above US\$4.7 million (ZAR50 000.0 million) is US\$205 676 (ZAR2.2 million).

Annual listing fees

In respect of each class of security listed, an annual listing fee will be payable (except during the calendar year in which the first listing of securities is granted) each year. For equity securities listed, an amount equal to 0.04% of the market value of all the listed

equity securities of the issuer, subject to a minimum fee of US\$3 721 (ZAR39 576) (including VAT) and a maximum fee of US\$18 908 (ZAR201 082) (including VAT).

09 | Clearing and settlement

The JSE assures settlement of all trades executed through the central order book on the equity market. The JSE also monitors the settlement of reported transactions and takes the necessary actions as defined in the JSE Listings Requirements and directives to ensure that settlement takes place.

The JSE Equity Market clearing and settlement process commences at broker level via the JSE's broker deal accounting (BDA) system.

The system facilitates trade confirmation, clearing and settlement of trades between member firms

and their clients as well as back office accounting. It also compiles client portfolio statements.

Strate is the licensed central securities depository (CSD) for the Equity Market and performs electronic settlement for all trades. It also maintains an electronic register of dematerialised Strate-approved securities.

Settlement on the JSE currently occurs on a T+5 basis. However, the JSE is currently working on migrating the settlement cycle to T+3.

Zambia

Opportunities

- › Vast potential exists in the extractive, agrarian, manufacturing, construction, tourism and power generation sectors;
- › Surrounded by eight (8) countries, Zambia is strategically positioned to act as a hub for logistics, trade and investment in Africa; and
- › Large-scale infrastructure programmes under way to address the infrastructure constraints.

Strengths

- › Various copper and hydropower projects coming on-stream by 2017;
- › Ambitious infrastructural programme encompassing road, rail and freight that should reduce regional transports costs significantly; and
- › Strong foreign direct investment into the copper, light manufacturing and energy sectors, in particular.

Weaknesses

- › A reliance on copper for export receipts renders the economy vulnerable to external demand and global price dynamics;
- › Despite extensive reforms and a relatively liberal banking regime, financial intermediation and credit to the private sector remain low; and
- › Overall political risk profile remains low tending moderate.





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01 | Overview of the LuSE

Introduction

The LuSE is the principle stock exchange of Zambia. The LuSE is made up of stockbroking corporate members and is incorporated as a non-profit limited liability company.

The securities market in Zambia was formalised by the enactment of the Zambia Securities Act in December 1993. The Zambia Securities Act also provided for the establishment of the Zambia SEC which regulates and supervises the securities industry in Zambia.

The Zambia securities market has been designated as a "unified" market and virtually all trading is conducted through a stock exchange. The equity market in Zambia has two (2) tiers comprising of the listed or Main Board and the quoted or second tier market. Currently, a company automatically becomes quoted once its equity securities have been successfully registered with the Zambia SEC.

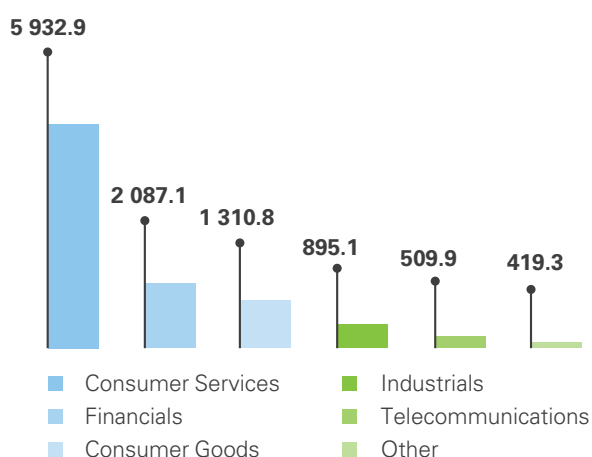
Exchange rates of ZMK1 = ZMW1 000 and US\$1 = ZMW6.11845 on 30 June 2014 have been used throughout this section.

Equity market capitalisation of the LuSE

At the date of this publication, there were twenty two (22) equity issuers listed on the LuSE. The equity market capitalisation of the LuSE at the date of this publication amounted to approximately US\$11 146.2 million (ZMW68 197.5 million), of which US\$4 917.4 million related to domestic equity listed on the LuSE and US\$6 228.8 million related to foreign equity listed on the LuSE. Shoprite Holdings Limited, in the Consumer Services industry, is the largest equity issuer listed on the LuSE with an equity market capitalisation of US\$5 898.7 million.

The equity market capitalisation of the LuSE by Industry, in US\$ millions, is set out below:

Equity Market Capitalisation by Industry (in US\$ millions)

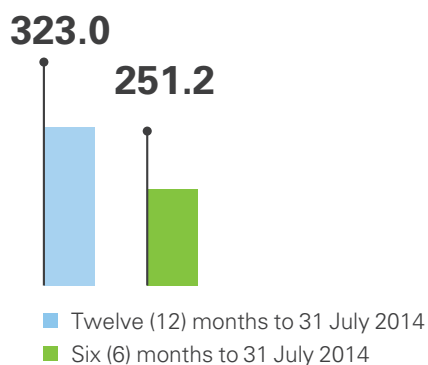


The Consumer Services industry has the highest equity market capitalisation, which is dominated by Shoprite Holdings Limited. The second largest sector is the Financials sector which comprises of four (4) banks, one (1) insurance equity issuer, one (1) real estate equity issuer and one (1) financial services equity issuer.

Volumes of equity shares traded

The volumes of the equity shares traded on the LuSE for the twelve (12) months to 31 July 2014 and for the six (6) months to 31 July 2014 are set out below:

Volume of equity shares traded on the LuSE (in millions)



During the twelve (12) months to 31 July 2014, 323.0 million shares traded on the LuSE out of a total of 15 441.5 million issued shares (approximately two (2)% of the cumulative issued shares on 31 July 2014).

During the six (6) months to 31 July 2014, 251.2 million shares traded on the LuSE out of a total of 15 441.5 million issued shares (approximately two (2)% of the cumulative issued shares on 31 July 2014).

Attractiveness as a foreign listing destination

Considerations when listing on the LuSE are as follows:

- › The “unified” market system has the following benefits:
 - » All trading activity is channeled through one (1) market which enhances liquidity and market depth;
 - » It avoids duplication and makes more efficient use of natural resources; and
 - » It gives maximum transparency in securities dealing and this reduces the opportunity for malpractice and improves the reliability of pricing;
- › Settlement of trades takes place on a T+3 basis;
- › Several incentives have been put in place to promote rapid development of the Zambian capital markets:
 - » There are no exchange controls;
 - » There are no restrictions on shareholding levels;
 - » There are no restrictions on foreign ownership;
 - » There is no capital gains tax in Zambia. A balancing charge on the disposal of assets is included in taxable income, based on the proceeds less the tax written-down value, up to the total capital allowances claimed;
 - » The corporate income tax rate has been reduced to thirty (30)% for companies listed on the LuSE (from thirty five (35)% for unlisted companies); and
 - » There is no property transfer tax on listed securities; and
- › The LuSE Listings Requirements are mainly harmonised with those of the Southern African Development Community.

Listing authority

The Zambian Securities Act regulates the entire Zambian securities market and is specifically designed to ensure adequate investor protection and provides for the operation of a market that is fair, orderly, secure and transparent. The Zambian Securities Act also provides for the licensing of all market players. The Zambian Securities Act creates and defines a central market in which both listed and unlisted securities trade on an exchange as opposed to the dual market system.

The LuSE operates under license from the Zambian SEC. The Zambian SEC has four (4) main regulatory powers, as follows:

- › Any person dealing in or advising on securities must be registered with the Zambian SEC;
- › Any securities market must be licensed as a securities exchange by the Zambian SEC;
- › All securities of a public company which are publicly traded must be registered by the Zambian SEC; and
- › Collective Investment Schemes must be authorised by the Zambian SEC.

The LuSE is the competent authority responsible for:

- › The list of the securities which may be dealt in on the LuSE;
- › Applications by applicant issuers for the listing of securities on the LuSE; and
- › The annual revision of the list.

The Board has delegated some of its authority, including, the review of all matters relating to the LuSE Listings Requirements and the authority to examine and grant informal approval with respect to all applications for listing and supporting documentation, to the LuSE Committee, subject to certain conditions.

The Board has delegated its powers to discipline sponsoring brokers in breach of their duties to a disciplinary committee. The LuSE Secretariat is responsible for day to day decisions on listing matters including applications for listing, continuing obligations and interpretation of the LuSE Listings Requirements.

The LuSE Listings Requirements fall into two (2) categories, namely, the general principles and the main body. The LuSE may apply the spirit of the general principles and the main body to areas or circumstances not expressly covered in the LuSE Listings Requirements.

The LuSE Board has the discretion to modify the application of a requirement contained in the main body in exceptional circumstances, for example when the LuSE considers that the strict application of the requirement would conflict with the general principles.

Several incentives have been put in place to promote rapid development of the Zambian capital markets

Subject to the provisions of the Securities Act, the LuSE Board has the power:

- › Subject to the LuSE Listings Requirements, to grant, review, suspend or terminate a listing of securities;
- › To prescribe, from time to time, the LuSE Listings Requirements with which a new applicant must comply before securities issued by such new applicant issuer are granted a listing;
- › To prescribe, from time to time, the LuSE Listings Requirements with which applicant issuers must comply;
- › To prescribe, from time to time, the LuSE Listings Requirements with which an applicant issuer's directors must comply, while securities issued by such applicant issuer remain listed;
- › To suspend, alter or rescind a LuSE Listings Requirement prescribed before or after listing has been granted and to prescribe additional LuSE Listings Requirements, from time to time, either by way of amendment to these LuSE Listings Requirements or by way of the issue of practice notes; and
- › To prescribe the circumstances under which a listing of securities shall or may be suspended or terminated.

General principles of the LuSE

The general principles of the LuSE include the following:

- › Provide a market to raise primary capital and to trade securities in the secondary market;
- › To ensure that only appropriate securities are listed;
- › To ensure that full, equal and timely public disclosure is made to all holders of securities and the general public regarding activities of an issuer that are price sensitive;
- › Provision of full information and ability to consider and vote on any of the following:
 - » Substantial changes in an applicant issuer's business operations; and
 - » Matters affecting the applicant issuer's Constitutional Documents or the rights of shareholders;
- › High standards of care are taken in the dissemination of information into the market place;
- › All shareholders of the same class are treated fairly and equally;
- › The LuSE Listings Requirements promote investor confidence in standards of disclosure and corporate governance; and
- › Securities are brought to the market in a way that is appropriate and which will facilitate an open and efficient market for trading of securities.

02 | Principal listing requirements and procedures

The information presented below relates to the Main Board of the LuSE.

In the dual market environment, the registration of securities is a legal requirement whereas listing on the Main Board is a matter of the applicant issuer entering into a contract with the LuSE.

The Main Board has one (1) set of LuSE Listings Requirements that applies to both foreign and domestic and primary and secondary listings, subject to certain additional requirements, modifications or exceptions.

The LuSE has alternative listing and continuing obligations requirements for mineral and property companies as well as special types of applicant issuers and investment entities.

Admission to the Main Board

Listings are granted subject to compliance with the LuSE Listings Requirements and applicant issuers must comply with the LuSE Listings Requirements. The LuSE Board may grant a listing subject to any additional conditions that it considers appropriate, in which event the applicant issuer will be informed of, and will have to comply with, any such conditions.

The LuSE Board may grant a listing to an applicant issuer that does not fulfil the LuSE Listings Requirements or refuse a listing to an applicant issuer which does comply with the LuSE Listings Requirements on the grounds that, in the LuSE Board's opinion, the grant or refusal of the listing is in the interests of the investing public.

Registration

Foreign applicant issuers must open and maintain a transfer office in Zambia while their securities are listed on the LuSE.

Criteria for listing

Subscribed capital

An applicant issuer must have a subscribed capital (including reserves but excluding minority interests and revaluations of assets and intangible assets that are not supported by an independent valuation in the last six (6) months prior to listing) of at least US\$40 860 (ZMW250 000 or ZMK250.0 million).

In addition, the applicant issuer must have at least one (1) million equity shares in issue.

Pro forma net asset statement

If an applicant issuer includes a pro forma net asset statement in its LuSE PLS or Prospectus, such pro forma net asset statement must comply with the requirements set out in the LuSE Listings Requirements. A pro forma net asset statement does not need to be reported on by the auditors or reporting accountants.

Pro forma profit statement

A pro forma profit statement is only allowed in exceptional circumstances, such as, in the case of a newly-formed property company, a newly-merged group of companies, an acquisition of a business/es which will form part of a group and investment-type companies.

A pro forma profit statement must be reported on by the accountants and the LuSE Report must confirm that the adjustments are appropriate in the circumstances.

Profit forecasts

If an applicant issuer includes a profit forecast in its LuSE PLS or Prospectus, then such profit forecast must comply with the requirements set out in the LuSE Listings Requirements. A profit forecast must be reported on by the auditors or reporting accountants. The relevant LuSE Report must comply with the guidelines issued by the Zambia Institute of Certified Accountants.

LuSE Report

A LuSE Report is required, inter alia, in the following circumstances;

- › On a new applicant issuer;
- › On an applicant issuer who is issuing a prospectus;
- › On any company being acquired by a new applicant issuer or an applicant issuer issuing a prospectus if such acquisition is being financed out of all or part of the proceeds of the issue and if the company being acquired will become a subsidiary of the applicant issuer; and
- › Where a company intends to apply any part of the proceeds of an issue of securities by a new applicant issuer, directly or indirectly, to the acquisition by the company or any of its subsidiaries of the securities in or the business undertaking of any other company and this acquisition is material to the acquirer.

The accountant issuing the LuSE Report/s must be a registered accountant and auditor and be independent of the applicant issuer and/or issuer and, if relevant, the company which is the subject of the transaction.

The LuSE Report must include the following information:

- › Be addressed to the directors of the applicant issuer or the issuer;
- › State the name of the company, its date and place of incorporation and its registration number, where applicable;
- › Give details of any changes to the name of the company during the period covered by the report and the date of conversion from a private to a public company, if applicable;
- › State the names of the companies in which the company has an effective equity interest of twenty (20)% or more, as well as the percentage equity interest therein and which are regarded as material to the company;
- › State the purpose for which the LuSE Report has been prepared;
- › Give a statement to the effect that the directors of the applicant issuer are responsible for the preparation of the LuSE PLS or Prospectus or other document to which the LuSE Report relates and the information contained therein;
- › The scope of the accountants' examination of the financial information included in the LuSE Report;
- › Include a statement that the directors of the applicant issuer are responsible for the financial statements from which the LuSE Report has been prepared and, to the extent that any such financial statements have received a qualified audit report, or have not been audited, give a statement of such qualifications or identify the periods that have not been audited;
- › If the accountant was not the auditor for any part of the period under review, then the accountants' report should state the extent to which the financial statements relating to such period/s have been reviewed to assess their relevance and reliability and the following information:
 - › The name/s of the auditor/s and the periods audited by them;
 - › Include detailed income statements in respect of each of the latest financial year and the previous financial year and summarised in respect of the preceding five (5) financial years or such lessor period as the company has traded;
 - › Summarised balance sheets for the latest financial year and the previous financial year or such lessor period as the company has been trading;
 - › Cash flow statements for the latest financial year and the previous financial year; and
 - › Notes to the income statements, balance sheets and cash flow statements.
- › State the accounting policies used in compiling the financial information contained in the LuSE Report;
- › Details of any material assets not owned by the company;
- › Particulars of material contingent liabilities and commitments; and
- › Details of events which have occurred subsequent to the most recent financial year which have, or could reasonably be expected to have, a material impact on the financial information contained in the report.

The financial information to be included in the LuSE Report must be prepared as follows:

- › Consolidated income statements;
- › Consolidated and company balance sheets;
- › Consolidated cash flow statements;
- › The notes to the financial information should be prepared according to the basis of the respective income statements, balance sheets and cash flow statements.

If more than nine (9) months have elapsed since the end of the applicant issuer's most recent financial year end and the date of the LuSE Report, interim financial information must be prepared for the most recent six (6) month period.

Profit history

An applicant issuer must have a satisfactory profit history for the preceding three (3) financial years.

The financial statements of the applicant issuer must have been drawn up in accordance with the applicant issuer's national law and must be prepared and independently audited in accordance with standards regarded by the LuSE Board as appropriate for listed companies.

The auditors must have reported on the financial statements without any qualification which, in the opinion of the LuSE Board, is significant for the purposes of listing.

Shareholder spread

At least twenty five (25)% of an applicant issuer's securities must be held by at least three hundred (300) members of the public (equity securities).

Directors and Company Secretary

The directors of an applicant issuer must individually undertake to the LuSE that they have exercised their fiduciary duties with due regard to the provisions of the Constitutional Documents of the applicant issuer and that they will honour their responsibility for the applicant issuer's compliance with the LuSE Listings Requirements from time to time.

Status of securities

The securities for which a listing is sought must be issued in conformity with the law of the applicant issuer's country of incorporation or establishment and in conformity with the applicant issuer's Constitutional Documents and all authorisations needed for their creation and issue under such law or documents must have been duly given.

Trading and transferability

All securities to be listed must be fully paid up and freely transferable, unless otherwise provided by statute.

All securities for which a listing is being sought must be registered in terms of the Zambian Securities Act.

Corporate governance

Issuers must include, in their annual report, a statement commenting on the extent of their compliance with Code of Corporate Practices and Conduct contained in the Cadbury or King Reports

on Corporate Governance. This statement may be contained in a separate section of the annual report and need not be audited.

Minimum issue price

The minimum issue price must be agreed with the LuSE Board.

LuSE PLS or Prospectus

An applicant issuer applying for a listing of its securities on the Main Board must publish a LuSE PLS or Prospectus. A prospectus, in compliance with both the LuSE Listings Requirements and the

Zambian Companies Act, must be prepared by the applicant issuer if the listing process includes a sale or a subscription of shares.

Sponsors and authorised representatives

An issuer must appoint a sponsoring broker when:

- › The applicant issuer makes an application for listing which requires the production of listing particulars;
- › When the issuer submits any documentation to the LuSE which is subject to the prior approval of the LuSE Board;
- › After a breach of the LuSE Listings Requirements and the LuSE Board notifies the issuer that the

appointment of a sponsoring broker is required to give advice on the application of the LuSE Listings Requirements;

- › A sponsoring broker is required to report to the LuSE Board in relation to any transaction or matter, in terms of the LuSE Listing Requirements; and
- › If so requested by the LuSE Board.

Foreign applicant issuers with/seeking a primary listing on the Main Board of the LuSE

Companies with a primary listing on the LuSE and which are also listed on other stock exchange/s must comply in full with the LuSE Listings Requirements.

Exchange control approval

The exchange control authorities may require details of the listing of a Zambian registered company, the listing by a foreign company, back door listings and the listing on another exchange by a LuSE listed company.

There are generally no exchange control requirements in Zambia and most requirements are for administrative purposes.

Foreign applicant issuers with/seeking a secondary listing on the Main Board of the LuSE

In circumstances where an applicant issuer's primary listing is on another exchange, the LuSE Board will normally accept the listings requirements of that

exchange but reserves the right to request such applicant issuer to comply with such aspects of the LuSE Listings Requirements as it may determine.

Listings are granted subject to compliance with the LuSE Listings Requirements

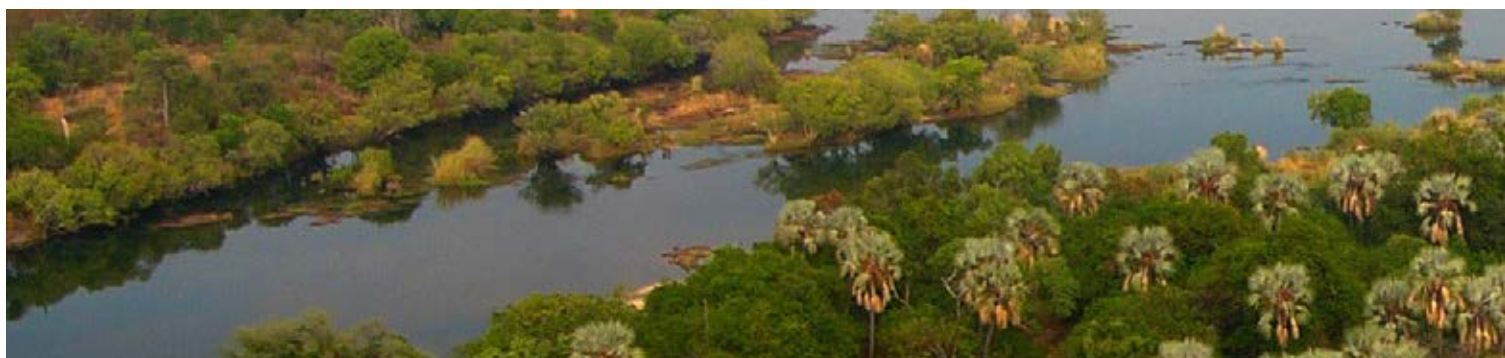
03 | Listing process

Set out below is an overview of the key steps in the listing process:

Step	Process
D = date	
1 Preparation	<ul style="list-style-type: none"> › Meetings with and appointment of advisors to the listing; › Undertake a due diligence, if necessary; and › Preparation of the LuSE PLS or Prospectus and other application documents.
2 Informal comments	<ul style="list-style-type: none"> › Submission of the LuSE PLS or Prospectus, annotated in the margin to indicate which specific paragraph numbers of the LuSE Listings Requirements have been complied with, to the LuSE Secretariat by 10am on a business day to be deemed to have been lodged at 10am on such business day ("Deemed Lodgement Time"); and › The LuSE Secretariat will provide the relevant sponsor with its informal comments on the LuSE PLS or Prospectus within two (2) business days of the Deemed Lodgement Time.
3 Informal approval	<ul style="list-style-type: none"> › Incorporation of the LuSE Secretariat comments into the LuSE PLS or Prospectus; › Within two (2) business days of the Deemed Lodgement Time for informal approval to the LuSE Committee, the LuSE Committee will either: <ul style="list-style-type: none"> » Grant informal approval; or » Refuse informal approval and return the documents to the relevant sponsor with additional comments or outstanding information; and › If informal approval is not granted, the sponsoring broker may re-submit the documents after correcting the omission or incorporating the relevant comments.
4 Formal approval	<ul style="list-style-type: none"> › Once the informal approval of the LuSE Committee has been obtained, four (4) copies of the final LuSE PLS or Prospectus, together with copies of the consents by experts to the use of their name and reports in the documentation, must be submitted to the LuSE Board for formal approval; › Within one (1) business day of the Deemed Lodgement Time for formal approval, the LuSE will either: <ul style="list-style-type: none"> » Grant formal approval; or » Refuse formal approval (with comments if the LuSE PLS or Prospectus is capable of repair); and › The LuSE Board may, upon request, take an additional one (1) business day to consider the LuSE PLS or Prospectus.

Step	Process
5 Part I documentation	<ul style="list-style-type: none"> › Submission of Part I documents to the LuSE for approval prior to the publication of the announcement and the LuSE PLS or Prospectus: <ul style="list-style-type: none"> » Application for listing; » Explanation of how shareholder spread will be achieved; » Dated and signed LuSE PLS or Prospectus; » If the document is a prospectus, a certificate from the company's attorneys stating that the requirements of the Zambian Securities Act and the Zambian Companies Act have been complied with; » A statement from the accountant that the contents of the LuSE PLS or Prospectus are not contradictory with the information contained in the LuSE Report/s; » If the application for listing is not accompanied by an offer, a list of shareholders and an analysis of shareholders must be submitted; » Where applicable, the underwriting agreement and the prescribed details relating thereto; » The Constitutional Documents complying with the LuSE Listings Requirements; » Debenture trust deed, if applicable; » For certification purposes, a specimen, cancelled by mutilation, of the share certificate or allotment letter; » A statement as to listings on other exchanges including details in the event of an application for listing on any stock exchange having been refused or deferred; » List of other directorships of each director and the nature of business conducted by such companies; and » The draft placing document, where an issue of securities is being made by means of a placing.
6 Marketing and bookbuilding (relevant for IPO's)	<ul style="list-style-type: none"> › Publication of announcement and LuSE PLS or Prospectus (D + 0); › LuSE PLS or Prospectus available; › Offer opens; › Roadshows, meetings with investors; and › Bookbuilding exercise.

Step	Process
7 Admission to listing	<ul style="list-style-type: none"> › Latest closing of offer (D + 21); › Submission of Part II documentation to the LuSE (D – 2): <ul style="list-style-type: none"> » Certificate by the company's legal advisors, auditors, merchant bankers or sponsoring broker certifying that the published LuSE PLS or Prospectus was in accordance with the signed LuSE PLS or Prospectus approved by the LuSE Board; » Notarially certified copy of the LuSE PLS or Prospectus, dated and signed by the directors; » One (1) copy of the newspaper/s in which the announcement was published; » Three (3) copies of the published LuSE PLS or Prospectus are required for circulation for members; » A notarially certified copy of the Constitutional Documents embodying any amendments required by the LuSE Board; » A notarially certified copy of the certificate of registration and certificate to commence business, if the company was registered within the last two (2) years; » A specimen (cancelled by mutilation) of the share or debenture certificates; » The general undertaking by the company in the form of a resolution of the board of directors; » A statutory declaration, by the chairman and the company secretary of the applicant issuer, confirming that the applicant issuer has complied with the necessary regulatory and other requirements in anticipation of the listing; » A copy of every prospectus or statement in lieu of a prospectus issued during the past three (3) years; » Copies of any experts consents appearing in the LuSE PLS or Prospectus; » Three (3) copies of a statement by the company's secretary; » Cheque in payment of the listing fee; » Details of any dividend recommended or declared but not yet paid at the date of application; » Mechanical signatures on certificates of title; and » Requirements for certified deeds and other temporary documents of title; › Results of offer submitted to the LuSE Secretariat (D+23); › Results announcement published by the applicant issuer giving the date of commencement of dealing in securities if listing has been granted or appropriate negative statement (D+27); › Latest date for refund cheques to be returned and documents of title posted (D+28); and › Date of listing on the LuSE (D + 33).



8 | Post listing

- › Submission of Part III document to the LuSE Secretariat: (D+61)
 - » A certificate, signed by the auditors, certifying that the applicant issuer's share capital and share premium issued since the date of issue of the last annual financial statements or date of incorporation, have been fully subscribed for and, if applicable, deposited for the company's account with the company's bankers;
 - » An audited list of share and/or debenture holders as at the date listing was granted;
 - » A statement detailing the number of securities applied for by the public, the number of securities allotted and the basis of allotment and the number of securities taken up by any underwriter, sub-underwriter or placee;
 - » An analysis of securities held by shareholders including:
 - The number of shareholders in the Republic of Zambia and the total number of securities held by directors and any controlling shareholder and their associates and employees, promoters, vendors, underwriters;
 - The number of shareholders other than in the Republic of Zambia and the total number of securities held exclusive of those held by directors and any controlling shareholder and their associates and employees, promoters, vendors, underwriters;
 - The number of shareholders that are employees and are beneficiaries of any trust or scheme for their benefit and the total number of shares held by them;
 - Details of shares held by the directors and any controlling shareholder and their associates, any associates of the company and vendors, promoters and underwriters; and
 - The combined total;
- › Compliance with the continuing obligations of the LuSE Listing Requirements.

In a dual market environment, the registration of securities is a legal requirement, whereas listing on the Main Board requires a contract between the applicant issuer and the LuSE



04 | LuSE PLS or Prospectus

The LuSE PLS or Prospectus must be formally approved by the LuSE before publication.

A prospectus must comply with the requirements set out in the *Zambian Securities Act* and the *Zambian Companies Act* in addition to the LuSE Listings Requirements and must be registered with the *Zambian Registrar of Companies*.

All LuSE PLS' or Prospectus' should contain the following information:

The applicant issuer and its capital

- › Information about the applicant issuer and its capital including:
 - › The name and address of the registered office and of the transfer office and the date of incorporation;
 - › The previous name of the company if it changed during the past three (3) years;
 - › Details of the share capital consisting of either par value or no par value shares;
 - › A description of the rights attaching to the shares;
 - › Consents required to vary the rights attaching to securities;
 - › A summary of the issues or offers of securities of the applicant issuer and its securities during the preceding three (3) years;
 - › A summary of any consolidations or subdivisions of shares during the preceding three (3) years;
 - › A statement as to who controls the issue or disposal of the authorised but unissued securities of the company; and
 - › A statement as to what other classes of securities are listed and on which stock exchanges;
- › The borrowing powers of the applicant issuer and its subsidiaries exercisable by the directors and the manner in which they can be varied;
- › Any circumstances when the borrowing powers have been exceeded during the past three (3) years;
- › Any restrictions on the borrowing powers of the applicant issuer or any of its subsidiaries;
- › The amount of debentures created in terms of the trust deed and the amount issued / agreed to be issued;
- › Details of material loans, including debentures, made to the applicant issuer and any of its subsidiaries;
- › Particulars of debentures issued by way of conversion or replacement of debentures previously issued including all material differences between the two (2) instruments;
- › Details of all material commitments, lease payments and contingent liabilities;
- › Disclose details of all off-balance sheet financing by the applicant issuer and any of its subsidiaries;
- › Disclose as to how all borrowings arose and whether they arose from the purchase of assets;
- › A negative statement if no loan capital is outstanding;
- › Details of all material loans receivable by the applicant issuer and its subsidiaries;
- › Details of loans to any director or manager or their associates by the applicant issuer or any of its subsidiaries;
- › Details as to how and why each loan receivable arose;
- › Details of any arrangements whereby any option or preferential right is proposed to be given to any person to subscribe for any securities of the applicant issuer or any of its subsidiaries including the acquisition of securities from a person to whom they were allotted or were agreed to be allotted, with a view to offering them for sale;
- › The names of any controlling shareholder/s of the applicant issuer;
- › Details of any change in controlling shareholder as a result of the issue; and
- › The names of any shareholders (other than directors of the applicant issuer) who are, directly or indirectly beneficially interested in five (5)% or more of any class of the applicant issuer's capital and the number of shares held by such shareholders.

Directors, managers and advisors

- › The following details relating to each director and member of senior management of the applicant issuer:
 - » Full name;
 - » Business address;
 - » Occupations (other than that of director of the applicant issuer);
 - » Nationality; and
 - » Expertise and experience over the past three (3) years;
- › For foreign applicant issuers, the above information must be provided in respect of the local executive management board, if any. Where the LuSE Board considers that the parent company is not adequately represented on the directorate of its subsidiaries, an appropriate explanation is required;
- › The term of office and other details relating to any director who has been or is to be appointed;
- › A summary of the provisions of the Constitutional Documents relating to:
 - » Qualifications of directors;
 - » Remuneration of directors; and
 - » Any power enabling the directors to vote remuneration to themselves or any members of their body;
- › Particulars, in aggregate, of any remuneration paid during the last financial period and any proposed remuneration of directors or proposed directors in their capacity as director, or in any other capacity, by the applicant issuer and any subsidiaries distinguishing between executive and non-executive directors earnings and providing separate disclosure of salary, fees benefits, share options and bonuses;
- › A statement as to whether directors' remuneration will be varied subsequent to the listing and the details of any such variation;
- › Details of any third party who will be managing the business of the applicant issuer or its subsidiaries or any part thereof including the consideration paid in terms of such parties contract with the applicant issuer;
- › The full name, street, postal address and professional qualifications of the company secretary of the applicant issuer;
- › The names and street and postal addresses of the auditor, legal advisor, banker and stockbroker to the applicant issuer and any other parties to the listing or documentation;
- › Details of any promoter and the amounts paid or proposed to be paid to such promoter within the preceding three (3) years;
- › Details of underwriters and the amount of any consideration paid to underwriters, within the preceding three (3) years;
- › Particulars of any commissions, discounts, brokerages or other special terms granted during the three (3) years preceding the date of the LuSE PLS or Prospectus in connection with the issue or sale of any securities, stock or debentures in the capital of the applicant issuer where such amount and particulars have been disclosed in the annual financial statements;
- › Commission payable on the issue of shares must not exceed five (5)% of the price at which the shares were issued and must be authorised by the Constitutional Documents;
- › The amount or estimated amount of preliminary expenses incurred within the preceding three (3) years, the amount of such payment and the person/s to whom such expenses were paid or payable;
- › The amount or estimated amount of the expenses of the issue and listing, the amount of such payment and the person/s to whom such expenses were paid or payable
- › Details of the nature and extent of any material beneficial interest, direct or indirect, of every director or promoter in the promotion of the applicant issuer and in any property acquired or proposed to be acquired by the applicant issuer out of the proceeds of the issue or during the three (3) years preceding the date of the LuSE PLS or Prospectus;
- › Details of any amounts paid or agreed to be paid within the preceding three (3) years to any director or to any company in which such director is beneficially interested, directly or indirectly, in cash or securities or otherwise, by any person to induce him to become or to qualify him as a director or otherwise for services rendered by him or by the company in connection with the promotion or formation of the applicant issuer;
- › Details of direct and indirect interests of the directors' in excess of one (1)% of the share capital of the applicant issuer, distinguishing between beneficial and non-beneficial interests. Any changes in such interests between the end of the financial year and the date of the LuSE PLS or Prospectus should be detailed or a negative statement that there are none;
- › Details of the nature and extent of any beneficial interests, whether direct or indirect, of directors, in transactions effected by the applicant issuer during the current or preceding financial year or during an earlier financial year which remain in any respect outstanding or underperformed or an appropriate negative statement; and
- › A statement by the directors that they accept responsibility for the accuracy of the information provided in the LuSE PLS or Prospectus and certifying that there are no other facts the omission of which would make any statement false or misleading.

Securities for which application is being made

- › A statement providing the purpose of the issue and giving reasons as to why it is considered necessary for the applicant issuer to raise the capital offered. If the capital offered is more than the amount of the minimum subscription, the reasons for the difference between the capital offered and the minimum subscription;
- › Details relating to the securities for which application to list is being made, including:
 - › The purpose of the issue/offer;
 - › Particulars of the issue/offer;
 - › Particulars of debentures issued/offered;
 - › Timing of the offer;
 - › Issue price of the securities; and
 - › Minimum subscription which must be raised in terms of the offer of the securities by the applicant issuer;
- › If the document is a prospectus, a statement on the front cover confirming that the prospectus has been registered by the Zambian Registrar of Companies in terms of the Zambian Companies Act and the date of such registration;
- › A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued;
- › The time limit after which entitlement to dividend lapses and the person in whose favour the lapse operates;
- › The fixed date on which entitlement to dividends arises; and
- › Particulars of any arrangement under which future dividends are waived or agreed to be waived.

Group's activities

- › The general history of the applicant issuer and its subsidiaries including the following information:
 - › The length of time during which the business of the applicant issuer and any subsidiary has been carried on;
 - › The name, date, place of incorporation and registration number and the issued or stated capital of its subsidiaries, together with details of the securities held by the holding company, indicating those not listed on the LuSE;
 - › Details of the main business of its subsidiaries and the date on which they became a subsidiary;
 - › Brief particulars of any alteration to the applicant issuer's capital during the past three (3) years;
 - › The date of conversion of the applicant issuer into a public company;
- This information must also be disclosed in respect of any business undertaking or company which the applicant issuer or any of its subsidiaries plans to acquire simultaneously to the listing;
- › A general description of the business carried on or to be carried on by the applicant issuer and its subsidiaries;
 - › Details of the degree of government protection and of any investment encouragement laws affecting the business/es. This information must also be disclosed in respect of any business undertaking or company which the applicant issuer or any of its subsidiaries plans to acquire simultaneously to the listing;
 - › Details of any material changes in the business of the applicant issuer during the past five (5) years;
 - › The opinion of the directors as to the prospects of the business of the applicant issuer and its subsidiaries;
 - › The situation, area and tenure of the principal immovable property held or occupied by the applicant issuer and any of its subsidiaries;
 - › Full information of all material inter-company finance;
 - › Details of changes to the controlling shareholder and trading objects of the applicant issuer and its subsidiaries during the past five (5) years and any proposed new name and the reason/s for the change and whether the Zambian Registrar of Companies has consented to the change;
 - › Details relating to any acquisitions of securities in any company/ies or business enterprise or immovable or other property within the last three (3) years;
 - › Details of any material property disposed of during the past three (3) years; and
 - › Details of any legal or arbitration proceedings which have had or may have, during the previous twelve months (12), a material effect on the group's financial position or an appropriate negative statement.

Financial information

- › LuSE Report/s on the applicant issuer and any acquisitions or proposed acquisitions;
- › The following information from the applicant issuer's latest annual financial statement, on a consolidated basis:
 - » Income statement;
 - » Balance sheet;
 - » Cash flow statement;
 - » Significant accounting policies or notes to the accounts;
 - » Retirement benefit information concerning retirement benefit plans to provide a broad understanding of the significance of retirement benefit costs in the accounting period and actual and contingent liabilities and commitments at the accounting date including the following:
 - Whether or not the retirement benefit plan is governed by the Pension Scheme Regulation Act, 1996;
 - The nature of the retirement benefit plan and whether it is a defined contribution plan or a defined benefit plan;
 - Any commitment of the company, formal or otherwise, to meet unfunded benefits;
 - An indication of the proportion of the company's employees covered by retirement benefit plans;
 - The effective date of the most recent actuarial valuation;
 - The opinion of the actuary as to whether or not the plan was in a sound financial position;
 - Any alteration as to the contribution rate recommended by the actuary specifying the nature, amount and duration of the alteration and whether or not the recommendation is being implemented; and
 - The year of the next actuarial valuation;
 - » A statement that the auditors' report was without qualification or details of such qualification;
- › If the applicant issuer's own annual or consolidated annual accounts do not fairly present the assets and liabilities, financial position and profits and losses of the group, more detailed and/or additional information must be given;
- › In respect of each of the preceding five (5) years, or less if the applicant issuer has traded for a lesser period, particulars of the following:
 - » Profits or losses before and after tax;
 - » The dividends paid;
 - » The dividends paid in appropriate currency per share;
 - » The dividend cover for each year; and
 - » The profits before and after tax and general history, for the preceding three (3) years, of any proposed acquisition of securities in or the business undertaking of another company by the applicant issuer or its subsidiaries;
- › This information must also be disclosed in respect of any business undertaking or company which the applicant issuer or any of its subsidiaries plans to acquire simultaneously to the listing;
- › Particulars of:
 - » The dividend policy to be adopted;
 - » The pro forma balance sheet prior to and immediately after the proposed issue of securities; and
 - » The effect of the proposed issue of securities on the net asset value per share.
- › Particulars of all investments exceeding ten (10%) of the total assets of the applicant issuer;
- › A statement by the directors that the issued share capital of the applicant issuer and its subsidiaries is adequate for the purposes of the group's business for a period of eighteen (18) months or, if it is inadequate, the extent of the inadequacy and the manner in which the group is to be financed. This statement should be supported by a report from the applicant issuer's auditor, reporting accountant, merchant banker, sponsoring broker or other advisor acceptable to the LuSE Committee;
- › A statement by the directors that the working capital available to the group is sufficient for its requirements for a period of eighteen (18) months and if not, how it is proposed to provide the working capital thought by the directors to be necessary; and
- › A description of any material change in the financial or trading position of the group which has occurred subsequent to the last financial period for which either annual financial statements or interim results have been published.

LuSE PLS or Prospectus must be formally approved by the LuSE, before publication

General information

- › Details of every significant contract (other than in the ordinary course of business) entered into by the applicant issuer or any of its subsidiaries within the past two (2) years or entered into at any time and containing an obligation or settlement that is material to the applicant issuer or the group at the date of the LuSE PLS or Prospectus;
- › Any contract relating to the acquisition of less than one hundred (100)% of the securities in any unlisted company or associated company, the reason why one hundred (100)% was not acquired;
- › Details of contracts or proposed contracts relating to directors' and managerial remuneration, secretarial and technical fees payable and restraint payments;
- › A narrative statement of how the applicant issuer has complied with the relevant corporate governance requirements;
- › Particulars of royalties payable or items of a similar nature in respect of the applicant issuer or the group;
- › Details of experts' consents; and
- › Details of documents and consents available for inspection at the applicant issuer's registered office and in Lusaka for at least fourteen (14) calendar days.

Vendors

- › The names and addresses of the vendors of any assets purchased or acquired by the group during the preceding three (3) years or proposed to be purchased and the details of the consideration paid or payable as well as the cost of the assets to the vendors and the dates of purchase by them;
- › A statement as to whether the vendors have guaranteed the book debts or other assets and whether "normal guarantees" have been given;
- › Details of restraints of trade with the vendors;
- › Details of how liabilities for accrued taxation will be settled in terms of the vendor agreement;
- › When securities in a company have been purchased, a reconciliation between the purchase price and the net asset value of the company;
- › Details of the interests of any promoter or director in any such transaction; and
- › A statement as to whether the assets acquired have been transferred into the name of the group and whether or not the assets have been ceded or pledged.

05 | Continuing obligations

Applicant issuers are subject to certain continuing obligations and financial reporting requirements:

Price sensitive information, confidentiality and cautionary announcements

There is a general obligation for an issuer to publish information relating to any developments which are not public knowledge and which may lead to material (ten (10)%) movements in the issuer's share price unless such information is kept confidential for a limited period of time.

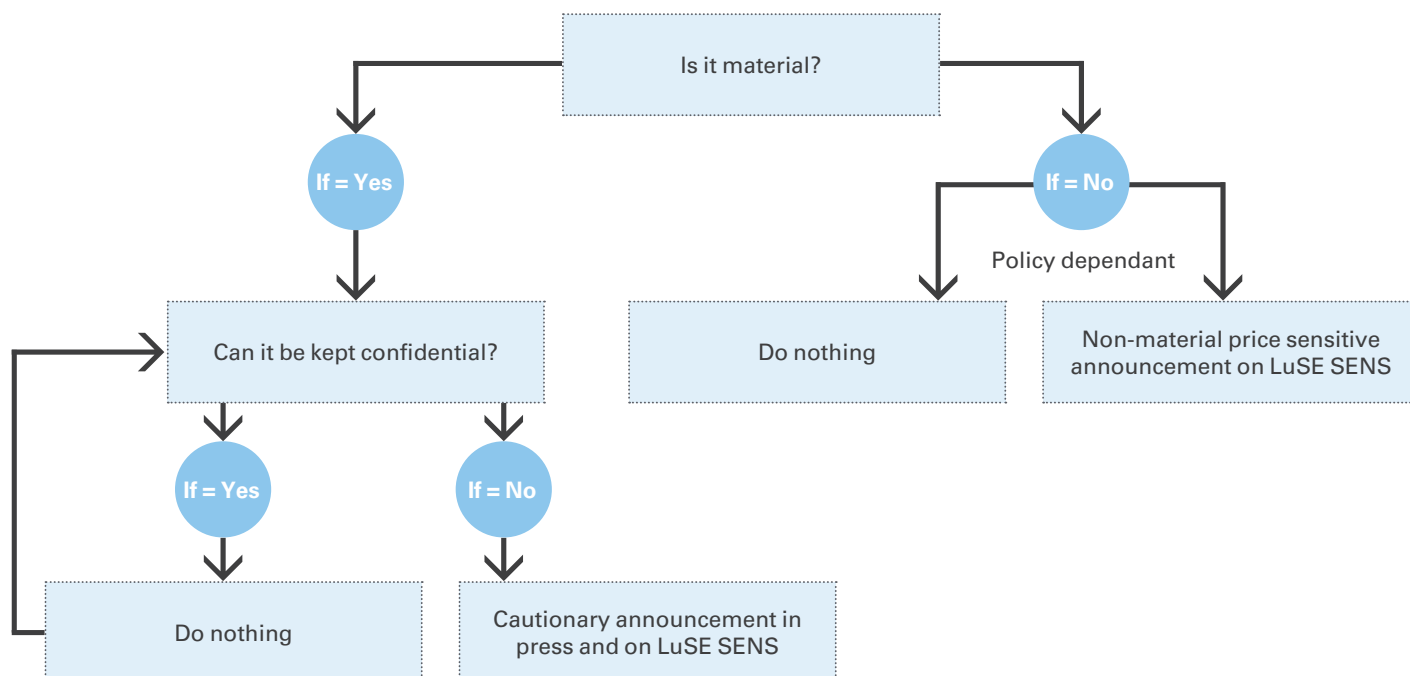
Material price-sensitive information may not be released (even under time embargo) until it is published on LuSE SENS or (if after hours) arrangements have been made to release such information on LuSE SENS before the market opens the next day.

An issuer may provide price sensitive information in the strictest confidence to its sponsors, advisors

and/or any person/s with whom it is negotiating with a view to effecting a transaction or raising finance. In such cases, the issuer must advise the recipients, preferably in writing, that the information is confidential and constitutes inside information.

If the necessary degree of confidentiality of material price sensitive information cannot be maintained or if the issuer suspects that confidentiality has or may have been breached, an issuer must publish a cautionary announcement on LuSE SENS and in two (2) national daily English newspapers.

The decision tree set out below should be consulted when considering the action to be taken with regards to price sensitive information:



Alterations to capital structure

An issuer must publish an announcement giving details of the following changes to its capital:

- › Alterations to capital structure;
- › Changes of rights attaching to securities;
- › Basis of allotment;
- › Temporary documents of title;
- › Issues affecting conversion rights; and
- › Results of new issues.

Rights as between holders of securities

All shareholders of the same class must receive fair and equal treatment.

All listed securities of the same class must have the same voting rights.

Before issuing new equity securities for cash, the securities must be offered by rights offer to existing shareholders in proportion to their existing holdings.

Waiver of pre-emptive rights

Shareholders may authorise an issuer, by way of an ordinary resolution as detailed below, to issue equity securities for cash other than to existing shareholders in proportion to their existing shareholdings, for a fixed period of time.

The LuSE has the power to allow a waiver of shareholders' pre-emptive rights in exceptional circumstances such as rescue operations.

Voting

A resolution to approve a resolution regarding the waiver of pre-emptive rights where thirty five (35)% or more of the applicant issuer's issued securities are held by the public requires an eighty five (85)% majority of votes cast by shareholders present or represented by proxy at the general meeting.

A resolution to approve a resolution regarding the waiver of pre-emptive rights where less than thirty five (35)% of the applicant issuer's securities are held by the public requires a ninety (90)% majority of votes cast by shareholders present or represented by proxy at the general meeting.

Issues by subsidiaries other than on listing

Any material issue of shares for cash by a major (thirty (30)% or more of the aggregate of the share capital and reserves or profits of the listed company's group) subsidiary of an issuer requires the specific approval of the issuer's shareholders, by way of a resolution as detailed above.

The obligation to obtain the consent of shareholders does not apply if the major subsidiary is listed and needs to comply with the pre-emptive rights requirements. In such cases the listed holding company must ensure that its equity interests in such major subsidiary are not material diluted unless such dilution is necessary to satisfy minimum spread requirements.

In the case of a rights issue, if the listed holding company does not propose to take up its rights, arrangements must be made for such rights to be offered to its shareholders to be offered the shares in the first instance.

Options for cash

The consent of the LuSE Board must be obtained in circumstances when the issuer proposes to grant options over securities for cash and it does not intend to issue such options to all shareholders on the share register as at the business day immediately

prior to the date of the granting of the listing in proportion to their existing shareholdings.

The total number of options granted or issued may not exceed twenty (20)% of the issuer's issued share capital unless offered to all shareholders in proportion to their existing shareholdings.

Shareholder spread

All issuers are required to ensure that a minimum of twenty five (25)% of each class of equity securities is held by at least three hundred (300) public shareholders.

The LuSE Board may suspend or terminate the listing of an issuer if the percentage of a class of securities held by the public does not comply with the minimum spread requirements.

The LuSE Board may allow a reasonable time to restore the spread unless this is precluded by the

need to maintain the smooth operation of the market or in order to protect investors.

The LuSE Board may allow a reduction in the minimum spread requirements if it considers such a reduction is in the best interests of the listed company and does not unduly prejudice investors.

An issuer must inform the LuSE Board, in writing, when it becomes aware that the minimum spread requirements are no longer being met.

Communications with shareholders

An issuer must ensure that all the necessary facilities and information are available to enable holders of securities to exercise their rights, in particular it must:

- › Inform holders of securities of the holding of meetings which they are entitled to attend;
- › Enable them to exercise their rights to vote; and
- › Publish announcements and distribute circulars in terms of the LuSE Listings Requirements.

All announcements through LuSE SENS must be in English and conform with the LuSE Listings Requirements.

All press announcements must be published in English in two (2) national daily English language newspapers.

Circulars and LuSE PLS' and Prospectus' must be printed in English and be distributed to all shareholders.

Redemption of listing redeemable preference shares

A redemption of listed redeemable preference shares in terms of the Zambian Companies Act must be authorised and conducted in accordance with the listed company's Constitutional Documents.

Such a redemption requires a circular containing details of the redemption to be sent to all security holders. A written application must be submitted to the LuSE Board for removal from the list of the securities redeemed as from a specified time and date.

Transfer from one section of the List to another sector

A written application, including a directors' resolutions, must be made to the LuSE Board stating the reasons for the request for the issuer to transfer from one (1) section of the List to another section. Details must be given regarding the assets employed in and income derived from the various activities of

the applicant and its subsidiaries, as a value and a percentage.

The transfer of an issuer from one section of the List to another section always takes place on the first business day of the week.

Directors

All directors, other than managing directors, must retire by rotation at least once in every three (3) years. No more than half of the directors may be appointed as managing directors.

Directors may not deal in shares during the period between the year-end and the preliminary announcement of the company's annual results or during the two (2) months prior to the announcement of half yearly results.

Directors may not deal in securities when in possession of unpublished, price sensitive information.

Directors must receive clearance before dealing in the shares.

Transactions and categorisation

Transactions include acquisitions/disposals by the issuer or the issuer's subsidiary.

Transactions exclude an issue of securities or a transaction to raise finance that do not involve the acquisition or disposal of any asset of the issuer or its subsidiaries.

Percentage ratios

For LuSE purposes, a transaction is categorised by assessing its size relative to that of the issuer proposing to make it or its holding company, if applicable.

The comparison of size is made by the use of percentage ratios resulting from each of the following calculations:

- › Consideration to market capitalisation, i.e. the consideration divided by the aggregate market value of all the issuer's listed equity securities; and
- › Dilution, i.e. the number of listed equity securities issued by the issuer as compensation for the acquisition, compared to those in issue, excluding treasury shares.

Categorisation of and requirements for transactions

	Category 4 (\geq five (5)%; $<$ ten (10%) ¹)	Category 3 (\geq ten (10)%; $<$ twenty (20%)	Category 2 (\geq twenty (20)%; $<$ thirty (30%)	Category 1 (\geq thirty (30)%, no maximum)	Reverse take-over ³
Announcement	No	Yes	Yes	Yes	Yes
Circular	No	No	Yes (within twenty eight (28) calendar days)	Yes (within twenty eight (28) calendar days)	Yes (within thirty (30) calendar days)
Listing Particulars	No	No	No	Yes ²	Yes
Shareholder approval	No	No	No	Yes	Yes
Reporting accountants report on issuer	No	No	No	Yes	Yes
Pro forma financial information	Yes	Yes	Yes	Yes	Yes

¹ Details of the transaction to be included in the issuer's next interim report, annual financial statements, announcement, circular or other document issued to shareholders;

² Listing Particulars are required if the transaction results in an issue of securities, which when aggregated with any other issues of securities of the same class during the previous three (3) months, will increase the issued securities by more than thirty (30)%;

³ Transaction results in a fundamental change in the business or in a de jure change in board or voting control of the issuer except in certain limited circumstances.

An issuer must comply with the Take-overs and Mergers Rules and the Competition and Fair Trading Act in respect of all take-over and merger transactions.

Related party transaction

Related parties

A “related party” is:

- › a person who is (or was within the last twelve (12) months) a material shareholder (holds ten (10)% or more of the issued share capital) or their associate;
- › a person who is, or was within the twelve (12) months preceding the transaction, a director of the listed company or any of its subsidiaries or its holding company or any of its fellow subsidiaries or their associate;
- › any advisor to the issuer who has or had, during the twelve (12) months preceding the transaction, a beneficial interest in the issuer or any of its subsidiaries; and

- › a person who is, or was within the twelve (12) months preceding the transaction, a principle executive officer of the issuer whether or not he is, or was, a director or his associate.

Requirements for a related party transaction

The requirements for a related party transaction are as follows:

- › An announcement in compliance with the LuSE Listing Requirements;
- › A circular to shareholders in compliance with the LuSE Listing Requirements; and
- › Approval of the related party transaction by independent shareholders (excluding the related party).

An issuer must comply with
Take-overs and Mergers
Rules and the Competition
and Fair Trading Act in
respect of all take-over and
merger transactions

06 | Continuing obligations of a financial nature

Dividends and interest

Declaration of dividends and/or interest payments by an issuer in respect of listed securities should immediately be announced through LuSE SENS and a copy of such announcement must be sent to shareholders. The LuSE SENS announcement must be made at least fourteen (14) calendar days prior to the last day to register. The last day to register must be a Friday or, if that day is a public holiday, the previous business day.

Payments of dividends/interest must be effected within eight (8) weeks after the last day to register.

In circumstances where an issuer decides not to declare distribution payments, and such decision is deemed to be price sensitive, the decision must be announced immediately after it is taken.

Financial reporting

Quarterly reports: Must be published and distributed to all shareholders as soon as possible after the expiration of each quarter.

Interim reports: Must be published and distributed **within three (3) months of financial period end.** After a two (2) week grace period the LuSE will publish an announcement, on the LuSE SENS, informing shareholders that the issuer has not submitted its interim report and warning them that the listing is under threat of termination. On the date of publication of the announcement the issuer's listing will be annotated with an "RE" on the Lusaka Equities Trading System to indicate that it has failed to submit its interim report timeously. Where the issuer's listing is suspended, the suspension will only be lifted upon receipt by the LuSE Board of the issuer's interim report.

Annual reports: An issuer's AFS must be distributed **within three (3) months of financial period end.** If the AFS are not distributed within such three (3)

month period and at least twenty one (21) clear days before the date of the Annual General Meeting, the LuSE will publish an announcement, on the LuSE SENS, informing shareholders that the issuer has not submitted its AFS and warning them that the listing is under threat of suspension and possible termination. On the date of publication of the announcement the issuer's listing will be annotated with an "RE" on the Lusaka Equities Trading System to indicate that it has failed to submit its AFS timeously. If the issuer fails to issue its AFS within a further one (1) month of the announcement, the issuer's listing will be suspended and a meeting of the LuSE Board will be convened to consider the continued suspension or termination of the issuer's listing.

The LuSE Board has discretionary authority to waive the requirement for automatic suspension of the issuer's listing where it has not submitted its AFS timeously.



07 | Fees

Listing fees

The fees charged for a listing of securities is determined based on the value of the securities listed (i.e. listing price multiplied the number of shares to be listed). The minimum initial listing fee for an applicant issuer with a market value of issued securities of US\$1.0 million is US\$1 500.

The maximum initial listing fee for an applicant issuer with a market value of issued securities of US\$20.0 million or more is US\$10 000.

Annual listing fees

In respect of each class of security listed, an annual listing fee will be payable (except during the calendar year in which the first listing of securities is granted) each year. The annual fee charged is determined based on the value of the securities listed (i.e. listing price multiplied the number of shares to be listed).

The minimum annual listing fee for an issuer with a market value of listed securities of US\$1.0 million is US\$750. The maximum annual listing fee for an applicant issuer with a market value of issued securities of US\$20.0 million or is US\$5 000.

08 | Clearing and settlement

The Lusaka Stock Exchange Central Securities Depository ("LuSE CSD") is a subsidiary of the LuSE. The LuSE CSD operates an electronic clearing and settlement process with trade-for-trade netting and rolling settlement three (3) days after the trade.

The LuSE CSD operates
an electronic clearing and
settlement process



Zimbabwe

Opportunities

- › The country was once seen as the bread basket of the region and has scope to increase its agricultural production further;
- › Large mineral reserves offering long-term investment potential – dependent on political issues;
- › The government is re-engaging multilateral organisations and creditors, which has led to (limited) progress towards external debt relief; and
- › The agricultural and manufacturing sectors are producing significantly less food products and durable goods than consumers are demanding.

Strengths

- › Multi-currency regime keeps inflation intact and offers stronger buying power for Zimbabweans at a time that the US\$ is strong;
- › Production of tobacco (the country's largest export by value) increased by thirty three (33)% per annum between 2009 and 2013. Output is set to rise by fourteen point five (14.5)% in 2014;
- › The country's literacy rate is amongst the highest in Africa, offering Zimbabwe the human resources to further its economic recovery; and
- › Despite a myriad of uncertainties in the country, foreign investment into the mining sector has continued since 2009.

Weaknesses

- › Political uncertainty following the 2013 elections is the main obstacle to faster gross domestic product growth as it curtails foreign investment interest;
- › Highly dependent on imported food and consumer goods. Approximately seventy five (75)% of these goods sold locally are acquired from South Africa.;
- › Government finances are handled on a cash basis due to a lack of domestic and external borrowing opportunities. There has been no budgetary aid since 2009 and a still-dormant market for government debt; and
- › The banking sector is under pressure from rising levels of non-performing loans, an indigenisation drive by the state, and increasing minimum capital requirements set by the central bank.





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01 | Overview of the ZSE

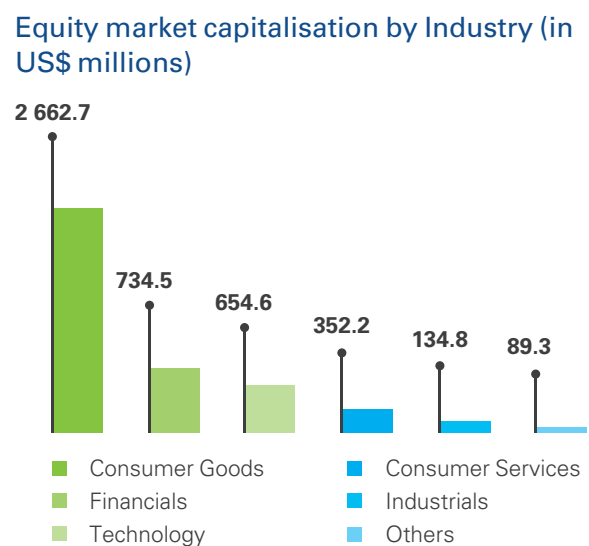
Introduction

The ZSE is the official stock exchange of Zimbabwe and has been open to foreign investment since 1993. The ZSE currently operates one equity market.

Equity market capitalisation of the ZSE

At the date of this publication, there were sixty two (62) equity issuers listed on the ZSE. The equity market capitalisation of the ZSE amounted to approximately US\$4 619.0 million, of which US\$4 605.3 million related to domestic equity listed on the ZSE and US\$13.7 million related to foreign equity listed on the ZSE. Delta Corporation Limited, in the Consumer Goods sector, is the largest equity issuer listed on the ZSE with an equity market capitalisation of US\$1 426.6 million.

The equity market capitalisation of the ZSE by Industry, in US\$ millions, is set out below:



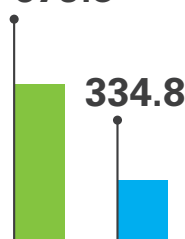
The Consumer Goods sector has the highest equity market capitalisation and comprises of one (1) automobile and parts equity issuer, eleven food (11) and beverage equity issuers and two (2) personal and household goods equity issuers. The second (2nd) largest sector is the Financials sector which comprises of three (3) banks, three insurance equity issuers, four (4) real estate equity issuers and seven (7) financial services equity issuers.

Volumes of equity shares traded

The volumes of the equity shares traded on the ZSE for the twelve (12) months to 10 June 2014 and for the six (6) months to 10 June 2014 are set out below:

Volume of equity shares traded on the ZSE (in millions)

1 679.8



■ Twelve (12) months to 10 June 2014
■ Six (6) months to 10 June 2014

During the twelve (12) months to 10 June 2014, 1 679.8 million shares traded on the ZSE out of a total of 37 408.8 million issued shares (approximately four (4)% of the cumulative issued shares on 10 June 2014).

During the six (6) months to 10 June 2014, 334.8 million shares traded on the ZSE out of a total of 37 408.8 million issued shares (approximately one (1)% of the cumulative issued shares on 10 June 2014).

Attractiveness as a foreign listing destination

Considerations when listing on the ZSE are as follows:

- › Foreign investors may not hold more than forty (40)% of the total issued share capital of an issuer with a primary listing on the ZSE;
- › An individual foreign investor may not hold more than ten (10)% of the total issued share capital of an issuer with a primary listing on the ZSE;
- › Capital gains withholding tax on the sale of listed shares is one (1)% of the sale proceeds;
- › The withholding tax on dividends is ten (10)%;
- › In March 2008, the Indigenisation and Economic Empowerment Act was passed by the parliament of Zimbabwe and signed into law. The main effect of this legislation is that it requires businesses in Zimbabwe, having a net asset value of over the prescribed threshold (which varies from sector to sector), to “dispose of” a controlling interest of not less than fifty one (51)% to “indigenous Zimbabweans”. The time frame within which such disposals must take place differs from sector to sector.
- › Full fungibility of shares applies to companies who have a primary listing on the ZSE. The Reserve Bank of Zimbabwe through its Exchange Control Department, prescribes the minimum amount of shares that should be maintained on the Zimbabwe share register at all times. Foreign investors are allowed to buy the fungible portion of the shares in the company and transfer them to the secondary listing market’s share register.
- › Partial fungibility of shares applies to companies who have a secondary listing on the ZSE and has the effect that shares can only be moved to the Zimbabwean register. In circumstances where a transfer of shares to a foreign investor relates to capital raising activities, the Reserve Bank of Zimbabwe can grant exchange control approval for the shares to be moved from the Zimbabwean register to such foreign investor.

Listing authority

The ZSE has entered into a memorandum of understanding, which paves the way for the proposed demutualisation of the exchange. Under the demutualisation structure it is intended that stockbrokers will hold thirty four (34)% of the demutualised ZSE (down from their current sixty eight (68)%) and the Zimbabwean government will hold sixteen (16)% (down from its current thirty two (32)%). The remaining fifty (50)% will be open to private investors, whereby, twenty (20)% will be the subject of a private placement and thirty (30)% will be floated through an initial public offer to raise US\$3.0 million. The Securities Commission of Zimbabwe is the capital markets regulator.

In terms of the provisions of the ZSEA, a company applying for a listing on the ZSE must comply with the ZSE Listings Requirements.

The ZSE Committee is the competent authority responsible for the following:

- › The list of the securities which may be dealt in on the ZSE;
- › Applications for listings of securities on the ZSE; and
- › The annual revision of the list.

The ZSE Committee has the discretion to modify the application of a requirement set out in the main body of the ZSE Listings Requirements in exceptional circumstances, including when it considers that the strict application of a particular requirement would conflict with the general principles set out below.

Subject to the provisions of the ZSEA, the ZSE Committee has the sole power:

- › Subject to the ZSE Listings Requirements, to grant, review and suspend or terminate a listing of securities;
- › To prescribe the minimum listing criteria for an applicant seeking a listing of its securities on the ZSE;
- › To prescribe the minimum listings criteria that issuers must comply with while they are listed on the ZSE;
- › To suspend, alter or rescind a ZSE Listings Requirement prescribed before or after a listing has been granted;
- › To prescribe additional ZSE Listings Requirements from time to time either by way of amendments to the existing ZSE Listings Requirements or by way of the issue of practice notes; and
- › To prescribe the circumstances under which a listing of a security shall or may be suspended or terminated.

General principles embodied in the ZSE Listing Requirements

The ZSE Listings Requirements comprise of general principles and the detailed listings requirements.

The general principles include the following:

- › To provide a market for the raising of primary capital
- › To provide an efficient mechanism for the trading of securities in the secondary market;
- › To protect investors;
- › Securities will be admitted to the list only if the ZSE Committee is satisfied that the applicant issuer is suitable and that it is appropriate for its securities to be listed;
- › Full, equal and timeous public disclosure of all significant activities of the issuer;
- › Security holders shall be given full information and afforded adequate opportunity to consider in advance and vote upon substantial changes in the issuer's business operations and matters affecting the company's constitution or shareholders' rights;
- › Parties involved in the dissemination of information to the market shall observe the highest standards of care in doing so;
- › All holders of the same class of securities shall enjoy fair and equal treatment in respect of their securities;
- › The ZSE Listings Requirements should promote investor confidence in standards of disclosure, in the conduct of issuers' affairs and in the market place as a whole; and
- › Securities should be brought to the market in a way that is appropriate and which will facilitate an open and efficient market for trading of securities.

02 | Principal listing requirements and procedures

The ZSE Listing Requirements are applicable to listing applications by both foreign and domestic companies and for primary and secondary listings, subject to certain additional requirements, modifications or exceptions.

The ZSE has alternative listing and continuing obligations requirements for mineral and property companies, special types of issuers and investment entities.

Admission to the official list

An application for a listing on the ZSE must comply with the ZSE Listings Requirements. The ZSE Committee may grant a listing subject to any additional condition/s which it considers appropriate. An applicant issuer will be informed of and have the right to make representations to the ZSE Committee with regards to any additional condition/s but thereafter will be required to comply with any such condition/s.

The powers of the ZSE Committee are not limited to those contained in the ZSE Listings Requirements but may at any time exercise any further powers granted to it in terms of ZSEA. The ZSE Committee may exercise its sole discretion in terms of the ZSE Listings Requirements and may grant a listing to an applicant issuer which does not fulfil all of the conditions for listing set out in the ZSE Listings Requirements or, refuse a listing to an applicant issuer which does comply with the ZSE Listings Requirements if, in the ZSE Committee's opinion, the grant or refusal of the listing is in the interests

of the investing public. Applicant issuers who wish to list but do not meet all of the objective criteria prescribed in the ZSE Listings Requirements for the grant of a listing are, therefore, invited to discuss their intended applications with the ZSE Committee.

Issuers with a primary listing on the ZSE and which are also listed on another stock exchange/s must comply with the requirements of both the ZSE and such other exchange/s.

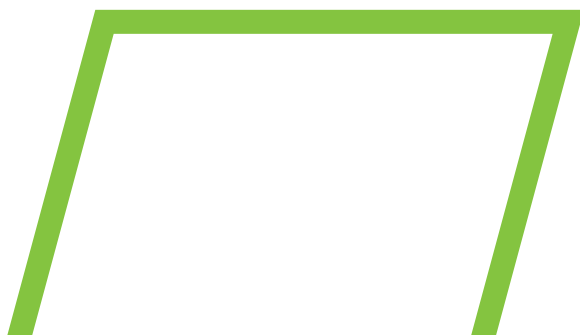
Where an applicant issuer's primary listing is on another exchange, the ZSE Committee will normally accept the listings requirements of that exchange, however, it reserves the right to request such company to comply with such aspects of the ZSE Listings Requirements as it may, at its sole discretion, determine.

An issuer must obtain shareholder approval at a general meeting and exchange control approval to list securities on another stock exchange.

Registration

An applicant issuer must be duly incorporated or otherwise validly established under the law of its country of incorporation or establishment and must be operating in conformity with its Constitutional Documents and all the laws of its country of incorporation or establishment.

All issuers are required to maintain a transfer office or a receiving office either in Harare or Bulawayo in Zimbabwe. Certification must be completed within twenty four (24) hours of receipt of transfer documents by the transfer office.



Criteria for listing

Subscribed capital

An applicant issuer must have a subscribed capital (including reserves but excluding minority interests, revaluations of assets that are not supported by a valuation by an independent professional expert acceptable to the ZSE Committee prepared within the last six (6) months and intangible assets) of at least US\$50.0 million.

In addition, the applicant issuer must have at least ten million equity shares in issue.

Financial information

The applicant issuer's financial statements must have been drawn up in accordance with the applicant's national law and must be prepared and independently audited in accordance with standards regarded by the ZSE Committee as appropriate for listed companies, namely, generally accepted accounting practice within Zimbabwe or, in the case of an external company, national generally accepted accounting practice acceptable to the ZSE Committee or International Accounting Standards.

The applicant issuer's auditors must have reported on the financial statements without any qualification which, in the opinion of the ZSE Committee, is significant for the purpose of the listing.

Any profit forecast presented by an applicant issuer must be accompanied by a report from the applicant's auditors or reporting accountants.

ZSE Report

A ZSE Report is required, *inter alia*, for a new applicant issuer and an applicant issuer who is issuing a prospectus.

The accountant issuing the ZSE Report must be a registered accountant and auditor and must be independent of the applicant issuer.

The directors of the applicant issuer are responsible for the financial statements from which the ZSE Report has been prepared and, if any of the financial statements have received a qualified audit report or have not been audited, give a statement of such qualification/s or identify the periods that have not been audited.

The ZSE Report must include the following financial information:

- › Detailed income statements in respect of the most recent and the preceding financial year and summarised in respect of the preceding five (5) financial years or such lesser period as the applicant issuer has been trading including earnings and dividend per share for each class of share capital;
- › Summarised balance sheets for the most recent financial year and the preceding financial year or such lesser period as the applicant issuer has been trading including the net assets per share, net tangible assets per share and the effect of any proposed issue of securities, if applicable;
- › Cash flow statements for the most recent financial year end and the preceding financial year;
- › Notes to the income statements, balance sheets and cash flow statements including all changes in equity and changes in equity other than those arising from capital transactions with owners and distributions to owners;
- › The accounting policies used in compiling the financial information contained in the ZSE Report;
- › Details of any material assets not owned by the company;
- › Particulars of material contingent liabilities and commitments; and
- › Provide details of any events which have occurred subsequent to the most recent financial year end and which have, or may have, a material impact on the financial information contained in the ZSE Report.

The financial information must be prepared on a consolidated basis.

If more than six (6) months have elapsed since the end of the applicant issuer's last financial year end and the date of the ZSE Report, interim financial information must be prepared for the six (6) months subsequent to the applicant issuer's most recent financial year end.

Profit history

The applicant issuer must have a satisfactory profit history for the preceding five (5) financial years, or for a lesser period if the company has traded for less than five (5) years.

Directors

The directors and senior management of an applicant issuer must have collectively appropriate expertise and experience for the management of the group's business. Details of such expertise and experience must be disclosed in any ZSE Listing Particulars.

Shareholder spread

At least thirty (30)% of its securities, unless otherwise agreed with the ZSE Committee, must be held by at least three hundred (300) members of the public (equity securities). Where the applicant issuer has had a private placement prior to the initial public offering, at least twenty (20)% of the total issued shares must be offered to the public. The public generally consists of individuals and institutional investors holding less than five (5)% of the shares in issue.

Applicant issuers whose securities are already listed on another exchange, must be in compliance with the requirements of that exchange and the relevant laws of that country.

Corporate governance

An applicant issuer must include a narrative statement of how it has applied the principles set out in the Code of Corporate Practice and Conduct as set out in the King Code or Cadbury Report on Corporate Governance. Explanations as to the how

the applicant issuer has applied the principles must be included. Government and the private sector are in the process of drafting a national code of corporate governance specific to Zimbabwe.

Minimum issue price

The minimum initial issue price of securities shall not be less than one hundred (100) cents per security, unless agreed otherwise with the ZSE Committee.

Trading and transferability

The securities for which listing is sought must be issued in conformity with the law of the applicant issuer's country of incorporation or establishment and in conformity with the applicant issuers Constitutional Documents. All authorisations needed for the creation and issue of securities under such law or documents must have been duly given.

The Constitutional Documents of the applicant issuer or, if applicable, the Debenture Trust Deed must have been approved by the ZSE Committee before an application for listing will be considered.

If the securities of the applicant issuer are already listed on another stock exchange, it must be in compliance with the requirements of that exchange and the relevant laws of that country.

The securities for which listing is sought must be fully paid up and freely transferable.

The ZSE Committee will not grant a listing in respect of issues of non-voting equity securities. The ZSE Committee will not grant a listing of shares or securities which the ZSE Committee considers constitute equity instruments, with high or low votes.

Listing particulars

An applicant issuer applying for a new listing of its securities on the ZSE must publish ZSE Listing Particulars in compliance with the ZSE Listings Requirements. The ZSE Listing Particulars must be signed by every director of the applicant issuer.

Sponsors and authorised representatives

The ZSE requires a sponsoring broker to be appointed in the following circumstances:

- › the issuer makes an application for listing which requires the production of ZSE Listing Particulars;
- › the issuer wishes to submit documentation to the ZSE Committee in respect of any of the following corporate actions:
 - » Acquisitions;
 - » Announcements;
 - » Applications for additional securities/ amendments to listings/terminations of listings;
 - » “Backdoor” or reverse listings;
 - » Capitalisation issues;
 - » Changes of name;
 - » Conversion of securities;
 - » Debenture issues;
 - » Disposals;
 - » Explanatory statements;
 - » Constitutional Documents;
 - » New classes of securities;
 - » New listings;
 - » Notices of general meeting;
 - » Pyramid companies/changes of control;
 - » “Rescue” operations;
 - » Rights and claw-back offers;
 - » Schemes of arrangements/reorganisations/ restructuring;
 - » Share incentive/option schemes/amendments;
 - » “Cash companies” operations and reverse take-overs;
 - » Standby offers;
 - » Sub-divisions/consolidation of securities;
 - » Take-overs and mergers;
 - » Voluntary terminations;
 - » Transfer of listings;
 - » Trustee deeds/amendments; and/or
 - » Any other document bearing the logo of a sponsoring broker.
- › After a breach of the ZSE Listings Requirements and the ZSE Committee notifies the issuer that the appointment of a sponsoring broker is required to give advice on the application of the ZSE Listings Requirements;
- › A sponsoring broker is required, in terms of the ZSE Listings Requirements, to report to the ZSE Committee in relation to any transaction or matter; and
- › So requested by the ZSE Committee.

The ZSE Committee may require an issuer to appoint a joint sponsoring broker where it deems appropriate.



03 | Listing process

Set out below is an overview of the key steps in the listing process:

Step	Process
D = initial date	
1 Preparation	<ul style="list-style-type: none"> › Meetings with and appointment of advisors to the listing; › Undertake a due diligence, if necessary; and › Preparation of the ZSE Listing Particulars and other application documents.
2 Informal comments	<ul style="list-style-type: none"> › Submission of the ZSE Listing Particulars to the ZSE by 10am on a business day to be deemed to have been lodged by 10am on the following business day ("the Deemed Lodgement Time"); › The ZSE will provide the relevant sponsoring broker with its informal comments on the ZSE Listing Particulars within two (2) business days of the Deemed Lodgement Time.
3 Informal approval	<ul style="list-style-type: none"> › Incorporation of the ZSE comments into the ZSE Listing Particulars; › Within forty eight (48) hours of the Deemed Lodgement Time for informal approval, the ZSE will either: <ul style="list-style-type: none"> » Grant informal approval; or » Refuse informal approval and return the documents to the relevant sponsoring broker with comments or outstanding information; and › If informal approval is not granted, the broker may re-submit the documents after correcting the omission or incorporating the relevant comments.
4 Formal approval	<ul style="list-style-type: none"> › Once the informal approval of the ZSE has been obtained, four (4) copies of the final ZSE Listing Particulars must be submitted to the ZSE Committee for formal approval; › Within twenty four (24) hours of the Deemed Lodgement Time for formal approval, the ZSE will either: <ul style="list-style-type: none"> » Grant formal approval; or » Refuse formal approval (with comments if the ZSE Listing Particulars are capable of repair); and › The ZSE Committee may, upon request, take an additional twenty four (24) hours to consider the ZSE Listing Particulars.



Set out below is an overview of the key steps in the listing process: (continued)

Step	Process
5 Part I documentation	<ul style="list-style-type: none"> › Submission of Part I documents to the ZSE for approval: <ul style="list-style-type: none"> » Application for listing; » Explanation of how shareholder spread will be achieved; » Dated and signed ZSE Listing Particulars; » Certificate from the company's attorneys stating that the requirements of the Zimbabwe Act have been complied with (for a prospectus); » A statement from the accountant that the contents of the ZSE Listing Particulars are not contradictory with the information contained in the ZSE Report; » If the application for listing is not accompanied by an offer, a list of shareholders and an analysis of shareholders must be submitted; » The underwriting agreement and the prescribed details relating thereto; » The Constitutional Documents complying with the ZSE Listings Requirements; » Debenture trust deed, if applicable; » A specimen of the share certificate, allotment letter or other document in which it is desired to deal prior to the issue of shares or other securities; » A statement as to listings on other exchanges; » List of other directorships of each director and the nature of business conducted by such companies; » The draft placing document, if applicable; and › Listing will have been granted subject to approval of Part II documentation and shareholder spread requirements.
6 Marketing and bookbuilding (relevant for IPO's)	<ul style="list-style-type: none"> › Publication of abridged Listing Particulars in the press (D+0); › ZSE Listing Particulars available; › Offer opens; › Roadshows, meetings with investors; and › Bookbuilding exercise.

If the application for listing is not accompanied by an offer, a list of shareholders and an analysis of shareholders must be submitted

Step	Process
7 Admission to listing	<ul style="list-style-type: none"> › Submission of Part II documentation to the ZSE: <ul style="list-style-type: none"> » Certificate by attorneys, auditors and sponsoring broker confirming that the published ZSE Listing Particulars was the same as the signed ZSE Listing Particulars approved by the ZSE Committee; » Notarially certified copy of any prospectus to be published in relation to the issue, dated and signed by the directors; » One (1) copy of the newspaper in which the ZSE Listing Particulars or abridged pre-listing statement was published; » Three (3) copies of the published ZSE Listing Particulars; » Notarially certified copy of the Constitutional Documents including any amendments required by the ZSE Committee; » A notarially certified copy of certificate of registration and certificate to commence business (if registered within the last two (2) years); » A specimen share certificate; » General undertaking by the company in the form of a resolution certified by the chairman; » Statutory declaration by the company; » A copy of every prospectus issued during the past three (3) years; » Confirmation that the provisions relating to a placing have been complied with, if applicable; » Copies of any experts consent; » Three (3) copies of the statement by the company secretary; » Payment of listing fee; » Details of any dividend recommended or declared; » Mechanical signatures; and » Requirements for certified deeds; › Offer closes (D + 21); › Results of offer submitted to the ZSE Committee (D + 24); › Results announcement including date of commencement of listing of shares (D + 27); › Latest date for posting of title documents (D + 28); › Securities listed and last date for refund cheques (D + 33); and › Part III documents to be submitted to the ZSE Committee (D + 61): <ul style="list-style-type: none"> » Certificate from the auditors that the share capital and premium have been subscribed and deposited; » An audited list of shareholders at listing date; » Details of the number of shares applied for by the public, basis of allotment and the number of shares taken up by the underwriter; and » An analysis of securities held by shareholders.
8 Post listing	<ul style="list-style-type: none"> › Compliance with the continuing obligations of the ZSE Listing Requirements.

04 | ZSE Listing Particulars

ZSE Listing Particulars must be formally approved by the ZSE Committee before publication.

If the ZSE Listing Particulars take the form of a prospectus, the requirements of the Zimbabwe Act must be complied with and the prospectus must be registered with the Zimbabwe Registrar of Companies.

All ZSE Listing Particulars should contain the following information:

The applicant issuer and its capital

- › Information about the applicant issuer and its capital including:
 - » The name and address of the registered office and of the transfer office and the date of incorporation;
 - » The previous name of the company if it changed during the past three (3) years;
 - » Details of the share capital consisting of either par value or no par value shares;
 - » A description of the rights attaching to the shares;
 - » Consents required to vary the rights attaching to securities;
 - » A summary of the issues or offers of securities of the applicant and its securities during the preceding three (3) years;
 - » A summary of any consolidations or subdivisions of shares during the preceding three (3) years or such lesser period as the company has been trading, together with details of commission and underwriting costs;
 - » A statement as to who controls the issue or disposal of the authorised but unissued securities of the company; and
 - » A statement as to what other classes of securities are listed and on which stock exchanges.
- › The borrowing powers of the applicant issuer and its subsidiaries exercisable by the directors and the manner in which they can be varied;
- › Any circumstances when the borrowing powers have been exceeded during the past three (3) years;
- › Any exchange control or other restrictions on the borrowing powers of the applicant or any of its subsidiaries;
- › The amount of debentures created in terms of the trust deed and the amount issued/agreed to be issued;
- › Details of material loans, including debentures, made to the applicant issuer and any of its subsidiaries, including details as to whether such loans are secured or unsecured, names of the lenders if not debenture holders, the amount, the terms and conditions of repayment or renewal and other issues related thereto;
- › Particulars of debentures issued by way of conversion or replacement of debentures previously issued including all material differences between the two (2) instruments;
- › Details of all material commitments, lease payments and contingent liabilities;
- › Details of all off-balance sheet financing by the applicant issuer and its subsidiaries;
- › Disclose as to how all borrowings arose and whether they arose from the purchase of assets;
- › A negative statement if no loan capital is outstanding;
- › Details of all material loans receivable by the applicant issuer and its subsidiaries;
- › Details of loans to any director or manager or their associates by the applicant issuer or any of its subsidiaries;
- › Details as to how all loans receivable arose and whether they arose from the sale of assets;
- › Details of any arrangements whereby any option or preferential right is proposed to be given to any person to subscribe for any securities of the applicant issuer or any of its subsidiaries;
- › The names of any controlling shareholder/s of the applicant issuer;
- › Details of any change in controlling shareholder as a result of the issue; and
- › The names of any shareholders (other than directors of the applicant issuer) who are, directly or indirectly beneficially interested in five (5) % or more of any class of the applicant issuer's capital and the number of shares held by such shareholders.

Directors, managers and advisors

- › The following details relating to each director and member of senior management of the applicant issuer:
 - » Full name;
 - » Business address;
 - » Function in the group;
 - » Expertise and experience;
 - » Other directorships or partnerships, past and present;
 - » Details of bankruptcies or individual voluntary arrangements;
 - » Details of receiverships, compulsory liquidations, creditors, voluntary liquidations, administration, company voluntary arrangements or any composition or arrangement with a company's creditors or any class of creditors where such a person was an executive director at the time or within twelve (12) months of such event;
 - » Details of compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person was a partner at the time of or within the twelve (12) months preceding such events;
 - » Details of receiverships of any asset of such person of a partnership of which such person was a partner at the time of or within twelve (12) months preceding such event; and
 - » Details of any public criticisms of such person by statutory or regulatory authorities and whether such person has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- › The term of office and other details relating to any director who has been or is to be appointed;
- › A summary of the provisions of the Constitutional Documents relating to:
 - » Qualifications of directors;
 - » Remuneration of directors; and
 - » Any power enabling the directors to vote remuneration to themselves or any members of their body.
 - » Particulars for each director or proposed director;
 - » Details of any third party who will be managing the business of the applicant issuer or its subsidiaries or any part thereof including the consideration paid in terms of such parties contract with the applicant issuer;
- › A summary of the provisions of the Constitutional Documents with regards to:
 - » Any power enabling a director to vote on a proposal, arrangement or contract in which he is materially interested;
 - » Any power enabling the directors, in the absence of an independent quorum, to vote remuneration to themselves or any member of their body;
 - » Borrowing powers exercisable by the directors and how they can be varied; and
 - » Retirement or non-retirement of directors under an age limit.
- › The full name, street, postal address and professional qualifications of the secretary of the applicant issuer;
- › The names and street and postal addresses of the auditor, legal practitioner, banker and stockbroker to the applicant issuer and any other parties to the listing or documentation;
- › Details of any promoter and the amounts paid or proposed to be paid to such promoter within the preceding three (3) years;
- › Details of underwriters, and the amount of any consideration paid to underwriters, within the preceding three (3) years (commission payable on the issue of shares must not exceed five (5)% of the price at which the shares were issued and must be authorised in the Constitutional Documents);
- › The amount or estimated amount of preliminary expenses incurred within the preceding three (3) years, the amount of such payment and the person/s to whom such expenses were paid or payable;
- › Details of the nature and extent of any material beneficial interest, direct or indirect, of every director or promoter in the promotion of the applicant issuer and in any property acquired or proposed to be acquired by the applicant issuer out of the proceeds of the issue or during the three (3) years preceding the date of the ZSE Listing Particulars;
- › Details of any amounts paid or agreed to be paid within the preceding three (3) years to any director or to any company in which such director is beneficially interested, directly or indirectly, in cash or securities or otherwise, by any person to induce him to become or to qualify him as a director or otherwise for services rendered by him or by the company in connection with the promotion or formation of the applicant issuer;

- › Details of direct and indirect interests of each director, and all the directors in aggregate, in the share capital of the applicant issuer, distinguishing between beneficial and non-beneficial interests. Any changes in such interests between the end of the financial year and the date of the ZSE Listing Particulars should be detailed or a negative statement that there are none;
- › Details of the nature and extent of any beneficial interests, whether direct or indirect, of directors in transactions effected by the applicant issuer during the current or preceding financial year or during an earlier financial year which remain in any respect outstanding or underperformed or an appropriate negative statement;
- › A statement by the directors that they accept responsibility for the accuracy of the information provided in the ZSE Listing Particulars and certifying that there are no other facts the omission of which would make any statement false or misleading; and
- › The ZSE Listing Particulars must be signed by every director of the applicant issuer.

Securities for which application is being made

- › Details relating to the securities for which application to list is being made, including:
 - › The purpose of the issue/offer;
 - › Particulars of the issue/offer;
 - › Particulars of debentures issued/offered;
 - › Timing of the offer;
 - › Issue price of the securities; and
 - › Minimum subscription which must be raised in terms of the offer of the securities by the applicant issuer.
- › In the case of a prospectus, a statement that it has been registered with the Registrar of Companies in accordance with the Zimbabwe Act;
- › A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued;
- › The time limit after which entitlement to dividend lapses and the person in whose favour the lapse operates;
- › The fixed date on which entitlement to dividends arises;
- › Particulars of any arrangement under which future dividends are waived or agreed to be waived;
- › Details of the nature, number and characteristics of securities of the same class to be issued simultaneously, or almost simultaneously, with the issue of securities for which the application to list is being made;
- › Details of the relevant facts where it is the intention, in the event of an over subscription, to extend a preference on allotment to any particular company or group.

Group's activities

- › The general history of the applicant issuer and its subsidiaries;
- › A general description of the business carried on or to be carried on by the applicant issuer and its subsidiaries;
- › Details of the degree of government protection and of any investment encouragement laws affecting the business/s;
- › Details of any material changes in the business of the applicant issuer during the past five (5) years;
- › The opinion of the directors as to the prospects of the applicant issuer;
- › The situation, area and tenure of the principal immovable property held or occupied by the applicant issuer and any of its subsidiaries;
- › Details of material inter-company finance;
- › Details of changes to the controlling shareholder and trading objects of the applicant issuer and its subsidiaries during the past five (5) years and any proposed new name and the reason/s for the change and whether the Registrar of Companies has consented to the change;
- › Details relating to any acquisitions of securities in any company/ies or business enterprise or immovable or other property within the last three (3) years;
- › Details of any property disposed of during the past three (3) years; and
- › Details of any legal or arbitration proceedings which have had or may have a material effect on the group's financial position or an appropriate negative statement.

Financial information

- › ZSE Report on the applicant issuer;
- › ZSE Report on the assets the subject of the transaction;
- › The following consolidated information from the applicant issuer's latest financial statements:
 - » The income statement;
 - » The balance sheet;
 - » The cash flow statement;
 - » Any significant accounting policies or notes to the financial statements;
 - » Retirement benefit information; and
 - » A statement that the auditors' report was without qualification or details of the qualification.
- › Such financial information must include information in respect of any proposed acquisition of securities in or the business undertaking of any other company by the applicant issuer or any of its securities;
- › An interim report and, if such interim report is unaudited, a statement to that effect;
- › Additional financial information if the applicant's own annual or consolidated annual accounts do not fairly present the assets and liabilities, financial position and profits and losses of the group;
- › In respect of the preceding five (5) years:
 - » The profits or losses before and after tax;
 - » The dividends paid;
 - » The dividends paid in cents per share; and
 - » The dividend cover for each year.
- › Particulars of:
 - » The dividend policy to be adopted;
 - » The pro forma balance sheet prior to and immediately after the proposed issue of shares; and
 - » The effect of the proposed issue of shares on the net asset value per share.
- › Particulars of all investments exceeding ten (10)% of the total assets of the applicant issuer;
- › Details of any acquisition in terms of which such acquisition became a subsidiary of, or part of, the applicant issuer over the preceding five (5) years;
- › The profits before and after tax and general history, for the preceding five (5) years, of any proposed acquisition of securities in or the business undertaking of another company by the applicant or its subsidiaries;
- › A statement by the directors that the issued share capital of the applicant issuer and its subsidiaries is adequate for the purposes of the group's business for the foreseeable future (deemed to be a period of eighteen (18) months) or, if it is inadequate, the extent of the inadequacy and the manner in which the group is to be financed. This statement should be supported by a report from the applicant issuer's auditor, reporting accountant, merchant banker, sponsoring broker or other advisor acceptable to the ZSE Committee;
- › A statement by the directors that the working capital available to the group is sufficient for its requirements for the foreseeable period (deemed to be a period of eighteen (18) months) and if not, how it is proposed to provide the working capital thought by the directors to be necessary;
- › A description of any material change in the financial or trading position of the group which has occurred subsequent to the last financial period for which either annual financial statements or interim results have been published;
- › Any profit forecast included in the ZSE Listing Particulars must be prepared in accordance with the ZSE Listings Requirements and a reporting accountant must issue the necessary ZSE Report thereon; and
- › Any pro forma statements must be prepared in accordance with the ZSE Listings Requirements. The pro forma statement need not be reported on by the auditors or reporting accountants.

General information

- › Details of every significant contract (other than in the ordinary course of business) entered into by the applicant issuer or any of its subsidiaries within the past two (2) years;
- › Any contract relating to the acquisition of less than one hundred (100)% of the securities in any unlisted company or associated company, the reason why one hundred (100)% was not acquired;
- › Details of contracts or proposed contracts relating to directors' and managerial remuneration, secretarial and technical fees payable and restraint payments;
- › A narrative statement of how the applicant issuer has complied with the corporate governance requirements detailed in the principle listing requirements and procedures section above;
- › Details of experts' consents; and
- › Details of documents and consents available for inspection at the applicant issuer's registered office and in Harare for at least fourteen (14) calendar days.

Details relating to the vendors, and terms and conditions, of any assets purchased or acquired by the applicant issuer or any of its subsidiaries must be included in the ZSE Listing Particulars

Vendors

- › The names and addresses of the vendors of any assets purchased or acquired by the group during the preceding three (3) years or proposed to be purchased and the details of the consideration paid as well as the cost of the assets to the vendors and the dates of purchase by them;
- › A statement as to whether the vendors have guaranteed the book debts or other assets and whether “normal guarantees” have been given;
- › Details of restraints of trade with the vendors;
- › Details of how liabilities for accrued taxation will be settled in terms of the vendor agreement;
- › When securities in a company have been purchased, a reconciliation between the purchase price and the net asset value of the company;
- › Details of the interests of any promoter or director in any such transaction; and
- › A statement as to whether the assets acquired have been transferred into the name of the group and whether or not the assets have been ceded or pledged.

05 | Continuing obligations

All issuers must comply with the ZSE Listings Requirements even in circumstances where there is an overlap between any requirements or dispensations that may be required or granted in terms of any law, or by any statutory body or organ.

All correspondence with the ZSE must be directed through a sponsoring broker.

General obligation of disclosure

An issuer must immediately, subject to approval by the ZSE Committee, publish a press announcement giving details of the following:

- › Any circumstance or event that is likely to have a material effect on the financial results, financial position or cash flow of the issuer;
- › Information that is necessary to avoid the creation of a false market in the issuer's securities; and
- › Any new developments in the issuer's sphere of activity which are not public knowledge and which may lead to material movements in the ruling price of such issuer's listed securities.

Confidentiality

An issuer may provide information in strict confidence to its advisors and to persons with whom it is negotiating with a view of effecting a transaction or raising finance. The issuer must advise such parties, preferably in writing, that the information is confidential and that they must not deal in the

issuer's securities until the information has been made public.

Information required by, and provided in confidence to and for the purposes of, a government department, the Reserve Bank of Zimbabwe or other regulatory body need not be published.

Cautionary announcements

An issuer must publish a cautionary announcement if it is in possession of any material price sensitive information and:

- › The necessary degree of confidentiality of such information cannot be maintained; or
- › If the company suspects that confidentiality has or may have been breached.

In circumstances where the disclosure to the public of certain price sensitive information may prejudice the legitimate interests of the listed company, the ZSE may grant a dispensation from the requirement to make the information public provided that the issuer keeps the information confidential.

Notifications relating to capital

A listed entity must publish an announcement containing details of the following information relating to its share capital:

- › Alterations to capital structure other than allotments of new shares;
- › Changes of rights attaching to securities;
- › The basis of allotment of listed securities offered generally to the public for cash and of claw-back offers to shareholders, in the case of public offers an additional press announcement should appear prior to dealing commencing;
- › An extension of time granted for the currency of temporary documents of title;
- › Issues affecting conversion rights; and
- › Results of any new issues of listed securities.

Rights as between holders of securities

All shareholders of the same class must receive fair and equal treatment.

All listed securities of the same class must have the same voting rights.

Before issuing new equity securities for cash, the securities must be offered by rights offer to existing shareholders in proportion to their existing holdings.

Waiver of pre-emptive rights

Shareholders may authorise an issuer, by way of a resolution as detailed below, to issue equity securities for cash other than to existing shareholders in proportion to their existing shareholdings, for a fixed period of time.

The ZSE Committee has the power to allow a waiver of shareholders' pre-emptive rights in exceptional circumstances, such as rescue operations.

Voting

A resolution to approve a resolution regarding the waiver of pre-emptive rights where thirty five (35)% or more of the issuer's issued securities are held by the public requires an eighty five (85)% majority of votes cast by shareholders present or represented by proxy at the general meeting.

A resolution to approve a resolution regarding the waiver of pre-emptive rights where less than thirty five (35)% of the applicant issuer's securities are held by the public requires a ninety (90)% majority of votes cast by shareholders present or represented by proxy at the general meeting.

Issues by major subsidiaries

Any material issue of shares for cash by a major thirty (30)% or more of the aggregate of the share capital and reserves or profits of the listed company's group) subsidiary of an issuer requires the specific approval of the issuer's shareholders, by way of a resolution as detailed above.

The obligation to obtain the consent of shareholders does not apply if the major subsidiary is listed and needs to comply with the pre-emptive rights requirements.

In such cases, the listed holding company must ensure that its equity interests in such major subsidiary are not material diluted unless such dilution is necessary to satisfy minimum spread requirements.

In the case of a rights issue, if the listed holding company does not propose to take up its rights, arrangements must be made for such rights to be offered to its shareholders in the first instance.

If the major subsidiary is unlisted and the issue takes the form of a rights issue to shareholders, the listed holding company's shareholders are not required to approve the issue. However, if the listed holding company does not propose to take up its rights, arrangements must be made for such rights to be offered to its shareholders in the first instance.

Options for cash

The consent of the ZSE Committee must be obtained in circumstances when the issuer proposes to grant options over securities for cash and it does not intend to issue such options to all shareholders on the share register as at the business day immediately prior to the date of the granting of the listing in proportion to their existing shareholdings.

- › The total number of options granted or issued may not, with the exception of mineral companies, exceed twenty (20)% of the issuer's issued share capital unless offered to all shareholders in proportion to their existing shareholdings.



Shareholder spread

- › All issuers are required to ensure that a minimum of thirty (30)% of each class of equity securities is held by at least three hundred (300) public shareholders (generally the public consists of individuals and institutional investors holding less than five (5)% of the shares in issue).
- › The ZSE may suspend or terminate the listing of an issuer if the percentage of a class of securities held by the public does not comply with the minimum spread requirements.
- › The ZSE Committee may allow a reasonable time to restore the spread unless this is precluded by the need to maintain the smooth operation of the market or in order to protect investors.
- › An issuer must inform the ZSE Committee, in writing, when it becomes aware that the minimum spread requirements are no longer being met. In addition, the number of shareholders and percentages held by the public must be disclosed in an issuer's annual financial statements.

Communications with shareholders

An issuer must provide facilities and information to enable its shareholders to exercise their rights. In particular, it must:

- › Inform shareholders of meetings which they are entitled to attend;
- › Enable shareholders to exercise their rights to vote, where applicable; and
- › Publish notices required in terms of the ZSE Listings Requirements.

Publications

All press announcements must be published in English in two (2) national English language newspapers.

Circulars and ZSE Listing Particulars must be printed in English and distributed to all shareholders.

All issuers must maintain a transfer or receiving office either in Harare or Bulawayo in Zimbabwe. A proxy form must be sent, together with a notice convening a meeting of holders of listed securities, to each person entitled to vote at such a meeting.

Receipts must be issued for all securities lodged with the issuer.

Transactions

A transaction refers to the acquisition or disposal of assets by an issuer or a subsidiary of an issuer. Transactions in the ordinary course of business or to raise finance are excluded from this definition.

A transaction is categorised by assessing its size relative to that of the listed company proposing to make such acquisition.

Percentage ratios

The percentage ratios are the figures, expressed as a percentage, resulting from each of the following calculations:

- › Consideration to the market capitalisation of the company - the consideration divided by the aggregate market value of the equity securities of the issuer; and
- › Dilution - the number of securities issued by the listed company as consideration for an acquisition

to the total number of securities in issue prior to the transaction.

- › For deferred considerations, the consideration is the maximum possible total consideration payable under the agreement. If the total consideration is not subject to any maximum, the transaction will normally be treated as a Category 1 transaction.

Categories of and requirements for transactions

	Category 4 (\geq five (5)%; $<$ ten (10)%) ¹	Category 3 (\geq ten (10)%; $<$ twenty (20)%)	Category 2 (\geq twenty (20)%; $<$ thirty (30)%)	Category 1 (\geq thirty (30)%, no maximum)	Reverse take-over ³
Announcement	No	Yes	Yes	Yes	Yes
Circular	No	No	Yes (within twenty eight (28) calendar days)	Yes (within twenty eight (28) calendar days)	Yes (within twenty eight (28) calendar days)
Listing Particulars	No	No	No	Yes ²	Yes
Shareholder approval	No	No	No	Yes	Yes
Reporting accountants report on issuer	No	No	No	Yes	Yes
Pro forma financial information	Yes	Yes	Yes	Yes	Yes

¹ Details of the transaction to be included in the issuer's next interim report, annual financial statements, announcement, circular or other document issued to shareholders;

² ZSE Listing Particulars are required if the transaction results in an issue of securities, which when aggregated with any other issues of securities of the same class during the previous three (3) months, will increase the issued securities by more than thirty (30)%;

³ Transaction results in a fundamental change in the business or in a *de jure* change in board or voting control of the issuer except in certain limited circumstances.

Transactions involving take-over bids and mergers must comply with the detailed requirements in this regard set out in the ZSE Listings Requirements and the Zimbabwe Act.



Related party transactions

A related party transaction is defined as a transaction, or any variation or novation of an existing agreement, between a listed company (or any of its subsidiaries) and a related party.

Related parties

A “related party” is:

- › A person who is (or was within the last twelve (12) months) a material shareholder (controls ten (10)% or more of the votes able to be cast on all or substantially all matters at a general meeting) or their associate;
- › A person who is, or was within the twelve (12) months preceding the transaction, a director of the listed company or any of its subsidiaries or its holding company or any of its fellow subsidiaries or their associate;
- › Any advisor to the issuer who has, or had during the twelve (12) months preceding the transaction, a beneficial interest in the issuer or any of its subsidiaries; and
- › A person who is, or was within the twelve (12) months preceding the transaction, a principle executive officer of the issuer whether or not he is, or was, a director or his associate.

- › Requirements for a related party transaction
- › The requirements for a related party transaction are as follows:
 - › An announcement in compliance with the ZSE Listing Requirements;
 - › A circular to shareholders in compliance with the ZSE Listing Requirements;
 - › Approval of the related party transaction by independent shareholders (excluding the related party); and
 - › A fair and reasonable opinion from an independent expert in respect of the related party transaction except when an independent valuation has been prepared on the subject of a transaction by a mineral company.

Dealing in securities by directors

Directors must not deal in shares during the period one (1) month prior to the end of the reporting period and the preliminary announcement of the issuer’s interim and year-end results.

Directors may not deal in shares when in possession of unpublished price sensitive information.

Directors must advise the Chairman and receive his clearance before trading in the shares.

All purchases of shares, directly or indirectly, as beneficial owners must be notified to the ZSE within seventy two (72) hours of the completion of the transaction/s.

Directors

All directors, except for the managing directors, must retire by rotation at least once in every three (3) years. No more than half the directors may be appointed as managing directors.

An issuer must notify the ZSE of any changes to the board of directors.

New directors must submit a director’s declaration to the ZSE with fourteen (14) days of their appointment becoming effective.



06 | Continuing obligations of a financial nature

Dividends and/or interest

Announcements of dividends and/or interest payments on listed securities should be notified to the holders of the relevant securities immediately by means of a circular and by a press announcement.

Notification of non-declaration of dividends or payment of interest must be published either in the interim or preliminary report, the annual financial statements or by way of a press announcement.

If an issuer declares a final dividend prior to the publication of its annual financial statements such notification must contain a statement of the estimated consolidated profits before taxation of the issuer and its subsidiaries for the year, as well as particulars of any amount appropriated from

reserves, capital profits, accumulated profits of past years, or other sources, to provide wholly or partly for such dividend.

At least fourteen (14) days' notice must be given to shareholders and the ZSE Committee prior to the last day to register for the dividend or interests. The last day to register must be a Friday, or if that day is a public holiday, the previous business day.

Payments of dividends or interest must be effected within six (6) weeks after the last day to register.

The ZSE Committee must be notified of any late declarations of dividends and the matter resolved with it.

Financial reporting

Interim reports: Must be published and distributed **within three (3) months of financial period end**. After a two (2) week grace period the ZSE will publish press announcement, informing shareholders that the issuer has not submitted its interim report and warning them that the listing is under threat of termination. On the date of publication of the announcement the issuer's listing will be annotated on the board to indicate that it has failed to submit its interim report timeously. If the issuer fails to issue its interim report within a further two (2) weeks of the announcement, the issuer's listing will be suspended and a special meeting of the ZSE Committee will be convened to consider the continued suspension or termination of the issuer's listing.

Annual reports: Either AFS or a preliminary report must be distributed **within three (3) months of financial period end**. If the AFS is not distributed within the three (3) month period above, the **AFS must be distributed within six (6) months of financial period end** and at least twenty one (21) clear days before the date of the Annual General Meeting.

If the AFS are not submitted to the ZSE within six (6) months of the issuer's year end, the ZSE will publish a press announcement in the Press informing shareholders that the issuer has not submitted its AFS and warning them that the listing is under threat of suspension and possible termination. On the date of publication of the announcement the issuer's listing will be annotated on the board to indicate that it has failed to submit its AFS timeously. If the issuer fails to submit its preliminary results AFS within seven (7) months of its year end, the issuer's listing will be suspended and a meeting of the ZSE Committee will be convened to consider the continued suspension or termination of the issuer's listing.

The ZSE Committee has discretionary authority to waive the requirement for automatic suspension of the issuer's listing where it has not submitted its AFS timeously.

Trading on the ZSE
currently takes place
using certificated shares

07 | Fees

Initial Listing Fees

The fees to list equity securities on admission to the official list is an amount equal to 0.05% of the value of the securities, subject to a minimum fee of US\$50 000 and a maximum fee of US\$1.0 million, calculated to the nearest US\$50.

The value of the securities is calculated as follows:

- › Listing including a placement of securities – the number of securities listed multiplied by the issue price or the middle market price; or
- › Introduction – number of securities listed multiplied by the closing price on the first day of trading.

Annual Listing Fees

Issuers of equity securities must pay an annual sustaining fee of an amount equal to 0.05% of the market value of all of the listed securities calculated using the market price of such securities on the last day of business in March of each year, subject to a minimum fee of US\$50 000 and a maximum fee of US\$1.0 million, calculated to the nearest US\$50.

Documentation fees for corporate actions by the issuer are payable depending on the nature of the corporate action.

08 | Trading

Trading on the ZSE currently takes place using certificated shares. In March 2014 the ZSE signed a contract with Infotech East FZ LLC for the supply and installation of the Capizar automated trading system.



Key sources

The following sources have been utilised in the preparation of this publication:

- › African Securities Exchanges Association website;
- › Bloomberg, Company Financials;
- › Botswana Code of Corporate Governance;
- › Botswana Stock Exchange Listings Requirements (draft for public comment) 11 February 2014;
- › Botswana Stock Exchange website;
- › Bourse Régionale des Valeurs Mobilières website;
- › BSE fee schedule 2014;
- › The Capital Markets Act (Chapter 485(A)) of Kenya;
- › The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 of Kenya;
- › Capital Markets Authority of Kenya website;
- › Code of Corporate Governance for public companies in Nigeria;
- › Code of Corporate Governance for Mauritius;
- › The Companies Act Chapter 388 of the Laws of Zambia
- › Companies Act (Chapter 486) of Kenya;
- › Companies Act No. 28 of 2004 of Namibia;
- › Companies Act, 71 of 2008 of South Africa;
- › Companies Act Vol. 24 No. 3 of Zimbabwe;
- › Capital Markets Code of Corporate Governance 2014 of Kenya;
- › Discover Opportunity brochure issued by the Nairobi Securities Exchange;
- › Financial Markets Act, 19 of 2012 of South Africa;
- › Financial Services Board of South Africa website;
- › Financial Services Commission of Mauritius website;
- › Guide to listing on the Botswana Stock Exchange;
- › Guide to listing on the Nairobi Stock Exchange;
- › Industry Classification Benchmark (ICB) report developed by FTSE Group;
- › The Investments and Securities Act, 2007 of Nigeria;
- › JSE Listings Requirements Service Issue 17;
- › JSE website;
- › Kenyan Companies Act;
- › King Code for Corporate Governance in South Africa;
- › KPMG and NKC Independent Economists Snapshot publications for 2014 Quarter 1 in respect of Botswana, Kenya, Mauritius, Namibian, Nigerian, South Africa, Zambia and Zimbabwe;
- › Listing on the SEM: the road to Value-Creation, Growth and Democratisation published by the SEM;
- › The Listing Rules of the SEM (amended June 2013);
- › Lusaka Stock Exchange Listings Requirements;
- › Lusaka Stock Exchange website;
- › Mauritius, Your Business Passport to Africa presentation published by the Board of Investment;
- › MBendi Information Services;
- › Moneyhub website;
- › McGregor Inet BFA;
- › Namcode – Corporate Governance for Namibia;
- › Namibian Stock Exchange Listings Requirements (July 2004);
- › Namibian Stock Exchange website;
- › Nigerian Stock Exchange Listings Requirements (the Green Book);
- › The NSE Gateways to African Markets;
- › NSX Annual Report 2013;
- › NSX Listings Fees 2014;
- › Namfisa Annual Report 2013;
- › Namfisa website;
- › NrSE website;
- › Proposed Amendment 1 of 2014 to the JSE Listings Requirements;
- › Report on Corporate Governance for Mauritius;
- › Rules governing transactions with related parties or interested person published by the NSE;
- › The Securities Act Chapter 354 of the Laws of Zambia;
- › Securities and Exchange Commission of Nigeria website;
- › Securities and Exchange Commission of Zambia website;
- › The Stock Exchange of Mauritius website;
- › Stock Exchanges Control Act 1 of 1985 of Namibia;
- › World Federation of Exchanges website;
- › Zimbabwe Stock Exchange Act;
- › Zimbabwe Stock Exchange Listings Requirements; and
- › Zimbabwe Stock Exchange website.

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