



Navigating the financial reporting requirements of the JSE

KPMG Capital Markets



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About this publication

This publication is a summary of those JSE Listings Requirements relating to financial reporting that the authors consider to be fundamental to an issuer producing timeous and good quality financial information.

The information is intended to be used as an aid for those charged with governance ensuring compliance by issuers with the financial reporting requirements of the JSE, and should be read in conjunction with the full text of the JSE Listings Requirements available on the JSE website: <https://www.jse.co.za/>.

Text included in purple relates to recent changes to the JSE Listings Requirements that are effective for issuers from 2 December 2019, or any alternative date announced by the JSE in their letter dated 22 November 2019.

The information contained in this document is intended as guidance only and should not be relied upon without further professional consultation or advice before taking any course of action. KPMG shall not be liable for any use of; or reliance on, the information contained in this document.

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General financial reporting requirements

Price sensitive information

Trading updates

All listed companies must publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that:

- The financial results for the period to be next reported on, namely, annual results or interim results;
- Will differ by at least 20% (15% for property companies using distribution per share as a measure);
- From the most recent of either:
 - Financial results for the previous corresponding period; or
 - A profit forecast, provided to the market, in relation to such period.

A trading statement must give specific guidance by the inclusion of the period to which it relates and must be announced on SENS, providing either:

- Specific guidance:
 - A specific percentage and number; or
 - A range as percentages and numbers (if the issuer elects to use a range to describe the differences, the range may not exceed 20%, i.e. 20% to 40%, or 25% to 45%).

OR

- A minimum percentage and number difference.

A percentage to describe the differences need not be included when the percentage exceeds 100% and is deemed to be misleading and/or confusing.

Must include the comparative numbers for the previous published period.

Financial results measurements for trading statement purposes are:

- Firstly:
 - Earnings per share (“EPS”);
 - Headline earnings per share (“HEPS”); and
- Secondly:
 - Net asset value per share (“NAVPS”) but only if more relevant (because of the nature of the issuer’s business).

Include a statement in the trading statement 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 reporting accountant’s report thereon.

Dividends and interest

General requirements

Issuers are required to announce the declaration of cash dividends, interest and other similar payments at least 15 days before the payment date.

Dividends that are also corporate actions, e.g. scrip dividend, follow the corporate actions timelines set out in Schedule 24 of the JSE Listings Requirements.

If an issuer decides not to declare distribution payments, and such decision is deemed to be price sensitive, the decision must be announced immediately.

An announcement in respect of a cash disbursement to shareholders must state whether the issue amount is distributed by way of a reduction of Contributed Tax Capital ("CTC") or a dividend, both of which are defined in the Income Tax Act.

“The Seven Social Sins are:

Wealth without work

Pleasure without conscience

Knowledge without character

Commerce without morality

Science without humanity

Worship without sacrifice

Politics without principle”

– Fredrick Lewis Donaldson

Restatements of previously published results

General requirements

Practice note 3/2017, relating to restatements, is now included in the JSE Listings Requirements.

“Previously published results” relates to interim results, preliminary results, provisional results, abridged results and annual financial statements, whether published separately or as part of another document, which are restated and republished.

A restatement notification must be produced by the issuer to the JSE when submitting the annual financial statements and annual compliance certificate through WEBSTIR. The notification must:

- Contain sufficient information through a detailed narrative for the JSE to understand the nature and circumstances that led to each specific restatement;
- Details regarding how and when the need for the restatement was identified;
- The impact of the restatement on previously published results;
- Include a letter from the chairman of the audit committee confirming that the board has considered the circumstances that lead to the restatement and has implemented steps to prevent the reoccurrence of such a restatement;
- In the instance where another restatement occurs after the audit committee letter has been issued, the notification should highlight this fact; and
- Where the further restatement is a related matter, explain how the audit committee has addressed the fact that the preventative measures it implemented in terms of its initial notification to the JSE did not succeed.

Restatements which require notification

The JSE requires notification by the issuer of restatements relating to the following:

- A voluntary change of accounting policy or change in the application of IFRS;
- A reclassification of amounts disclosed in the prior period financials;
- The correction of a material prior period error; and/or
- For some other reason.

The JSE only requires notification of restatements that impact earnings per share, headline earnings per share, and/or the amounts presented in:

- The statement of financial position;
- The statement of profit or loss and other comprehensive income;
- The statement of changes in equity; and/or
- The statement of cash flows.

The same restatement will often appear in the interim results, preliminary or provisional results and the annual results. Notification of restatements need only occur once for each change.



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Auditors

Appointment of auditors and reporting accountant's

An issuer may only appoint as its auditor and reporting accountant an audit firm and reporting accountant who is accredited as such on the JSE list of Auditors and Accounting Specialists.

The appointed individual auditor may not appear on the JSE list of disqualified individual auditors.

This requirement must be considered by the audit committee when recommending an auditor for appointment or re-appointment at the Annual General Meeting or prior to a new listing (refer to the Mandatory corporate governance section of this document).

Notification of changes in auditor

An issuer must notify the JSE in writing of:

- The termination or appointment of the auditor;
- The resignation of the auditor; and/or
- Any change of the individual auditor classified as the designated auditor;

by the end of the business day following the decision by the issuer to terminate or appoint the auditor, or after receipt of the auditor's resignation.

A SENS announcement must also be published setting out the following:

- Who initiated the change, the issuer or the audit firm;
- The reason/s for the change;
- The effective date of the change; and
- The name of the newly appointed firm.

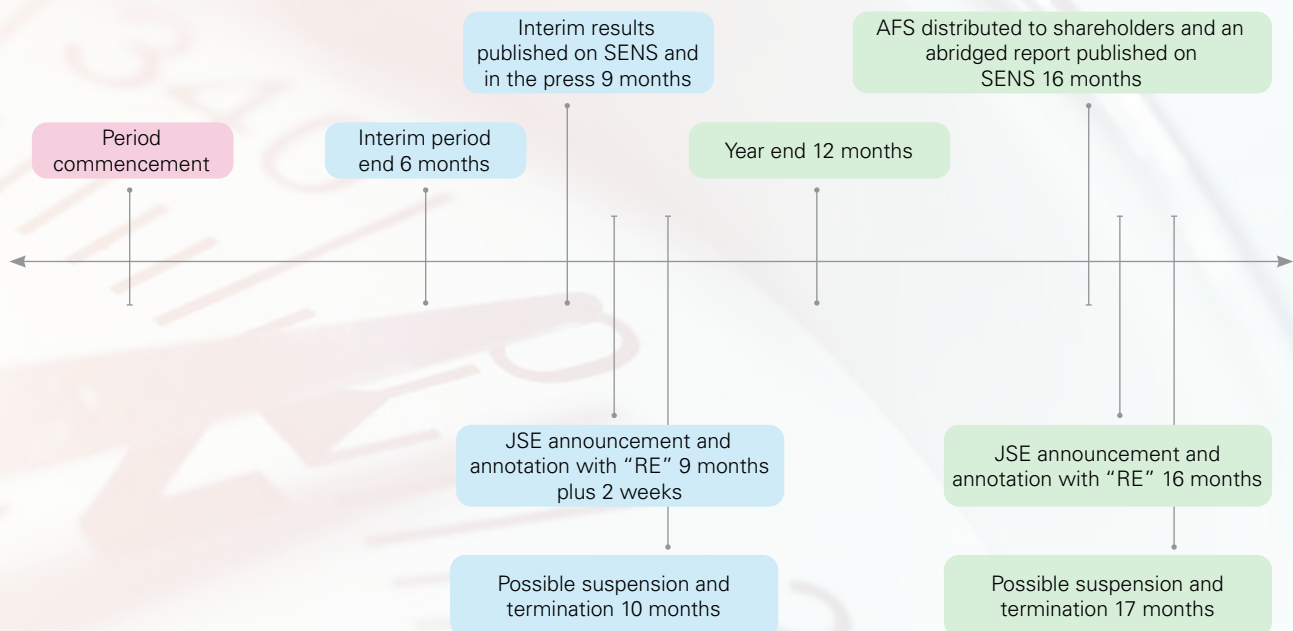
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Financial information reporting

Financial reporting

Financial reporting timelines of the JSE

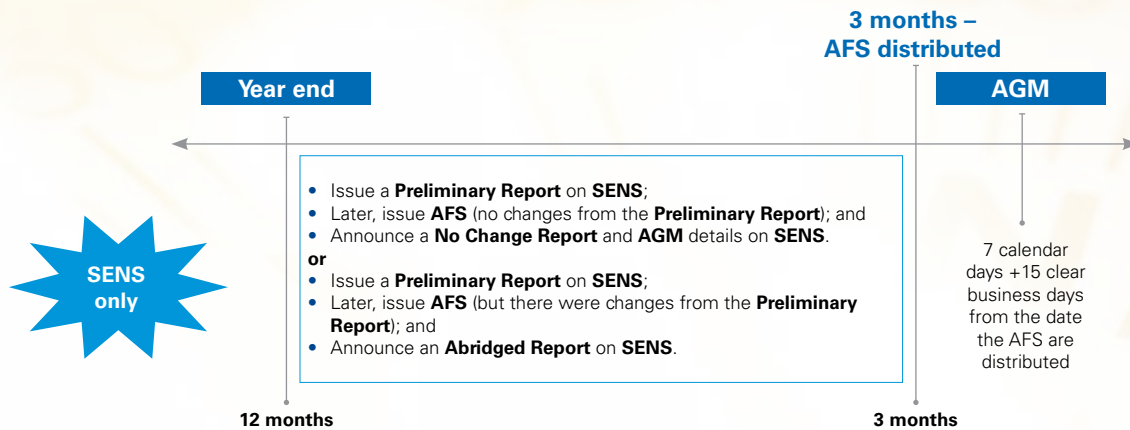


Interim results announcements – specific requirements

- Must be published within 3 months of the interim period end.
- There is no requirement for an audit or review of the interim financial information included in the interim results announcement, except where the issuer's auditor disclaimed, qualified, or gave an adverse opinion on the issuer's last annual financial statements ("AFS"), unless the JSE decides otherwise.
- Where the financial period covers more than twelve months (due to a change in year end), an additional interim results announcement must be published in respect of the 12 month period. This 12-month interim financial information must be reviewed by the auditor.

Year end results: Preliminary and provisional results announcements – specific requirements

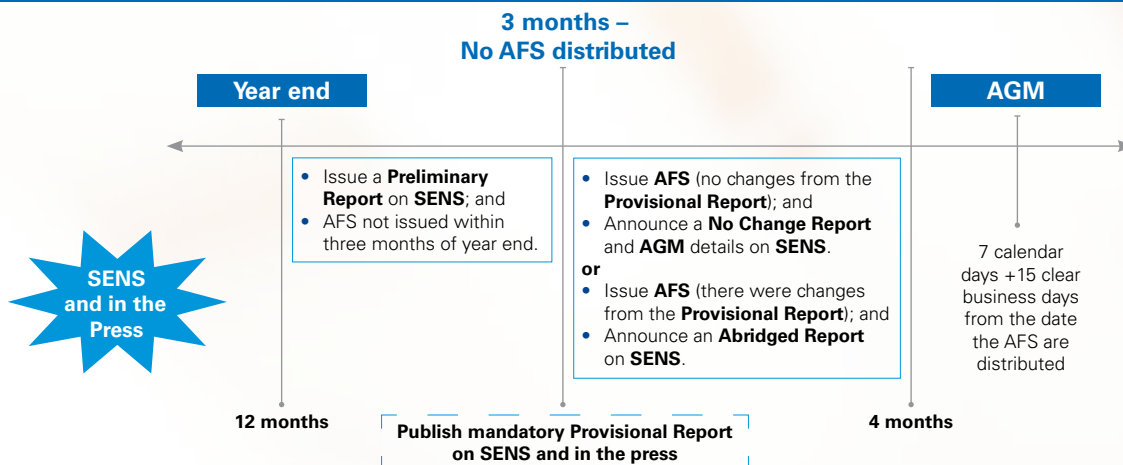
Year end reporting – preliminary report published within 3 months of year end and AFS are distributed within 3 months of year end



No Change Report is an announcement on SENS (not sent to shareholders), stating that there has been no changes to the financial information previously published in the Preliminary Report.

- Voluntary;
- Issued in advance of being required to do so;
- The financial information included in the preliminary results announcement must be reviewed unless an audit report has already been issued on the underlying Annual Financial Statement (“AFS”), but the AFS have not as yet been distributed;
- If a preliminary results announcement is issued and the AFS are distributed to shareholders within 3 months of year end:
 - Changes from preliminary results: an abridged results announcement must be published;
 - No changes to preliminary results: a No Change Report is published including AGM details.

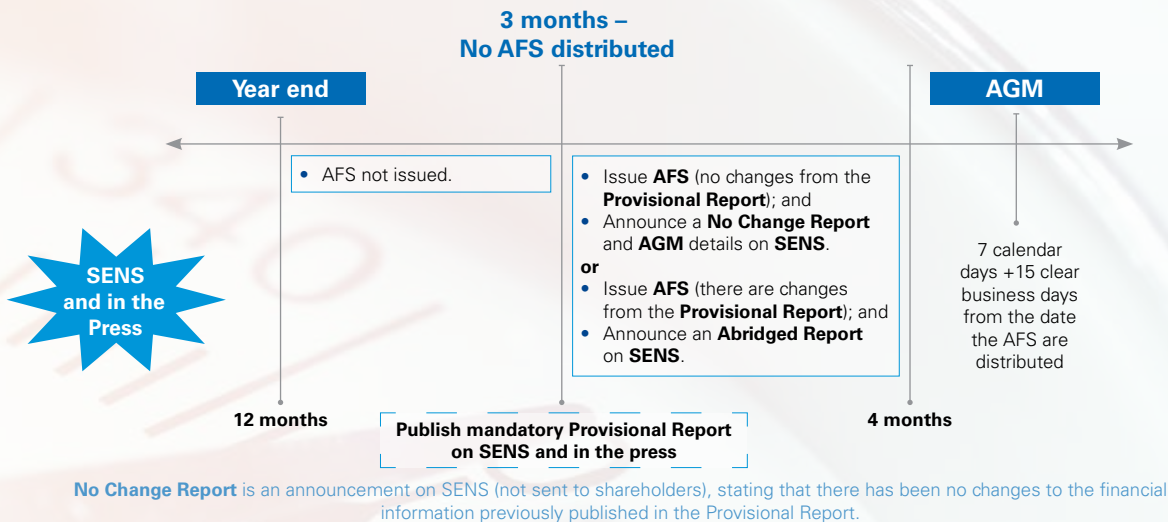
Year end reporting – preliminary report published within 3 months of year end, but AFS are not distributed within 3 months of year end



No Change Report is an announcement on SENS (not sent to shareholders), stating that there has been no changes to the financial information previously published in the Provisional Report.

OR

Year end reporting – provisional report published within 3 months of year end, but AFS are not distributed within 3 months of year end



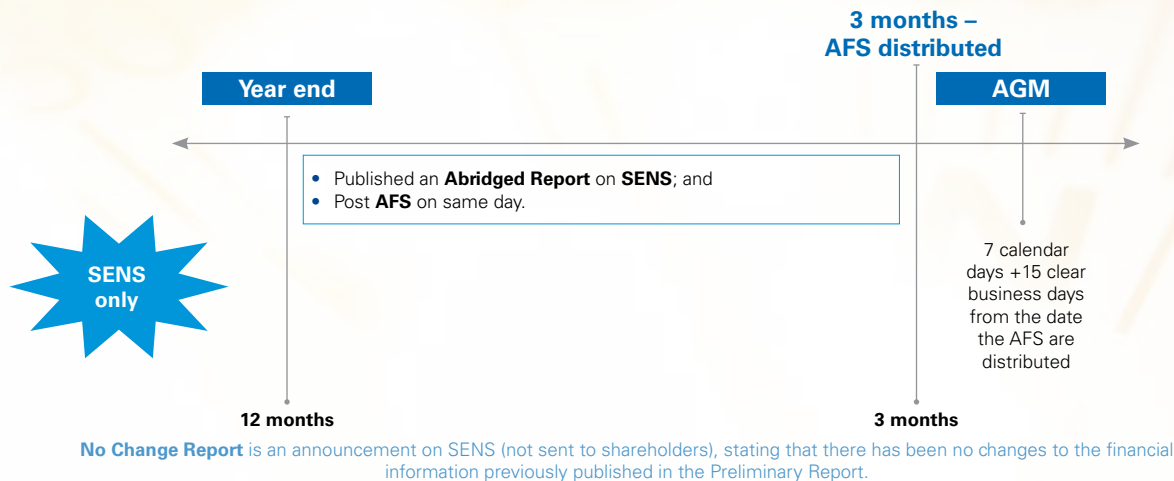
- Provisional report is compulsory;
- If the issuer has not distributed its AFS within 3 months of financial period end, it must publish a provisional report;
- The financial information included in the provisional report must be reviewed unless an audit report has already been issued on the underlying AFS, but the AFS have not been distributed;
- If a provisional results announcement is issued, when the AFS are distributed to shareholders within 4 months of year end:
 - Changes from provisional results: an abridged results announcement must be published;
 - No changes to provisional results: a No Change Report is published including AGM details.

“Perfect freedom is as necessary to the health and vigor of commerce as it is to the health and vigor of citizenship.”

– Patrick Henry

Year end results: Abridged results announcements – specific requirements

Year end reporting – AFS distributed within 3 months of year end



- Compulsory;
- When the AFS are distributed to shareholders, the issuer must publish an abridged report;
- The abridged report is to be a summary of the AFS which have been distributed to shareholders;
- No audit opinion is required on the abridged report.

“Innovation and commerce are as powerful tools for creating social progress as they are for driving technological advancement.”

– Kiran Mazumdar-Shaw

Interim, preliminary, provisional and abridged results announcements – general requirements

- If the interim/preliminary/provisional/abridged results announcement is not itself audited or reviewed, but is extracted from audited or reviewed consolidated or condensed financial statements, the following statement must be included in the interim/preliminary/provisional/abridged results announcement:
 - “ *The summarised/condensed financial information included in the interim/preliminary/provisional/abridged results announcement is extracted from audited/reviewed financial statements but is not itself audited/reviewed. The directors take full responsibility for the preparation of the interim/preliminary/provisional/abridged results announcement and the correct extraction of the financial information included therein from the underlying consolidated/condensed financial statements. The consolidated/condensed financial statements and the audit/review report thereon is available for inspection at the Company’s registered office.* ”
- If the interim/preliminary/provisional/abridged financial information is extracted from audited/reviewed consolidated/condensed financial statements and the interim/preliminary/provisional/abridged results announcement includes additional information that is unaudited/unreviewed, the following caveat is required:
 - “ *The auditor’s report does not necessarily report on all of the information contained in this interim/preliminary/provisional/abridged results announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s engagement they should obtain a copy of the auditor’s report together with the accompanying financial statements from the Company’s registered office.* ”
- Where the audit/review opinion is modified in any way:
 - The interim/preliminary/provisional/abridged results announcement must contain an extract of the exact modification paragraph from the auditor’s report;
 - Where any of the following are present, the interim/preliminary/provisional/abridged results announcement must mention and contain details of:
 - Paragraph on material uncertainty relating to going concern;
 - Emphasis of matter paragraph;
 - Paragraph regarding a reportable irregularity; and
 - Paragraphs regarding a material inconsistency in information included in a document that contains the audited/reviewed financial statements;
 - The issuer must submit a signed copy of the auditor’s modified report within 24 hours of issue to the JSE.
- The audited/reviewed consolidated/condensed financial statements and the related audit report (if applicable) must be available for inspection at the Company’s registered office.
- Information required by IAS 34(16A)j (dealing with fair value disclosures must be included in the full announcement published on the website).
- For the period under review and the immediately preceding period, include EPS and diluted EPS and HEPS and diluted HEPS, as well as an itemised reconciliation between earnings and headline earnings per share.
- Disclose where there has been a material change to the initial estimates of contingent consideration payable or receivable in terms of an acquisition/disposal (as used in the pro forma financial effects).
- Include revenues from external customers, inter-segment revenues and segment profit or loss.

- If a business combination occurred during the interim period being reported on, the following information should be included:
 - Effective changes in the composition of the group during the period;
 - Acquisition date;
 - Percentage of voting equity instruments acquired;
 - Cost of acquisitions;
 - If equity is issued (or issuable) in payment for an acquisition, disclosure is required of the number of equity instruments issued or issuable and the fair value of those instruments/basis for determining fair value;
 - The amount of the acquiree's profit or loss since acquisition date included within group profit for the period;
 - The revenue and results of the group for the period as if the acquisition had been effective at the beginning of the period;
 - Any gain/loss recognised in reporting period relating to business combinations effected during the period.

Consequences of non-compliance

Financial reports published after the deadline

Interim/Provisional Results announcements

- On the day after the due date of the interim/provisional results announcement, a reminder letter will be sent to the issuer giving such issuer 1 month to issue such interim/provisional results announcement, failing which the issuer's listing will be suspended.
- 14 days after the issue of the reminder letter to the issuer, the JSE will publish an announcement stating that such issuer has not timeously published its interim/provisional results announcement and that the listing is under threat of suspension. The issuer's listing will be annotated with "RE".
- Where the listing is suspended, such suspension will only be lifted by the JSE on receipt by the JSE of such issuer's IFRS compliant interim/provisional results announcement.

AFS

- 3 months after the issuer's year end, the JSE will send a reminder letter advising such issuer that it has 1 month in which to submit its AFS to the JSE or its listing will be suspended until such time as the AFS have been submitted.
- 4 months after year end the JSE will annotate such issuer's listing with "RE" indicating that the AFS have not been submitted timeously. At the same time the JSE will publish an announcement that the AFS of the issue have not been submitted timeously and that the listing is under threat of suspension.
- 5 months after year end the issuer will be suspended, and a meeting will be convened to consider whether the suspension should continue OR the removal of the listing should occur.
- Any suspension will only be removed once the AFS have been sent out as required, and the JSE is happy they comply with the JSE Listings Requirements.
- The JSE does have discretion to waive a suspension for not submitting AFS.

- The short-form press announcements are required to include:
 - In a prominent position at the top of the short-form announcement, all such headlines as may be appropriate as to the nature of the matter;
 - The short-form announcement is the responsibility of the directors;
 - Contain a warning statement that:
 - The short-form announcement is only a summary of the information in the full announcement and does not contain full or complete details;
 - Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement published on SENS* and the Company's website as a whole; and
 - The short-form announcement must not be misleading or inaccurate.
 - Contain a statement that:
 - The full announcement has been released on SENS* and available for viewing on the Company's website; and
 - The full announcement is available for inspection, at no charge, at the registered office or other designated offices of the Company and the offices of the sponsor. The hours and days on which such inspection is available to shareholders must be stated. Copies of the full announcement may be requested, and the announcement must include full details on how such request can be made.
- A short-form announcement dealing with interim reports and provisional reports must in addition to the above include the following:
 - Increases/decreases in revenue/operating profit compared to the financial results for the previous corresponding period;
 - Increases/decreases in headline earnings per share compared to the financial results for the previous corresponding period;
 - Increases/decreases in earnings per share compared to the financial results for the previous corresponding period;
 - Increases/decreases in the dividend/distribution compared to the financial results for the previous corresponding period; and
 - Increases/decreases in net asset value compared to the financial results for the previous corresponding period (only if more relevant because of the nature of the issuers business).

To the extent that any of the above indicators are not considered to be a true measure to reflect the performance of an issuer in the banking and property industries, the JSE may grant dispensation from the requirement to publish such information or agree to a relevant alternative indicator/s.

*** Financial results announcements can be published as short-form announcements on SENS with a weblink to the long-form announcement.**

- No audit or review opinion can be expressed on a short-form announcement.
- A short-form announcement dealing with annual financial statements must also include the following:
 - Specific disclosure of key audit matters pursuant to International Auditing Standard 701 through inclusion of:
 - (i) the full auditor’s report; and
 - (ii) annual financial statementsvia a web link to the website of the issuer; and
 - A statement of the type of review conclusion/audit opinion that was reached on the underlying Condensed Financial Statements or AFS i.e. unqualified, qualified, disclaimer or adverse. The statement must also confirm if there was:
 - A material uncertainty relating to going concern;
 - An emphasis of matter;
 - A reportable irregularity; or
 - A material inconsistency in information included in a document that contains the audited or reviewed financial statements.
 - Except in the instance of an unqualified opinion, a statement must also be included that the details in the auditor’s report can be obtained via a web link to the website of the issuer.

Minimum contents of Annual Financial Statements/ Annual Report

AFS/Annual Report specific requirements

Content

The JSE expects the following documents to be distributed within 4 months of year end:

- A notice of the AGM; and
- At a minimum, the AFS for the relevant financial year, which financial statements must have been reported on by the issuer's auditors.

Minimum contents of AFS

The AFS must be:

- Be drawn up in accordance with national law;
- Be prepared in accordance with International Financial Reporting Standards ("IFRS") and the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council;
- Be audited in accordance with International Standards on Auditing;
- Be in consolidated form;
- Fairly present the financial position, changes in equity, results of operations and cash flows of the group;
- For property entities, include the information required in terms of paragraphs 13.18 and 13.19(a) to (c) of the JSE Listings Requirements which must be prepared on the entire property portfolio.

Other information included in Annual Report

Items to be included in the Annual Report (or AFS if the Annual Report is distributed after 4 months from year end):

Application of King IV

In respect of the issuer's application of King IV:

- The implementation of the King Code through the application of the King Code disclosure and application regime.
- A narrative on the non-binding advisory votes pursuant to paragraph 3.84(k) of the JSE Listings Requirements, dealing specifically with (i) who the issuer engaged with and the manner and form of engagement and (ii) the nature and steps taken to address objections. Paragraph 3.84(k) deals with the tabling of the remuneration policy and implementation report for separate non-binding advisory vote by shareholders.

Mineral Resources and Mineral Reserves

The additional disclosures required in terms of paragraph 12.13 of the JSE Listings Requirements.

Investment companies

The additional disclosures required in terms of paragraph 15.6 of the JSE Listings Requirements.

Mandatory disclosure in AFS

In addition to complying with IFRS, Section 30 of the Companies Act and paragraph 3.84 of the JSE Listings Requirements, issuers are required to disclose the following information in the AFS:

Principle	Regulation Summary
Headline earnings per share [8.63(b)]	<ul style="list-style-type: none"> • Headline earnings ("HEPS") per share and diluted HEPS in respect of the current and preceding financial year. • Long-form reconciliation between HEPS and earnings per share ("EPS").
Directors' interests [8.63(c)]	<ul style="list-style-type: none"> • Aggregate and individual direct and indirect beneficial interests of the directors (and associates) in the share capital of the Company, <i>including the director's holdings which are subject to security, guarantee, collateral or any other charge, lien or other encumbrance granted over the securities of the issuer.</i> • Disclose any change in the interests occurring between financial year end and approval of the AFS or an appropriate negative statement. • Comparatives are required.
Trading statement [8.63(d)]	<ul style="list-style-type: none"> • If an issuer adopts a different performance measure to EPS and HEPS (e.g. net asset value per share) for purposes of their trading statement, such policy adoption must be confirmed annually in the AFS.
Change of auditor [8.63(d)]	<ul style="list-style-type: none"> • State that the auditor appointment was terminated or that the auditor resigned and the reason(s) therefore.
Unlisted securities [8.63(d)]	<ul style="list-style-type: none"> • The share certificates must be held in trust and stamped with the words "unlisted securities" and may only be released with written permissions from the JSE; • Statement detailing the number and status of the unlisted securities; and • Subject to the JSE discretion, any additional securities issued of the same class and status will also be subject to paragraphs 4.23 (a) and (b) of the JSE Listings Requirements.
Public shareholders [8.63(d)]	<ul style="list-style-type: none"> • The number of public securities holders for every class of listed securities; • The percentages of each class of securities held by public and non-public shareholders; and • The disclosure for non-public shareholders must be analysed in accordance with the categories set out in paragraphs 4.25 to 4.27 of the JSE Listings Requirements.
Change to board of directors or company secretary [8.63(d)]	<ul style="list-style-type: none"> • The appointment of a new director or company secretary; and/or • The resignation, removal, retirement or death of a director or of the company secretary; and/or • Changes to any important functions or executive responsibilities of a director.
Major shareholders [8.63(e)]	<ul style="list-style-type: none"> • Interests of shareholders (other than directors), directly or indirectly, where they are beneficially interested in 5% or more of any class of shares, including the number of shares or an appropriate negative statement.

Principle	Regulation Summary
Share incentive schemes [8.63(f)] [includes share schemes of the company and its subsidiaries]	<ul style="list-style-type: none"> • Summarise the following: <ul style="list-style-type: none"> – Details and terms of the options in issue at the beginning of the financial period; – Cancelled or issued during the financial period; – In issue at the end of the financial period; – Number of securities that may be utilised for purposes of the scheme at the beginning and the end of the financial period; and – Changes in number of securities that may be utilised for purposes of the scheme during the financial period.
Profit forecasts [8.63(g)]	<ul style="list-style-type: none"> • If the results for the period under review differ by 10% or more from any published forecast or estimate, provide an explanation of the differences.
Issues for cash [8.63(j)]	<ul style="list-style-type: none"> • Details of general and specific issues of shares for cash (i.e. number, issue price and to whom they were issued to in the event of a specific issue).
Directors emoluments (including a director who resigned during the period) [8.63(k)]	<ul style="list-style-type: none"> • An analysis in aggregate and by director of emoluments paid in respect of the current and preceding financial period, distinguished between executive and non-executive directors: <ul style="list-style-type: none"> – Fees for services as director; – Management, consulting, technical or other fees paid for such services rendered, directly or indirectly, including payments to management companies, a part of which is then paid to a director of the company; – Basic salary; – Bonuses and performance related payments; – Expense allowance amounts; – Any other material benefits received; – Contributions paid under any pension scheme; – Commission, gain or profit-sharing arrangements; – In respect of share options or other rights in respect of shares (opening balance, including number of share options and strike price; the number of share options awarded and their strike price; strike dates; number of shares exercised and the prices and closing balance, including the number of share options and the strike prices). – Any shares issued and allotted in terms of share purchase/option scheme for employees, including number of shares issued and allotted, the price of issue and allotment, release periods, and any other relevant information. – State the amounts received/receivable by the holding company, subsidiaries and fellow subsidiaries, associates and joint ventures of the above and management/ advisory companies.

Principle	Regulation Summary
Repurchased equity [8.63(o)]	<ul style="list-style-type: none"> • Details in respect of the repurchase by a Company of its own equity securities or a purchase by a subsidiary of equity securities in its holding company (in accordance with section 48 of the Companies Act) during the period under review, including : <ul style="list-style-type: none"> – the total number of equity securities repurchased; – in relation to the total number, the number of equity securities - (i) held as treasury securities by a subsidiary of the Company, (ii) which have reverted to authorised but unissued equity securities of the Company in accordance with section 35(5) of the Act (i.e. were acquired by the issuer from treasury shares); and – the average price paid for the repurchased equity securities, calculated by dividing the total amount paid by the number of repurchased equity securities.
Restrictive funding arrangements [8.63(p)]	<ul style="list-style-type: none"> • Any restrictive funding arrangements undertaken by a Company and/or any of its subsidiaries must be disclosed, which disclosure must include: <ul style="list-style-type: none"> – The restriction(s) on specified events attaching to the funding arrangement; – The funding provider(s); and – The amount of the funding.
Laws of incorporation and Memorandum of Incorporation (“MOI”) [8.63(r)]	<ul style="list-style-type: none"> • A narrative on compliance with paragraph 7.F.6 of the JSE Listings Requirements dealing with compliance with the laws of establishment and the Memorandum of Incorporation (“MOI”) of the applicant issuer <p>7.F.6 A positive statement must be made by the directors of the applicant issuer that the applicant issuer is:</p> <p>(a) in compliance with the provisions of the Companies Act or relevant laws of establishment, specifically relating to its incorporation. For a foreign applicant issuer, the positive statement must be made in respect of its relevant laws of establishment; and</p> <p>(b) operating in conformity with its MOI and/or relevant constitutional documents.</p>

8.63(r) Point for consideration by the Board: Their basis, scope and approach to evaluating:

- **Compliance by the issuer with its MOI and the provisions of the Companies Act or other relevant laws of establishment, specifically relating to its incorporation; and**
- **Whether or not the issuer is operating in conformity with its MOI and/or relevant constitutional documents.**

Risk factors [8.63(s)]/7.F.7	<ul style="list-style-type: none"> • A description of material risks which are specific to the issuer, its industry and/or its securities. • Proper consideration must be given to the material risks that face the applicant issuer and generic disclosures must be avoided. • Material risk factors should be grouped together in a coherent manner and material risk factors considered to be of the most immediate significance should be prominent at the beginning within the material risk factors disclosure. <p>This disclosure may be incorporated via a weblink to the website of the issuer.</p>
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8.63(s) Point for consideration by the Board: Their basis, scope and approach to evaluating the material risks that face the applicant issuer.

AFS/Annual Report specific requirements

The following principles of corporate governance must be implemented by issuers who must disclose their compliance therewith in the document they distribute after 4 months (AFS or Annual Report):

Principle	Regulation Summary
Balance of power [3.84(a)] *	<ul style="list-style-type: none"> • There must be policy clearly demonstrating the balance of power and authority at a Board level, which must be disclosed in relevant documentation. • This ensures that no one director has unfettered powers.
CEO and Chairman [3.84(b)] *	<ul style="list-style-type: none"> • A Company must have a Chief Executive Officer ("CEO") and a Chairman. • These positions must not be held by the same person. • The Chairman must either be an independent non-executive director or the Company must appoint a lead independent director.
Audit Committee; Remuneration Committee and Social and ethics committee [3.84(c)] *	<ul style="list-style-type: none"> • All Company's must appoint an audit committee, remuneration committee and social and ethics committee. • Composition must comply with the Companies Act requirements and should be considered in accordance with the recommended practices in the King Code. • Each committee must comprise at least 3 members. • In the annual report the Company must disclose a brief description of their mandates, the number of meetings held and any other relevant information.
CV's of directors [3.84(d)] *	<ul style="list-style-type: none"> • A brief CV of each director standing for election or re-election at a general meeting or the annual general meeting should accompany the meeting notice.
Capacity of directors [3.84(e)] *	<ul style="list-style-type: none"> • The capacity of each director should be categorised as executive, non-executive and independent. • Any director that participates in a share incentive scheme/option scheme, will not be regarded as independent.
FD [3.84(f)] *	<ul style="list-style-type: none"> • All issuers must have an executive Financial Director ("FD") (this must be a full time appointment except where the JSE has granted a dispensation in this regard).
Audit committee responsibilities [3.84(g)]	<ul style="list-style-type: none"> • The audit committee must consider on an annual basis and satisfy itself as to the appropriateness of the expertise and experience of the FD. • The audit committee must ensure that the issuer has established appropriate financial reporting procedures and that these procedures are operating, which should include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on the financial statements of the issuer. • Audit committee must confirm in the annual report that it has requested information from, and consulted as necessary with the audit firm, as required by S22.15 (h) of the JSE Listings Requirements when assessing the suitability of appointment / reappointment of the firm and individual auditor. • The issuer must confirm in its annual report that the audit committee has executed the above responsibilities. • Notwithstanding the provisions of Section 90(6) of the Companies Act, ensure that the appointment of the auditor is tabled as a resolution at the AGM of the issuer pursuant to Section 61(8) of the Companies Act.

* Not required for AltX

Principle	Regulation Summary
Company secretary [3.84(h)]	<ul style="list-style-type: none"> The Board must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary, and confirm this in the annual report along with the confirmation of the execution of this responsibility. The recommended practices in the King code should be applied.
Board / nomination committee policy on race and gender diversity [3.84(i)]	<ul style="list-style-type: none"> Must have policy on the promotion of broader diversity specifically focused on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. Must report to shareholders on how the policies were applied in nominations of and appointments of directors and progress on any agreed voluntary targets. If applicable, the board of directors or the nomination committee must explain why any of the above diversity indicators have not been applied and further report progress in respect thereof on any agreed voluntary targets.
Remuneration policy and [3.84(j)] implementation report	<ul style="list-style-type: none"> Policy and implementation report to be tabled every year for non-binding advisory vote by shareholders at AGM. Policy must include actions to be taken if more than 25% of voting shareholders vote against either or both the policy or implementation report. In the case of the adverse vote above, the voting announcement must provide for an invitation for voting shareholders to engage with the issuer together with the manner and timing of such engagement. Also disclosure as indicated above – (i) who issuer engaged with; manner and form of engagement (ii) nature and steps taken to address objections.
CEO and FD responsibility statement [3.84(k)] 	<ul style="list-style-type: none"> The CEO and the FD responsibility statement must be made by them after due, careful and proper consideration of same as follows: <ul style="list-style-type: none"> “The directors, whose names are stated below hereby confirm that: <ul style="list-style-type: none"> – The AFS set out on pages [...] to [...], fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS; – No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading; – Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and – The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action. <p>Signed by the CEO and the FD”</p>

3.84(k) Point for consideration by the Board: Their definition of internal financial controls and their basis, scope and approach to evaluating the internal financial controls.

Non-public shareholders

Non-public shareholders are shares held directly or indirectly by:

- Directors of the issuer or its major subsidiaries;
- Associates of directors of the issuer or its major subsidiaries;
- The extended family of a director of the issuer, as applied to the best of his/her knowledge;
- Trustees of employee share schemes/pension funds;
- A prescribed officer of the issuer;
- Any person with a 10% or more shareholding except:
 - Fund managers where each fund holds less than 10% and not acting in concert;
 - Depository receipt program and no individual depository receipt holder holds more than 10% and not acting in concert; and
 - Nominee shareholder and none of the beneficial shareholders represented by the nominee hold more than 10% and not acting in concert.
- Employees if restrictions on trading shares exist. For purposes of this provision restrictions on trading in the applicant issuer's listed securities must be for a period exceeding six months from the listing date.

New definitions

- **Extended family:** an individual's extended family determined by applying the family cross holdings test to the director and spouse (if applicable).
- **Family cross holdings test:** the parents, siblings (including step and half siblings) and major children of the individual together with each such party's spouse (if applicable). Major child means a child of at least 18 years old.
- **Prescribed officer:** as defined in the Companies Act or a person with a similar designation as a prescribed officer if the applicant issuer is not incorporated in South Africa.

Alternative performance measures

Constant currency information

In situations where management information is reviewed by the Chief Operation Decision Maker (as defined in terms of IFRS 8: *Operating Segments*) in a currency other than the presented currency of the AFS, the issuer is obliged to present such information in terms of IFRS 8.

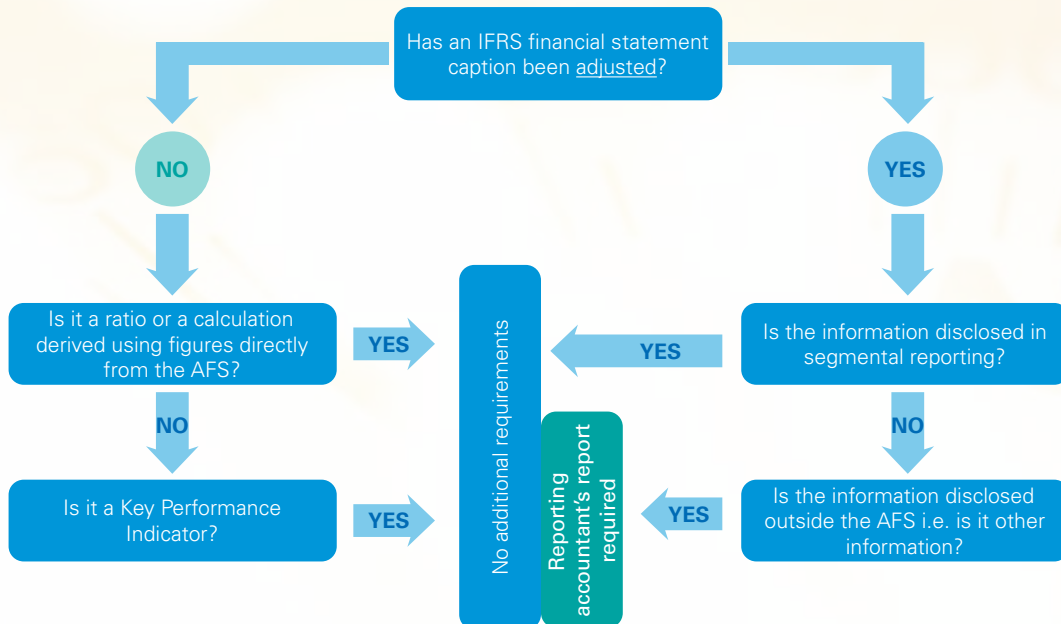
In all other instances, when an issuer presents financial information on a “constant currency” basis they must, in terms of the guidance letter issued by the JSE on 16 August 2012:

- Comply with paragraphs 8.16 and 8.18 of the JSE Listings Requirements relating to pro forma financial information;
- Explain clearly what the base information is i.e. whether it is the current or the comparative period that has been adjusted for the application of a constant currency;
- Explain clearly how the base information has been adjusted for the exchange rate changes:
 - Provide details of each of the material currencies of the issuer for both periods; and
 - Indicate how the average exchange rate was calculated.
- When included in interim results, a statement must be included that the information has not been reviewed or reported on by the issuer’s auditors;
- When included in any other results, the issuer must obtain a reporting accountant’s report in respect of the pro forma financial information presented, from their auditor and such report must be available for inspection [ISAE 3420: *Assurance engagements to Report on the Compilation of Pro forma Financial Information included in a Prospectus*].

“Today’s partners can be your competitors tomorrow. And today’s competitors can be your partners tomorrow.”

– Suzy Kassem

Non-IFRS financial information



The JSE views the following alternative performance measures or adjusted or normalised financial information to be pro forma financial information:

- The acquisition of an asset as if it had been acquired at the beginning of the period;
- The application or non-application of a specific IFRS; or
- The results for a longer or shorter period than the previously reported results, for example, retailers may adjust past results to show a comparable 53-week period.

Refer to Guidance letter: Presentation of Pro forma Financial Information dated 4 March 2010.

Where the non-IFRS financial information is reviewed by the Chief Operating Decision Maker (as defined in terms of IFRS 8 – *Operating Segments*), on a component basis, for purposes of making decisions about operating matters and the issuer is obliged to present the non-IFRS financial information in terms of IFRS 8, the JSE will not require a pro forma sign off as it forms part of the audited financial information.



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