

LUSAKA STOCK EXCHANGE

HARMONISED LISTINGS REQUIREMENTS OF THE LUSAKA STOCK EXCHANGE

Preface

The new listings requirements, which initially became effective on 17 September 1999, having been revised in March 2008 and coming into effect on 17 September, 2012 with a view to modernize the disclosure requirements of listed issuers and harmonise LuSE rules with international standards, and, to a large extent reflect current market practice in the Southern Africa Development Community (both written and unwritten) in a more user friendly form. There a number of new requirements which are aimed at raising the levels of certain market practices to international standards, as well as other new requirements including development requirements and the need to promote broader economic empowerment in the country.

The LuSE will continue to periodically amend the new listings requirement to ensure that they remain up-to-date with market practice and legislative changes. Before the Board of the LuSE approves material amendments, the views of the broader public, will be sought. The amendments will be published. Each replacement page or practice note will bear an “issue number” corresponding with that referred to in the accompanying control sheet, which we recommend be filed at the beginning of this manual.

17 September, 2012.

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Introduction

The definitions contained in the “Definitions” section of these Listings Requirements apply to this Introduction.

Objectives

It is an integral function of the LuSE to provide facilities for the listing of securities (including securities issued by companies, domestic or foreign), to provide the LuSE’s users with an orderly market place for trading in such securities and to regulate the market accordingly.

The Listings Requirements set out in this document apply to issuers seeking a listing for the first time, presently listed issuers, all other securities that applicants may wish to list and those presently listed and, where applicable, to directors (as defined in each relevant section) of applicant issuers and to brokers. The Listings Requirements contain the rules and procedures governing new applications, all corporate actions and continuing obligations applicable to issuers. They are furthermore aimed at ensuring that the business of the LuSE is carried on with due regard to the public interest.

General Principles

It is impracticable and undesirable for the LuSE’s requirements and procedures to attempt to govern all circumstances that may arise in commercial practice. Accordingly, the Listings Requirements fall into two categories as follows:

- (a) general principles (“the General Principles”) which are set out below and which must be observed in all corporate actions and also in all submissions pertaining to securities listed and to be listed; and
- (b) the main body of the Listings Requirements (“the main body”) which consists of the sections, schedules and practice notes. The main body is derived from the application and interpretation of the General Principles by the LuSE.

Moreover, the spirit of the General Principles and the main body may be applied by the LuSE in areas or circumstances not expressly covered in the Listings Requirements.

The LuSE has 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.

Accordingly, users of the Listings Requirements must at all times observe the spirit as well as the precise wording of the General Principles and main body.

If there is any doubt as to the interpretation or application of the Listings Requirements, users must consult the LuSE.

The General Principles are as follows:

- (i) to ensure the existence of a market for the raising of primary capital, an efficient mechanism for the trading of securities in the secondary market, and to protect investors;
- (ii) to ensure that securities will be admitted to the List only if the LuSE is satisfied that it is appropriate for those securities to be listed;
- (iii) to ensure that full, equal and timeous public disclosure is made to all holders of securities and the general public at large regarding the activities of an issuer that are price sensitive;
- (iv) to ensure that holders of relevant securities are given full information and are afforded adequate opportunity to consider in advance and vote upon any of the following:
 - (1) substantial changes in an issuer's business operations; and
 - (2) other matters affecting a listed company's constitution or the rights of holders of securities;
- (v) to ensure that all parties involved in the dissemination of information into the market place, whether directly to holders of relevant securities or to the public, observe the highest standards of care in doing so;
- (vi) to ensure that all holders of the same class of securities of an issuer are accorded fair and equal treatment in respect of their securities; and
- (vii) to ensure that the Listings Requirements, and in particular the continuing obligations, promote investor confidence in standards of disclosure and corporate governance in the conduct of applicant issuers' affairs and in the market as a whole.

Competent authority

The LuSE is the holder of an exchange licence in terms of the provisions of the Act. A company wishing to have its securities dealt with on the LuSE must apply for a listing and must be in compliance with the requirements of the LuSE before being granted such listing. The Board of 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 of the LuSE has delegated its authority in relation to the Listings Requirements, excluding termination of listings initiated at the instance of the LuSE (which authority has been delegated to the LuSE's executive committee), to the management of the Issuer Services Division. When a listings matter is considered by the LuSE, representatives of the issuer and other advisers may accompany the relevant sponsor, any of whom may, subject to the LuSE's consent, address the meeting. The LuSE reserves the right to limit the number of persons attending such meetings.

Companies with listings on other exchanges

Attention is drawn to the fact that other exchanges may have different requirements relating to the issue of securities. Companies with a primary listing on the LuSE that are also listed on such other exchanges should therefore ensure that the requirements of both the LuSE and such other exchanges are complied with when submitting documentation to the LuSE for approval. Where an issuer's primary listing is on another exchange, the LuSE will normally accept the listings requirements of that exchange but reserves the right to request such issuer to comply with such aspects of the Listings Requirements as it may, in its sole discretion, determine.

Application of Rules

The Listings Requirements shall not apply to the listings of Debt Securities. The Listing Requirements applicable to Debt Securities are contained in a separate body of listing requirements for Debt Securities.

Schedules

Throughout these schedules the definitions in the “Definitions” section of the Listings Requirements are applicable, unless otherwise stated or the context requires otherwise, and an expression, which denotes any gender, includes other genders.

The following schedules form part of the Listings Requirements:

- 1 Application for listing by new applicants
- 2 Application for a listing of securities resulting from rights offers, claw-back offers and renounceable offers
- 3 Application for a listing of securities resulting from capitalisation issues or scrip dividends
- 4 Application for a listing of securities resulting from acquisitions, take-overs and mergers, share incentive schemes and convertible securities
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Schedule 1
Application for listing by new applicants

1.1 The application for listing by new applicants must contain the following:

(a) a statement that:

“It is understood that the granting of a listing pursuant to this application shall constitute a contract between this company*/or description of entity applying for listing if not a company* and the LuSE Limited (“LuSE”) and also between the directors*/description of office equivalent to directors*, on a continuing basis, of the company*/or description of entity applying for listing if not a company* and the LuSE, and that in giving the General Undertaking referred to in paragraph 16.10 (s) of the Listings Requirements of the LuSE (“the Listings Requirements”), the company*/or description of entity applying for listing if not a company* and its directors*/description of office equivalent to directors* undertake to comply with the Listings Requirements as they may exist from time to time.”

* delete whichever is not applicable;

(b) full name of the applicant;

(c) the addresses of the registered and transfer offices of the applicant in the Republic of Zambia;

(d) regarding the applicant’s share capital:

- (i) the amount of the authorised share capital of each class of share, and the nominal value and number of securities in each class; and
- (ii) the number and amount of the share capital issued and to be issued with respect to each class of share, and the number of securities in each class for which a listing is applied for;

(e) the nominal amount and number of securities of each class:

- (i) offered to the public for subscription, either by the applicant or otherwise (“the offer”), and the date the offer opened;
- (ii) applied for in terms of the offer, and the date the offer closed (where this information is available at the date of application); and
- (iii) issued and/or allotted, and the date of issue and/or allotment (where this information is available at the date of application) pursuant to the offer;

(f) that monies in respect of excess applications will be refunded within 7 days of the closing of the offer;

(g) a statement whether or not it is desired to deal in any other documents prior to the issue and allotment of the securities;

(h) a statement detailing the sector of the List in which listing is applied for, and the abbreviated name of the applicant.

- (i) an undertaking by the applicant in the form of a directors', or equivalent, resolution that the documents referred to in paragraphs 16.19 to 16.21 will be submitted within the periods specified therein; and
- 1.2 The application must be signed by the secretary and a director, or equivalent, of the applicant and by the sponsoring broker.
- 1.3 The application must be accompanied by a resolution of the directors, or equivalent, of the applicant authorising the application for listing together with the relevant listing fee.

Schedule 2

Application for a listing of securities resulting from rights offers, claw-back offers and renounceable offers

- 2.1 The application for the listing of securities resulting from rights offers, claw-back offers and renounceable offers must include:
- (a) a description of and the number of renounceable letters for which a listing is applied for, and the relevant dates, in accordance with the relevant timetable in Schedule 24;
 - (b) a description of and the number of securities for which a listing is applied for, and the relevant dates, in accordance with the relevant timetable in Schedule 24;
 - (c) a brief description of the offer;
 - (d) the date on which the renounceable letters and the circular or pre-listing statement will be posted to securities holders;
 - (e) the date on which the offer closes;
 - (f) the authorised and issued capital of the applicant prior to the issue of the rights, renounceable or claw-back securities;
 - (g) the issued capital after the issue of the rights, renounceable or claw-back securities; and
 - (h) all renounceable letters dispatched by the applicant to registered shareholders will be sent by registered mail and by airmail wherever this is possible;
 - (i) the date on which the securities are to be allotted and issued; and
 - (j) the date on which the renounceable letters are to be allotted and issued.
- 2.2 The application must be signed by the secretary and a director, or equivalent, of the applicant and by the sponsoring broker.
- 2.3 The application must be accompanied by a resolution of the directors, or equivalent, of the applicant and any other resolution required by the Act or any other written law authorising the application for listing together with the relevant listing fee.

Schedule 3

Application for a listing of securities resulting from capitalisation issues or scrip dividends

- 3.1 The application for a listing of securities resulting from capitalisation issues or scrip dividends must state:
- (a) the number of securities resulting from a capitalisation/scrip dividend issue for which a listing is applied;
 - (b) the date from which such listing is to commence;
 - (c) that the capitalisation/scrip dividend securities rank pari passu with the other issued securities of the applicant;
 - (d) the date on which the capitalisation/scrip dividend securities are to be allotted;
 - (e) the date on which the securities are to be issued;
 - (f) the authorised and issued share capital of the applicant prior to the issue of the capitalisation/scrip dividend securities ; and
 - (g) the issued capital after the issue of the capitalisation/scrip dividend securities.
- 3.2 The application must be signed by the secretary and a director, or equivalent, of the applicant and by the sponsoring broker.
- 3.3 The application must be accompanied by a resolution of the directors, or equivalent, of the applicant authorising the application for listing together with the relevant listing fee.

Schedule 4

Application for a listing of securities resulting from acquisitions, take-overs and mergers, share incentive schemes and convertible securities

- 4.1 The application for a listing of securities resulting from acquisitions, take-overs and mergers, share incentive schemes and convertible securities must contain the following:
- (a) a description of and the number of securities for which a listing is applied and the date of listing;
 - (b) the reason for allotment and issue;
 - (c) the date of allotment;
 - (d) the date of issue of securities;
 - (e) a statement that when the securities are issued and listed they will rank pari passu in all respects with existing issued and listed securities of the same class;
 - (f) the applicant's present authorised and issued capital;
 - (g) the issued capital after the issue of the securities that are subject of the application;
 - (h) confirmation that, in respect of an acquisition of assets, the assets have been transferred into the name of the applicant, or will be upon issue of the securities or other means of consideration settlement;
 - (i) with regard to shares that are being issued in respect of the achievement of a profit warranty, reference to the date and medium (e.g. publication or in the annual financial statements) in which the details of the transaction were announced; and
 - (j) where the application relates to a vendor consideration placing, confirmation that the issuer has complied with paragraph 5.62.
- 4.2 The application must be signed by the secretary and a director, or equivalent, of the applicant and by the sponsoring broker.
- 4.3 The application must be accompanied by a resolution of the board of directors, or equivalent, of the applicant authorising the application for a listing together with the relevant listing fee.
- 4.4 An application for share incentive scheme shares utilising a previously approved block listing must include the balance of shares in issue before and after the block listing. The application for block listing should also include the previous application letter submitted by the issuer to the LuSE.
- 4.5 Where application is made to the LuSE to list securities which are the subject of a profit warranty, a letter submitted by the issuer's auditors confirming that the conditions required for the shares to be allotted and issued have been met, is to be submitted to the LuSE together with a reconciliation between the number of securities for which application is being made and the terms of the profit warranty.
- 4.6 The application must be accompanied by the relevant agreements.

Schedule 5
Independent fairness opinions

Scope of this schedule

The objectives of this schedule are as follows:

- (a) to provide sponsoring brokers and issuers with certainty, at an early stage of the process, as to the acceptability or otherwise to the LuSE of a nominated independent professional expert who will issue a fairness opinion;
- (b) to provide guidelines regarding the required quality of independent fairness opinions generally; and
- (c) to ensure consistent and detailed reporting practices with regard to fairness opinions.

As the issues of independence and competency will be unique to every transaction, this schedule provides guidance rather than specific rules. The overriding objective is to ensure that the board of directors receive competent and adequate advice from an acceptable independent and competent third party regarding a transaction. The board of directors must ensure that any director who is party to the transaction (being the subject matter of the fairness opinion) is excluded from the process of mandating the expert and providing the necessary recommendations to shareholders. The issuer must confirm this in terms of the Schedule 5C declaration.

5.1 A fairness opinion must:

- (a) be prepared by an independent professional expert, acceptable to the LuSE, who has no material interest either in the transaction or in the success or failure of the transaction;
- (b) make appropriate disclosure where the independent professional expert has any existing or continuing relationship with the issuer and/or any other parties involved in the transaction; and
- (c) set out all of the material factors and assumptions taken into account in the preparation of the statement (as set out in 5.8 below).

5.2 At an early stage in a contemplated transaction and preferably before engaging a party to prepare a fairness opinion, the sponsoring broker, on behalf of the issuer must submit to the LuSE:

- (a) a declaration of independence completed by the nominated independent professional expert, in the form set out in Schedule 5A;
- (b) a declaration of competency completed by the nominated independent professional expert, in the form set out in Schedule 5B; and
- (c) a declaration by the issuer, in the form set out in Schedule 5C.

The above declarations must be submitted for every transaction.

5.3 The LuSE may, unless the issuer is able to provide additional information to satisfy the LuSE, require the issuer to appoint a different independent professional expert to prepare the fairness opinion if (based on the information received in terms of 5.2 above and the LuSE's investigation thereof) the LuSE is not satisfied as to:

- (a) the independence of the nominated independent professional expert; and/or
- (b) the competency of the nominated independent professional expert with regard to the particular transaction; and/or

(c) any reasons given by the issuer for the appointment of the nominated independent professional expert.

5.4 The LuSE undertakes to give the sponsoring broker its approval or disapproval for the appointment of the independent professional expert within 48 hours (excluding weekends and public holidays) of receipt of the duly completed declarations required in 5.2 above. No documentation will be accepted for review by the LuSE until approval for the appointment has been given.

5.5 Before issuing a fairness opinion, the independent professional expert must perform a valuation of the issuer and/or the subject of the transaction. Where a valuation has been prepared by a competent third party (in respect of assets such as property or mineral reserves and rights for example), the independent professional expert should set out the manner in which he has satisfied himself that he can rely upon the valuation.

5.6 The LuSE's request for the opinion of an independent professional expert may result in a statement that the transaction is fair. Where this is not the case and the fairness is impaired, the independent professional expert should give full reasons for his opinion in this regard. Even if the opinion is that the transaction is fair, the independent professional expert must, where appropriate, emphasise critical matters upon which it has relied upon in arriving at the opinion.

5.7 The LuSE only requires that the expert opine on the fairness of a transaction although it would allow the expert to opine on the reasonableness provided detailed disclosure is made in this regard. Fairness is based on quantitative issues and reasonableness on qualitative issues. For illustrative purposes, in the case of a disposal to a related party, the transaction may be said to be fair if the consideration payable by the related party is equal to or greater than the value of the business that is the subject of the transaction. In other instances, even though the consideration may be lower than the value of the business, the transaction may be said to be reasonable in certain circumstances after considering other significant qualitative factors.

5.8 The content of the fairness opinion is at the discretion of the independent professional expert, but must include at least the following basic elements:

- (a) title;
- (b) addressee;
- (c) date of statement;
- (d) opening or introductory paragraph with the purpose for which the report has been prepared;
- (e) reference to the relevant LuSE or SRP rules in terms of which the statement is being issued;
- (f) headings identifying the major sections including, but not limited to, introduction, procedures and the opinion;
- (g) an explanation as to how the terms "fair" and if so mandated by the board of directors "reasonable", as indicated in 5.6 above, apply in the context of the specific transaction;
- (h) details of the information and sources of information;
- (i) identification and discussion of both the external and internal key value drivers, sensitivities performed and assumptions used;
- (j) if applicable, a summary of the manner in which the independent professional expert has satisfied himself as to the appropriateness and reasonableness of the underlying information and assumptions;

- (k) a full explanation of the significant factors that led to the opinion given;
- (l) any limiting conditions;
- (m) the relationships between the issuer (and any other parties involved in the transaction) and the independent professional expert, as required by 5.1(b) above and as identified in the declaration completed in terms of 5.2(a) above and disclosure of the number and value of shares acquired if the expert's fees were paid for in shares;
- (n) confirmation that a valuation has been performed and identification of the valuation methodologies applied, and where there has been reliance upon a third party valuation, confirmation that the independent expert is satisfied with this valuation;
- (o) a summary of other factors taken into account or procedures carried out in reaching the opinion;
- (p) a statement that an individual shareholder's decision may be influenced by such shareholder's particular circumstances and accordingly that a shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the transaction;
- (q) the opinion;
- (r) the independent professional expert's name, address and authorised signature; and
- (s) any other information that the independent professional expert feels is appropriate.

5.9 The date on which the opinion is issued must be the same as the date that the directors authorise the submission of the relevant circular to the LuSE for formal approval.

5.10 The independent professional expert has a duty to evaluate all the information provided in a critical manner, as required in 5.8(i) above. This in no way implies that the information must be audited or that the accuracy of all information must be checked. There must be a statement as to how the information has been evaluated and whether or not the expert believes that such information is reasonable, particularly where the information contains forecasts prepared by the management and/or directors of the issuer. Any statement indicating that there has been no independent verification or any other similar statement would only be permissible subject to the following:

- (a) the experts stating clearly what is meant by "no independent verification"; and
- (b) such statement not invalidating any work that has been done in terms of this paragraph.

5.11 The LuSE has the right, but not the obligation, to request the independent professional expert to;

- (a) clarify any aspect of the statement; and/or
- (b) expand the statement so as to address any issues of concern to the LuSE.

Schedule 5A
Expert's confirmation of independence

[please delete any paragraphs which are not applicable and which are the subject of a matter choice between paragraphs]

To: The Listings Committee,
LuSE
Central Park
Cairo Road
LUSAKA

.....20

This declaration is completed with reference to:

- [insert name of listed company] (“the issuer”),
the holding company, subsidiary companies, associate companies and joint ventures
of the issuer (“the issuer’s related parties”);
- [insert brief description
of the transaction] (“the transaction”).

We acknowledge that this declaration has been requested by the LuSE for the purpose of confirming to the LuSE that we have no direct or indirect material interest in the transaction, or in the success or failure of the transaction that may mitigate against our appointment as the independent professional experts for the transaction.

We further acknowledge that the independent professional expert may be;

- (a) a company or other entity that does not form part of a larger organisation;
- (b) a company or other entity within a larger organisation that can potentially offer a wide range of services to the issuer; or
- (c) a division within a company or other entity that falls into either of the two categories above.

This declaration is therefore made in the context that it relates to the individuals, the division and/or the company directly responsible for undertaking the work and issuing the opinion, as well as any other parties within the larger organisation (if applicable) that are involved in issuing the opinion or will directly benefit or profit from the transaction.

Full name of the independent professional expert:
..... (“the expert”),
a division/associate/subsidiary of

I, [insert full names]
being a [insert relationship to expert e.g. director/partner]
and duly authorised on behalf of the expert to give this declaration, declare as follows:

1. Internal confidentiality procedures

- (a) The expert and, if applicable, the group of companies to which the expert belongs or any other organisation to which the expert belongs, have internal compliance procedures in place dealing with communication amongst their employees and contractors and amongst the different companies and divisions so as to ensure that information is kept confidential when appropriate;
- (b) Through these procedures, information of a non public nature regarding the transaction is unknown to anyone outside of the expert and its larger organisation. In addition, the expert cannot be influenced with regard to

the procedures that it follows and the opinion that it will express regarding the transaction;

These procedures are as follows [please provide full details]. In addition, the expert has no objection to the holding discussions with our legal compliance department.

2. Shareholding by directors/partners/employees etc of the expert in the issuer

- (a) The persons who are directors, partners, officers, employees, consultants or contractors (“staff”) of the expert and who are involved in the activities of the expert in relation to the transaction and who further have an interest in any class of share, debt or loan capital of the issuer, the related parties to the issuer or any other party involved in the transaction or who may benefit from the transaction, are as follows:

Name of company	Nature of holding	Holding (number of shares)	Kwacha value of holding as at date of	Name of registered holder and beneficial owner and relationship of beneficial owner to the expert

The expert does not believe that the above holdings will compromise the independence of the expert because [please provide full explanation per individual disclosure]

or

- (b) No persons who form part of the staff of the expert or who are otherwise directly or indirectly involved in the activities of the expert in relation to the transaction have any interest in any class of share, debt or loan capital of the issuer, the related parties to the issuer or any other party involved in the transaction or who may benefit from the transaction;

and

- (c) The information given in (a) and (b) above has not changed in the last 6 months;

or

- (d) The information given in (a) and (b) has changed to the extent of [please provide full details of all changes].

3. Shareholding of the expert in the issuer

- (a) The expert and the following companies and funds under the management of the expert have an interest (being all such interests of which the expert or the compliance department is aware) in the following shares, debt (short term or long term) and loan capital of the issuer and/or any other company which is one of the issuer’s related parties and/or any other party involved in the transaction or who may benefit from the transaction;

Issuer or group company	Nature of holding	Holding (number of shares and %)	Kwacha value of holding as at date of this letter	Name of registered holder and beneficial owner and relationship of beneficial owner to the expert

The expert does not believe that these holdings will compromise the independence of the expert because [please provide full explanation per individual disclosure]

or

(b) Neither the expert nor any companies or funds under the management of the expert, has any interest (of which the expert or the compliance department is aware) in any class of share, debt (short term or long term) or loan capital of the issuer and/or any other company which is one of the issuer's related parties and/or any other party involved in the transaction or who may benefit from the transaction;

and

(c) The information given in (a) and (b) above has not changed in the last 6 months;

or

(d) The information given in (a) and (b) has changed to the extent of [please provide full details of all changes]

4. Directorships of the staff of the expert

(a) The individuals named below, who form part of the staff of the expert, or any subsidiary or associate company of the expert, or the expert's holding company, or any company in the expert's holding company's group are directors of the issuer, or of a company which is one of the issuer's related parties or any other party involved in the transaction or who may benefit from the transaction;

Name	Employer	Company of which individual is a director	Nature of directorship (executive or non-executive and portfolio)

The expert confirms that the above individuals will take no part in the expert's activities in relation to this transaction;

or

(b) No staff of the expert, or any subsidiary or associate company of the expert, or the expert's holding company, or any company in the experts holding company's group is a director of the issuer, or a of a company which is one of the issuer's related parties or any other party involved in the transaction or who may benefit from the transaction;

and

(c) The information given in (a) and (b) above has not changed in the last 6 months;

or

(d) The information given in (a) and (b) has changed to the extent of [please provide full details of all changes].

5. History of services provided to the issuer

(a) The expert (and all subsidiary, associate companies and related parties of the expert) has provided the issuer, and/or the issuer’s related parties, with the following services for the following fees, or other economic benefit during the last 24 months commencing from the date of the last financial year end of the issuer or six months after the last financial year end, whichever is the later:

Expert or company in the expert’s group	Nature of service provided	Date service provided	Fees (or economic benefit) as % of total fees for the expert for that financial period (see Note 1)

(Note 1: disclosure has been made where this percentage is equal to or greater than 10% in the case of the expert itself or any subsidiary, associate company or related party of the expert).

or

(b) The expert (and all subsidiary, associate companies and related parties of the expert) has not provided the issuer, and/or the issuer’s related parties, with services during the last 24 months;

and

(c) The information given in (a) and (b) above has not changed in the last 6 months;

or

(d) The information given in (a) and (b) has changed to the extent of [please provide full details of all changes].

(e) The issuer is not a material client of the expert’s holding company, or any company in the expert’s holding company’s group.

6. Shareholding by the staff of the issuer

(a) The issuer (and all subsidiary, associate companies and related parties of the issuer), the issuer’s holding company’s (and any company in the issuer’s holding company’s group) and the staff of the issuer, who beneficially, directly or indirectly hold 5% or more in the share capital of the expert and/or the experts holding company are as follows:

Name of person	Nature of holding	Holding (number of shares)	Name of registered holder and beneficial owner and relationship of beneficial owner to the issuer

The expert does not believe that the above holdings will compromise the independence of the expert because [please provide full explanation per individual disclosure]

or

- (b) Neither the issuer (and all subsidiaries, associate companies and related parties of the issuer) nor the issuer's holding company (and any company in the issuer's holding company's group) nor the staff of the issuer have 5% or more in the share capital of the expert and/or the experts holding company either beneficially, directly or indirectly.

7. Directorships of the staff of the issuer

- (a) The individuals named below, who form part of the staff of the issuer, or any subsidiary or associate company of the issuer, or the issuer's holding company, or any company in the issuer's holding company's group are directors of the expert or any related parties of the expert or any other party involved in the transaction or who may benefit from the transaction;

Name	Employer	Company of which individual is a director	Nature of directorship (executive or non-executive and portfolio)

The expert confirms that the above individuals will not be involved in the expert's activities in relation to this transaction;

or

- (b) No staff of the issuer, or any subsidiary or associate company of the issuer, or the issuer's holding company, or any company in the issuer's holding company's group is a director of the expert or any related parties of the expert or any other party involved in the transaction or who may benefit from the transaction.

8. Other

[please delete any paragraphs that are not applicable]

- (a) The following matters are ones that the expert or our compliance department is aware of which may affect the expert's independence from the issuer or the transaction;

or

- (b) There are no other matters of which the expert or our compliance department is aware may affect our independence from the issuer or the transaction.

9. Fees to be paid for providing the fairness opinion

- (a) Neither the fees (or other benefit) to be paid for providing the fairness opinion nor any other fees (or other benefit) receivable from the issuer or the issuer's related parties or any other party, are contingent upon the outcome of the transaction;
- (b) the fee to be paid for providing the fairness opinion, expressed as a percentage of the fees:
 - (i) is less than 10% of the gross fees received by the expert for the last financial year of the expert; and
 - (ii) the total of all fees receivable from the issuer is not more than 5% of the budgeted fees of the expert for the current financial year.

If the expert is unable to provide a positive confirmation to (i) and/or (ii) they should provide the details of the fees, expressed as a percentage of the gross fees

received by the expert for the last financial year and as expressed as a percentage of the budgeted fees for the expert for the current financial year;

- (c) the fees payable for the fairness opinion are to be paid in shares of the issuer or are linked to the ability to be issued as shares, and the percentage holding which will be held by the expert in the issuer after the transaction will be (percentage) of the total shares in issue. This shareholding neither makes the expert a material shareholder of the issuer nor is the shareholding material to the expert in the context of the expert's investments as reflected in the expert's balance sheet;

or

- (d) the fees for providing the fairness opinion are to be received in cash, and are in no way linked to the ability to convert those fees into shares.

10. General

- (a) The expert will inform the LuSE immediately of any changes to the information given in this declaration that comes to the attention of the expert between the date of this declaration and the date of issue of the fairness opinion;

and

- (b) the contents of this declaration have been discussed with the compliance officer of the expert and all other relevant directors and employees of the expert who maintain the information provided in terms of this declaration;

and

- (c) based on the fact that the expert has made all reasonable enquiries in order to complete this declaration, the information disclosed in this declaration is accurate and complete.

SIGNED BY [insert full names]

For and on behalf of

.....
[insert name of expert]

Schedule 5B
Expert’s declaration of competency

To: The Listings Committee,
 LuSE
 Central Park
 Cairo Road
 LUSAKA

20

Full name of the independent professional expert:
 (“the expert”)

I, [insert full names]
 being a [insert relationship to expert e.g. director/partner]
 and duly authorised on behalf of the expert to give this declaration, declare as follows:

1. I understand that an independent fairness opinion is required in terms of section of the Listings Requirements of the LuSE Limited (“the LuSE”) with regard to [insert brief description of the transaction] (“the transaction”).
2. The expert has been briefed by, who is a [insert position e.g. director] of the issuer, and [insert name of company] who is the issuer’s advisor on the transaction, as to the nature of this assignment.
3. The directors, partners, officers and employees (“staff”) of the expert allocated to this assignment have the necessary qualifications and expertise, as detailed below:

Name (Note 1)	Responsibility on assignment	Professional Qualifications	Abridged experience in similar assignments (including years’ experience)

(Note 1: The details of at least 2 people included in the team preparing the independent opinion must be provided. In addition, the details of one individual responsible for the independent review process discussed in 5 below must also be provided)

4. (a) The expert has all the necessary competencies to carry out this assignment (as detailed in 3 above); or
 (b) the expert does not have all the necessary competencies to complete this assignment, and has engaged or will engage (“the third party”) to assist with the assignment. The third party has completed schedule 5A and has the necessary qualifications and expertise, as detailed below.
 [delete whichever of (a) or (b) is not applicable]
5. An internal review and quality control process exists at the expert that will ensure that someone other than the senior person responsible for the assignment reviews the final opinion. That quality control process involves the following (full details to be included) or is identical to the detailed procedures spelt out in Schedule 5B declaration submitted to the LuSE on, a copy of which is included.

6. The issuer has undertaken that it will provide the expert with all the information that we have requested or may need to request in order to prepare the fairness opinion.
7. The expert will undertake a proper evaluation of all information provided to us by the management and directors of the issuer.
8. The expert will inform the LuSE Listings Committee of any changes to the information given in this declaration between the date of this declaration and the date of issue of the fairness opinion.

SIGNED BY [insert full names]

For and on behalf of

[insert name of expert]

.....

Schedule 5C
Declaration by the issuer

[please delete any paragraphs which are not applicable and which are the subject of a matter choice between paragraphs]

To: The Listings Committee,
 LuSE
 Central Park
 Cairo Road
 LUSAKA

.....20.....

Full name of the issuer:

I, [insert full names], being a [insert relationship to issuer e.g. director] and duly authorised on behalf of the issuer to give this declaration, declare as follows:

1. I understand that an independent fairness opinion is required in terms of section of the Listings Requirements of the LuSE (“the LuSE”) with regard to [insert brief description of the transaction] (“the transaction”).
2. I have briefed [insert name of expert] (“the expert”), on the transaction and as to the nature of this assignment;
3. Due to their involvement in the transaction, (please insert the names of any directors of the issuer who could have a conflict of interest), are not in any way involved in the process of obtaining the independent fairness opinion.
4. The issuer has provided the expert with all the information requested that is relevant for the purpose of issuing the fairness opinion on the transaction, and will continue to provide all such further information as the expert may request.
5. The issuer did not approach the independent professional expert in order to agree a price at which the independent professional expert would find the transaction fair.
6. (a) The issuer approached the following parties formally, or informally, with a view to their possibly issuing the fairness opinion, but this was not done in order to find the most favourable view from a number of potential independent professional experts. Rather, we did/did not retain their services for the reasons given below:

Name of firm approached and contact details	Reason for appointing/ not appointing them

or

- (b) the expert was the only party approached with a view to obtaining a fairness opinion in relation to the transaction;
- and
- (c) all parties approached were required to sign confidentiality agreements which bind them until such time as the transaction is announced and also

in the event that the transaction does not proceed and is thus not announced.

7. The issuer believes that the expert is sufficiently independent and has the necessary competency to execute this assignment.
8. The issuer will inform the Listings Committee of any changes to the information given in this declaration between the date of this declaration and the date that the fairness opinion is issued.
9. The issuer consents to the LuSE contacting the parties set out in 5 above and waives, in favour of the LuSE, its right to confidentiality in respect of its dealings with such parties, in order for the LuSE to verify the reasons for the appointment or non-appointment of such parties.
10. In the instance where the expert is the auditor of the issuer, we confirm that the appointment has been approved by the audit committee (and attach a copy of this approval).

SIGNED BY [insert full names]

For and on behalf of

.....
[insert name of issuer]

Full name of the issuer's sponsoring broker:

.....

I, [insert full names], being a [insert relationship to sponsoring broker e.g. director] and duly authorised on behalf of the sponsoring broker to give this declaration, declare that the sponsoring broker:

- (a) has ensured that the issuer understands the declaration that they have signed;
- (b) has made sufficient enquires to ensure that this declaration has been completed accurately by the issuer and after due consideration;
- (c) has ensured that the issuer and the expert have received a full explanation of what is expected from them with regard to the issue of a fairness opinion; and
- (d) has undertaken to inform the LuSE immediately if it becomes aware that any information given by the issuer or the expert in the Schedules 5A, 5B and 5C has changed between the date of this declaration and the date of issue of the fairness opinion.

SIGNED BY [insert full names]

For and on behalf of

.....
[insert name of sponsoring broker]

Schedule 6

Application for a listing of securities resulting from an issue for cash

- 6.1 The application for a listing of securities resulting from an issue for cash must state:
- (a) the number of securities for which a listing is applied;
 - (b) the date from which the listing is to commence;
 - (c) that the securities rank pari passu with the other issued securities of the applicant;
 - (d) the date on which the securities are to be allotted;
 - (e) the date on which the securities are to be issued;
 - (f) the authorised and issued capital of the applicant prior to the issue of the securities;
 - (g) the authorised and issued capital after the issue of the securities;
 - (h) the number of public shareholders in the applicant, and the number and percentage of each class of security held by them;
 - (i) the level of voting required at the general meeting required by the Listings Requirements to approve the issue for cash;
 - (j) when the securities holders approved or will approve the issue;
 - (k) details of all issues of securities during the current financial year;
 - (l) that the issue will be to public shareholders; and
 - (m) what discount or premium, if any, the securities are to be issued at.
- 6.2 Where applicable, the application must be accompanied by a fairness opinion on the issue from an independent professional expert acceptable to the LuSE.
- 6.3 The application must be signed by the secretary and a director, or equivalent, of the applicant and by the sponsoring broker.
- 6.4 The application must be accompanied by a resolution of the directors, or equivalent, of the applicant authorising the application for listing together with the relevant listing fee.
- 6.5 The application must be accompanied by the relevant agreements.

Schedule 7
General undertaking

The following provisions must be contained in the general undertaking by the applicant issuer, which must be in the form of a resolution of directors certified by the Chairman:

- 7.1 That the applicant will make no charge in Zambia for a transfer of securities or the splitting of certificates of title.
- 7.2 That the applicant will make no charge in the Republic of Zambia for the registration of any powers of attorney or letters of administration.
- 7.3 That the articles of association of the applicant issuer and its subsidiary companies comply with the Listings Requirements that are now or hereafter may be in force.
- 7.4 That:
 - (a) all the said securities, or in the case of these being more than one class of share, all the securities of each respective class, are, and will remain, identical in all respects, viz.:
 - (i) they are of the same nominal value and are all fully paid;
 - (ii) they carry the same rights as to unrestricted transfer, attendance and voting at general/annual general meetings and in all other respects; and
 - (iii) they are entitled to dividends at the same rate and for the same period, so that on the next ensuing distribution the dividend payable on each share will be the same amount;
 - (b) before taking any action which, for statutory or other reasons would require the reinstatement of distinguishing numbers of the said securities or would or might cause difficulty or doubts in distinguishing between securities for which a listing has been granted and other securities in the capital of the applicant issuer, formal notice will be given to the LuSE of the intended action with full particulars of all relevant facts; and
 - (c) the applicant issuer will accept for registration transfer deeds and certificates.

Schedule 8
Compliance declaration

A sworn declaration must be made by the chairman and secretary stating, to the best of their knowledge, judgement and belief, arrived at after due and careful enquiry, where applicable, the following particulars:

- 8.1 That all documents required by the Act and any other written law have been duly filed with the Registrar of Companies, and that all legal requirements have been fulfilled.
- 8.2 That the minimum subscription has been received if the issue was not fully underwritten.
- 8.3 The number of securities, or amount of stock or debentures applied for by the public.
- 8.4 The number of securities issued for cash to the public, stating the price of issue and the actual amount per share paid thereon in cash.
- 8.5 The number of securities allotted for a consideration other than cash.
- 8.6 That the certificates, or other documents in which it is desired to deal have been or are ready to be delivered, and that they are identical to the specimen approved by the LuSE.
- 8.7 That, where applicable, the purchase of any assets has been completed, their transfer registered in the name of the applicant issuer and the purchase consideration was paid subsequent to registration of transfer. Where any such purchase has not been completed or registered, an undertaking that completion will be conditional upon registration.
- 8.8 That all monies refundable, in respect of any application or where no allotment has been made, have been refunded to applicants.
- 8.9 That external companies will open and maintain a transfer office in the Republic of Zambia during the period the securities are listed on the LuSE.
- 8.10 That all documents specified in paragraph 7.G.1 have been or are lying open for inspection in the manner prescribed.
- 8.11 That there are no other circumstances arising from the application that should be disclosed to the LuSE.

Schedule 9

Mechanical or electronic signatures on certificates of title

An application for mechanical or electronic signatures on certificates of title must be made in the following form:

“The Listings Committee
LuSE
Central Park
Cairo Road
LUSAKA

Dear Sirs

MECHANICAL/ELECTRONIC SIGNATURES (delete whichever is not applicable)

The Board undertakes that no mechanical/electronic (delete whichever is not applicable) signatures will be affixed to certificates issued in respect of the securities/stock of the applicant issuer unless the following conditions are complied with:

- (a) The means of affixing such signatures shall be by (here insert the method to be employed); and
- (b) Suitable blocks or dies/electronic templates (delete whichever is not applicable) bearing, respectively, the signatures of the relevant directors and, of the secretary or transfer secretary, shall be procured at the cost of the applicant issuer and kept respectively in the custody or under the control of the persons whose signatures they bear, or their duly authorised representatives, and in whose presence and by whose authority alone they shall be used. Each of such persons shall on each occasion on which such authority is given by him, record in a register to be maintained for this purpose by the secretary, the granting of such authority, its purpose and extent.

A certified copy of the resolution of the Board, adopting this procedure for mechanical/electronic (delete whichever is not applicable) signatures, is enclosed.

Yours faithfully,

(signature)

Chairman

.....

Schedule 10
Requirements for articles of association

No application for listing will be considered until the articles of association, or other document constituting or defining the constitution of the applicant, (“the articles”) has been approved by the LuSE.

The articles must be in English and must comply with the requirements in this schedule in respect of an applicant and the applicant’s subsidiary companies.

The requirements laid down are not exhaustive. The LuSE will not allow articles to contain any provisions that are unlawful or otherwise conflict with the Listings Requirements, may in any way restrict free dealings in securities or may, in the LuSE’s opinion, be unreasonable.

Contents of articles for applicants

The following provisions must be included in the contents of articles of applicants:

Preference securities

10.1 If there are cumulative and/or non cumulative preference shares in the capital of the company, the following right must attach to such shares:

“No further securities ranking in priority to, or pari passu with, existing preference shares, of any class, shall be created or issued without the consent in writing of the holders of 75% of the existing preference shares of such class, or the sanction of a resolution of the holders of such class of preference shares, passed at a separate general meeting of such holders, at which preference shareholders holding in aggregate not less than 1/4 of the total votes of all the preference shareholders holding securities in that class entitled to vote at that meeting, are present in person or by proxy, and the resolution has been passed by not less than 3/4 of the total votes to which the members of that class, present in person or by proxy, are entitled.”

Unissued securities

10.2 Provision must be made in the articles that unissued equity securities shall be offered to existing shareholders pro rata to their shareholding and in accordance with the Act and the Companies Act. However, subject to the provisions of the Act, the articles may provide that shareholders in general meeting may authorise the directors to issue unissued securities and/or grant options to subscribe for unissued securities as the directors in their discretion think fit, provided that such transaction(s) has/have been approved by the LuSE.

Calls on securities – external company

10.4 Neither the directors nor the company are to be given power over the issue of securities to create any differences in rights between the holders of the same class of share in respect of the amount of calls to be paid and the time of payment

of such calls or in any other respect whatsoever.

- 10.5 Any amount paid up in advance of calls on any share shall carry interest only and shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.
- 10.6 Provision should be made in the articles of an external company for the payment of calls at the branch office in the Republic of Zambia.

Lien upon securities

10.7 The articles must not give a company power to claim a lien on securities.

Transfer of securities

10.8 Provision must be contained in the articles for the use of the common form of transfer.

10.9 There must be no restriction on the transfer of securities.

10.10 The following provision must be made in the articles:

“Any instrument of transfer (if any) shall be left at the transfer office of the company at which it is presented for registration, accompanied by the certificate of the securities to be transferred, and or such other evidence as the company may require to prove the title of the transferor or his rights to transfer the securities. All authorities to sign transfer deeds granted by members for the purpose of transferring securities that may be lodged, produced or exhibited with or to the company at any of its proper offices shall as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company’s transfer offices at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices the company shall be entitled to give effect to any instruments signed under the authority to sign, and certified by any officer of the company, as being in order before the giving and lodging of such notice.”

Transmission clause

10.11 A provision to the effect that securities registered in the name of a deceased or insolvent shareholder shall be forfeited if the executor fails to register them in his own name or in the name of the heir(s) or legatees, when called upon by the directors to do so, will not be permitted.

Share warrants to bearer

10.12 Provision must be made for the issue of a new share warrant in place of one lost provided suitable documentation evidencing ownership is provided to the satisfaction of the directors.

10.13 Where the memorandum prohibits the issue of share warrants and the articles make provision for the issue thereof, the following clause must be inserted in the articles.

“Notwithstanding the provisions contained in these articles with reference to the issue of share warrants, the company is prohibited from issuing share warrants unless and until the objects of the company are altered to permit the issue of share warrants.”

Commission

10.14 The articles must provide that, subject to the Act and the Companies Act, the company may not pay commission exceeding 10% to any person in consideration for their subscribing or agreeing to subscribe, whether absolutely or conditionally, for any securities of the company.

Capital

10.15 Power should be contained in the articles to effect the following:

(a) increase(s) of capital;

- (b) consolidation of securities;
- (c) conversion of securities into stock;
- (d) sub-division of securities;
- (e) repurchase of securities;
- (f) cancellation of securities;
- (g) payments to shareholders;
- (h) conversion of ordinary shares into redeemable preference shares; and
- (i) conversion of securities of any class into securities of any other class, whether issued or not.

10.17 The clause in the articles dealing with the payments to shareholders must not provide that capital shall be repaid upon the basis that it may be called up again.

Notice of meeting

10.18 In the articles of an external company, provision must be made that if notice of a general/annual general meeting is given by surface mail, and is sent from the registered office of the company, at least 30 days notice of such meeting must be given to all shareholders entitled to such notice, or, at least 21 days notice must be given if the notice is sent by surface mail from a branch office in the Republic or by air mail from the registered office of the company.

10.19 In the articles of all companies, provision must be made for sending notices of meetings to the LuSE at the same time as notices are sent to shareholders.

General meetings

10.20 The business of a general meeting must include power to sanction or declare dividends.

10.21 The quorum at a general meeting must be at least three members entitled to attend and vote.

Voting at general meetings

10.22 In the case of an external company, the articles must make provision for depositing proxies at the branch office in the Republic of Zambia.

Directors

10.23 The articles must provide that the minimum number of directors shall be four.

10.24 The articles must provide that the appointment of a director to fill a casual vacancy or as an addition to the board must be confirmed at the next annual general meeting.

10.25 The articles must provide that if the number of directors falls below the minimum provided in the articles, the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of shareholders.

10.26 The articles must contain a provision that a director may be employed in any other capacity in the company or as a director or employee of a company controlled by, or itself a subsidiary of, this company and that in this event, their appointment and remuneration in respect of such other office must be determined by a disinterested quorum of directors.

10.27 The articles must provide that the directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the company, and in attending meetings of the directors or of

committees thereof; and that if any director is required to perform extra services or to go to reside abroad or otherwise shall be specifically occupied about the company's business, they shall be entitled to receive such remuneration as is determined by a disinterested quorum of directors, which may be either in addition to or in substitution for any other remuneration.

- 10.28 In a new company, all the directors are to retire at the first annual general meeting, and at each annual general meeting of the company thereafter one-third of the directors, or if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office. In the case of an existing company, at least one third of the directors shall retire at each annual general meeting. The aforesaid provisions are however, subject to the proviso that if a director is appointed a managing director, or as an employee of the company in any other capacity, the contract under which he is appointed may provide that he shall not, while he continues to hold that position or office under contract for a term of rotation, be subject to retirement by such contract and he shall not in such case be taken into account in determining the rotation or retirement of directors, provided that less than half of the directors may be appointed to any such position.
- 10.29 The period to be allowed before the date of an annual general meeting for the nomination of a new director must be such as to give sufficient time after the receipt of the notice for nominations to reach the company's office from any part of the Republic of Zambia.
- 10.30 The directors shall be entitled to elect a chairman, deputy chairman and/or any vice chairmen and determine the period for which they, respectively, shall hold office. If the quorum of directors is two, the chairman shall not be permitted to have a casting vote if only two directors are present at a meeting of directors.
- 10.31 A resolution signed, in the Republic of Zambia, by all directors (or their alternates, if applicable), which resolution is then inserted in the minute book, shall be as valid and effective as if it had been passed at a meeting of directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last director who signed it (unless a statement to the contrary is made in that resolution).

Dividends

- 10.32 The articles must provide that the company in general meeting or the directors may declare dividends. However, the company in general meeting must not be able to declare a larger dividend than that recommended by the directors.
- 10.33 It should be noted that dividends are to be payable to shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend whichever is the later.
- 10.34 A provision to the effect that dividends that remain unclaimed for 3 years may become the property of the company will be permitted. Subject to any law in force, the company must hold monies other than dividends due to shareholders in trust indefinitely until lawfully claimed by the shareholders.

Annual financial statements

- 10.36 Provision should be made in the articles of a company incorporated in the Republic of Zambia for a copy of the annual financial statements to be sent to shareholders at least 21 days before the date of the annual general meeting at which they will be considered.
- 10.37 In the articles of an external company, provision should be made that a copy of the annual financial statements will be sent to all shareholders at least 30 days before the date of the annual general meeting at which they will be considered if

sent by surface mail from the registered office of the company, and at least 21 days before that date if sent by surface mail from a branch office in the Republic of Zambia or by airmail from the registered office.

Notices of general/annual general meetings

10.38 Notices of general/annual general meetings are to be sent to each person entitled to vote at such meeting.

Members registered address

10.39 A clause in the articles to the effect that members shall register an address in the Republic of Zambia or in some other country will be permitted.

10.40 In the articles of an external company, a provision that members are to register an address in the foreign country only will not be permitted.

Advertisement of notices

10.41 In addition to the notice of general/annual general meetings to be sent to all beneficial owners, a provision must be included in the articles that such notice must also be announced through SENS.

Schedule 11
Requirements for certificates of title

With respect to the certificated environment, the following are the requirements for certificates of title:

Size

- 11.1 Minimum and maximum sizes of certificates of title:
- (a) the breadth permitted is a minimum of 250 mm and a maximum of 300 mm; and
 - (b) the depth permitted is a minimum of 200 mm and a maximum of 275 mm.

Name

- 11.2 The name of the company must be clearly printed in bold type. The name must agree in every particular with that under which the company was registered. Abbreviations of words should not be used unless the name of the company is so registered, e.g. the word "AND"/"and" should be printed, and not the abbreviation "&" and the word "LIMITED"/"Limited" should be printed and not the abbreviation "LTD"/"Ltd". Should the company be registered with either of these words abbreviated a note should be printed at the foot of the certificate of title to the effect that certificates of title accompanied by transfer deeds having the name of the company abbreviated "&" or the word "and" written in full will be accepted for transfer. A similar procedure should be adopted for any other abbreviations.

Change of name

- 11.3 The former name of the company must be shown in brackets under the new name of the company for a period of at least one year after such change of name.

Country of registration

- 11.4 The country of registration must be printed under the name of the company.

Translation of name

- 11.5 Should it be desired to show the translation of the name in another official language this may be shown under the name, provided a statement is made on the certificate that the company will accept either name on transfer deeds.

Certificate number

- 11.6 The certificate of title number must be shown on the top left-hand corner.

Number of securities

- 11.7 The number of securities represented by the certificate must be shown on the top right-hand corner. In the case of units of stock the number of units and the nominal value must be shown.

LuSE alpha code

- 11.8 All certificates of title must bear the LuSE alpha code. This alpha code should be clearly printed in block capital letters on the top right-hand corner of the certificate of title. Any additional identification codes that may be introduced by

the LuSE in accordance with international standards must be similarly printed on certificates of title. Whenever share certificates are recalled the ISIN will change.

Preference share certificates

- 11.9 Certificates in respect of a first issue of preference shares must be printed in red, including the border, if any. Certificates in respect of shares, other than a first issue of preference shares, may be printed in any other approved colour. Where preference shares of a new class are issued, second and subsequent issues of preference shares should be described as “Second Preference Shares”, “Third Preference Shares” and so on.

Description of securities

- 11.10 A full description of the class of securities, must be printed in the body of the certificate; the description to be in accordance with that prescribed in the memorandum and articles of association. Where special rights and obligations pertain to the securities (e.g. for preference shares and/or debentures), salient details of these rights and conditions must be printed on the back of the certificate.

Class of securities

- 11.11 A description of the class of securities must be printed in bold type above the name of the company.

Low and high voting equity shares

- 11.12 Certificates in respect of low or high voting equity shares that have been issued should indicate clearly that the shares are low or high voting equity shares, such as “A” or “N” ordinary shares.

Certificates of title to indicate re-construction

- 11.13 Where securities have been split, reduced, and/or consolidated, a summary of this information must be clearly shown at the top of the certificate. This information must be perpetuated on such certificates of title for a period of one year. These securities must be clearly distinguishable from other securities of the company in circulation. As an additional safeguard, companies must use a different colour and series of numbers.

Address of registered office and transfer office

- 11.14 The physical and postal addresses in the Republic of Zambia of the registered office and transfer office of the company must be shown.

Signatures on certificates of title

- 11.15 The provisions of the Companies Act shall constitute the LuSE’s requirements for the signatures on certificates of title.

- 11.16 The date and place of issue of the certificate must be stated.

Certificates cancelled by mutilation

- 11.17 Specimens submitted must be cancelled by mutilation (a rubber stamp, or statement in ink to the effect that the certificate has been cancelled, is not sufficient).

Specimens retained

11.18 Specimen certificates of title submitted will be retained and will not be returned.

Schedule 12

Requirements for option certificates in respect of listed options

The conditions of issue of listed options must be printed on option certificates and must make provision for the following:

- 12.1 The option exercise period:
- (a) the minimum period during which an option may be exercised shall be not less than one calendar month (“option exercise period”). The company must advise option holders at least six weeks prior to the option exercise period of the dates of the option exercise period; and
 - (b) in cases where the options may be exercised at any time, the company shall undertake to send a reminder to registered option holders not less than six weeks or more than two months prior to the final date for the exercise of the options.
- 12.2 Upon exercise of the option, the securities to be issued and allotted by the company in satisfaction of the option shall rank *pari passu* with existing issued securities of the same class in the capital of the company, and certificates of title in satisfaction of such rights will be issued in accordance with the relevant timetable in Schedule 24.
- 12.3 New option certificates shall be issued upon transfer to a transferee.
- 12.4 In cases where the exercise of the option is restricted to an option exercise period, the company shall undertake not to fix a DD or LDT for a dividend, rights offer, capitalisation issue, capital reconstruction or take over offer to be settled by an issue of ordinary shares, that will fall within the exercise period. Where the options may be exercised at any time, holders of the options shall be precluded from exercising their options between the DD and LDT of any corporate event.
- 12.5 The number, description and nominal value of the securities over which the option is granted.
- 12.6 The price at which the option may be exercised.
- 12.7 That the option over a specified number of securities will be exercisable either in whole or in part.
- 12.8 Additional issues of options or of the issue of securities with conversion rights or of the amendment of the conditions of the options will require the separate sanction of the holders of the options and the holders of each class of equity security.
- 12.9 The holders of the options shall be advised simultaneously with the holders of equity shares or stock of any contemplated rights, claw-back or renounceable offer, or capitalisation/bonus issue, and of all relevant dates affecting entitlement ratios and participation in such offer or issue, in accordance with the relevant timetable in Schedule 24.
- 12.10 In a capital reconstruction, the ratio of:
- (a) the total number of securities that may be issued on the exercise of the option compared to the total number of securities issued; and
 - (b) the issue price per ordinary share or stock compared to the nominal value per share or stock;
- shall be adjusted to correspond proportionately to the total number of securities or stock issued and the nominal value per share or stock in the reconstructed

capital.

12.11 Ordinary share capital shall not be repaid during the period of the option.

Schedule 13
Rescue operations

- 13.1 A listed company in severe financial difficulty may find itself with no alternative but to dispose of a substantial part of its business or issue shares for cash within a short time frame to meet its ongoing working capital requirements or to reduce its liabilities. Due to time constraints it may not be able to prepare a circular and convene a general meeting to obtain prior shareholder approval.
- 13.2 The LuSE may modify the requirements in paragraph 9.20 to 9.29 and 5.51 to 5.53 regarding the preparation of a circular and the obtaining of shareholder approval, if the company:
- (a) can demonstrate that it is in severe financial difficulty; and
 - (b) satisfies the conditions in this schedule.
- 13.3 An application for dispensation should be made to the LuSE at the earliest available opportunity and at least ten business days before the terms of the disposal or issue of shares for cash are agreed.
- 13.4 The issuer should be able to demonstrate to the LuSE that it could not reasonably have entered into negotiations earlier to enable shareholder approval to be sought.
- 13.5 The following documents should be provided to the LuSE:
- (a) confirmation from the board of directors of the issuer that:
 - (i) negotiation does not allow time for shareholder approval;
 - (ii) all alternative methods of financing have been exhausted and the only option remaining is to dispose of a substantial part of its business or issue shares for cash;
 - (iii) by taking the decision to dispose of part of the business or to issue shares to raise cash, the directors are acting in the best interests of the company and shareholders as a whole and that unless it is completed judicial managers or liquidators are likely to be appointed; and
 - (iv) if the disposal or issue of shares for cash is to a related party, that it is the only available option in the current circumstances;
 - (b) confirmation from the issuer's sponsoring broker that, in its opinion and on the basis of information available to it, the issuer is in severe financial difficulty and that it will not be in a position to meet its obligations as they fall due unless the disposal or issue of shares for cash takes place according to the proposed timetable;
 - (c) confirmation from the persons providing finance stating that further finance or facilities will not be made available and that unless the disposal or issue of shares for cash is effected immediately, current facilities will be withdrawn;
 - (d) confirmation that the Commission has been consulted; and
 - (e) an announcement that complies with paragraph 13.6 below.
- 13.6 An announcement, requiring LuSE approval, must be released over SENS by no later than the date the terms of the disposal or issue of shares for cash are agreed and this announcement should contain:
- (a) all relevant information required in terms of paragraph 9.15 or 11.22;

- (b) the name of the acquirer and the expected date of completion of the disposal or the name of the party subscribing for the shares;
- (c) full disclosure about the group's continuing prospects for at least the current financial year;
- (d) a statement that the directors not only believe that the disposal or issue of share for cash is in the best interests of the company and shareholders as a whole but that if it is not completed the company may be unable to meet its financial commitments as they fall due and consequently will be unable to continue to trade resulting in the appointment of judicial managers or liquidators;
- (e) a statement incorporating the details of all the confirmations provided to the LuSE in terms of 13.5 above;
- (f) details of any financing arrangements (either current or future) if they are contingent upon the disposal being effected;
- (g) if the disposal or issue for cash is to a related party, then a statement by the board whether the transaction is fair in so far as shareholders are concerned and confirmation that they have been so advised by an independent expert; and
- (h) a statement by the issuer that in its opinion the working capital available to the continuing group is sufficient for the group's present requirements, that is, for at least 12 months from the date of the announcement, or, if not, how it is proposed to provide the additional working capital thought by the company to be necessary.

Schedule 14
Requirements for share incentive schemes

Share options schemes and share incentive schemes (“schemes”) are to be used to incentivise staff and may not be used for trading purposes. The following provisions apply, with appropriate modifications, to all schemes involving the purchase of securities, and/or the issue of shares or other securities (including options) by issuers (or trusts formed for this purpose in terms of the law in force) to, or for the benefit of, employees. They apply also to schemes of all subsidiaries of issuers.

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

- 14.1 The scheme, which must be approved by shareholders of the issuer or company applying for listing in general meeting prior to its implementation, must contain provisions relating to:
- (a) the category of persons to whom or for the benefit of whom securities may be purchased or issued under the scheme (“participants”). Notwithstanding the above requirement, the LuSE restricts the definition of participants to persons involved in the business of the group including non-executive directors;
 - (b) the aggregate number of securities that may be utilised for purposes of the scheme must be stated together with the percentage of the issued share capital that it represents at that time;
 - (c) a fixed maximum percentage for any one participant;
 - (d) the amount, if any, payable on application or acceptance; the basis for determining the purchase, subscription or option price, which must be a fixed mechanism for all participants; the period in which payments, or loans to provide the same, may be paid or after which payments or loans to provide the same, must be paid; the terms of any loan; the procedure to be adopted on termination of employment or retirement of a participant; and
 - (e) the voting, dividend, transfer and other rights, including those arising on a liquidation of the company, attaching to the securities and to any options (if appropriate).
- 14.2 A scheme may provide, in the event of a capitalisation issue, a rights issue, subdivision, consolidation of securities or reduction of capital, for adjustment of the purchase, subscription or option price or the number or amount of securities subject to options already granted to participants and to the scheme. Such adjustments should give a participant entitlement to the same proportion of the equity capital as that to which he was previously entitled:
- (a) the issue of securities as consideration for an acquisition or a waiver of preemptive rights will not be regarded as a circumstance requiring adjustment; and
 - (b) adjustments, where necessary must be confirmed to the directors in writing by the company’s auditors that these are calculated on a reasonable basis.
- 14.3 The scheme must provide, or the circular must state, that the provisions relating to the matters contained in 14.1 above cannot be altered without the prior approval of shareholders in general meeting.
- 14.4 Executive directors may not be appointed as trustees of schemes. Non-executive directors may be appointed as trustees of the scheme, provided they do not benefit from the scheme.

- 14.5 The trustees may not be participants under the scheme.
- 14.6 Shares shall, upon release to participants, rank pari passu in all respects with the existing issued shares of the company.
- 14.7 Application must be made for a listing of those securities of a class already listed at the time of their issue.
- 14.8 The scheme document, if not circulated to the shareholders, must be available for inspection for at least 14 days at the company's registered office or such other places as the LuSE may agree.
- 14.9 The terms of the resolution must approve a specific scheme and refer either to the scheme itself (if circulated to the shareholders) or to a summary of its principal terms included in the circular, which must contain all the provisions set out in paragraph 14.1 above.
- 14.10 The issuer must, in respect of its or its subsidiary companies schemes, summarise in its annual financial statements the number of securities that may be utilised for purposes of the scheme at the beginning of the accounting period, changes in such number during the accounting period and the balance of securities available for utilisation for purposes of the scheme at the end of the accounting period.
- 14.11 Shares held by the issuer's share trust, shall not exceed 20% of the company's issued share capital, unless under exceptional circumstances.
- 14.12 With regards to the trading of shares by schemes, the following requirements apply:
- (a) shares may only be purchased once a participant or group of participants to whom they will be allocated, has been formally identified (e.g. applicants to whom options over securities have been issued);
 - (b) shares may only be sold:
 - (i) once that participant has resigned or is deceased; or
 - (ii) on behalf of the employee, once the rights have vested in the employee; or
 - (iii) to reduce the pool of unallocated shares held as at 1 September 2003.
- 14.13 Shares held by a share trust or scheme will not have their votes at general/annual general meetings taken account of for Listing Requirements resolution approval purposes. Such shares will also not be allowed to be taken account of for purposes of determining categorisations as detailed in Section 9.

Schedule 16 **Sponsoring Brokers**

This schedule contains certain Listings Requirements applicable to sponsoring brokers and should be read with Section 2.

Introduction

- 16.1 This schedule sets out the Listings Requirements of the LuSE pertaining to the eligibility criteria of sponsoring brokers.
- 16.2 A sponsoring broker may be a company with sufficient executive staff to execute all sponsoring broker requirements and responsibilities in accordance with the Listings Requirements.
- 16.3 The responsibilities of a sponsoring broker are set out in Section 2 and the Act.

Schedule 17
Declaration by Sponsoring Broker

The following declaration format must be used by sponsoring brokers when submitting the declaration on their letterhead to the LuSE:

“The Listings Committee
 LuSE
 Central Park
 Cairo Road
 LUSAKA

.....20

Dear Sirs

(Full name of sponsoring broker) – sponsoring broker declaration

The attached application by (full name of applicant issuer) in respect of (brief description of the corporate action) is the subject of this sponsoring broker declaration.

I, (full name of approved executive), an approved executive of the above sponsoring broker:

- (a) hereby confirm that I have satisfied myself to the best of my knowledge and belief, having made due and careful enquiry of the applicant issuer (and its advisers),* that all the documents required by the Listings Requirements to be included in the application have been supplied to the LuSE; that all other relevant requirements of the Listings Requirements have been complied with; and that there are no material matters other than those disclosed in writing to the LuSE that should be taken into account by the LuSE in considering the suitability of the application. Should any further information come to my notice before the approval of the application, I will immediately inform the LuSE;
- (b) hereby confirm that I will review each submission for full compliance with the Listings Requirements before submitting it to the LuSE; and
- (c) confirm that with regard to our independence:
 - (i) either:
 - (1) the following director(s), partner(s) or employee(s) (“employment capacity”) of the sponsoring broker (including any holding company, subsidiaries and associates of the sponsoring broker) (“the sponsoring broker”) has an interest in a class of share, debt or loan capital of (including the holding company, subsidiaries or associates) (“the issuer”):

Name and employment capacity	Nature of holding or interest	%	Name of beneficial owner

or

- (2) hereby confirm that the sponsoring broker has no interest in the issuer;

(delete paragraph whichever is not applicable) and

(3) in relation to the above, the following has changed over the last 12 months

.....
.....
.....

(ii) either

(1) the sponsoring broker has the following representation on the board of directors of the issuer

Name and employment capacity	Capacity (of directorship)

or

(2) the sponsoring broker has no board representation on the board of directors of the issuer

and

(3) in relation to the above the following has changed over the last 12 months

.....
.....
.....
.....

(iii) either

(1) the following matter may be considered to have an effect on our independence from the issuer:

.....
.....
.....
.....

or

(2) there is no matter which may have an effect on our independence from the issuer

and

(3) in relation to the above the following has changed over the last 12 months

.....
.....
.....
.....

(iv) either:

(1) the interests of the sponsoring broker in relation to any securities or other holdings in the issuer will change as a result of this transaction as follows:

.....
.....
.....
.....

or

(2) the interests of the sponsoring broker in relation to any securities or other holdings in the issuer will not change as a result of this transaction

(v) the various functions and activities undertaken by the sponsoring broker:

(1) in relation to this corporate action and to the issuer are as follows:

.....
.....
.....
.....

and

(2) in relation to the above the following has changed over the last 12 months

.....
.....
.....
.....

(c) Where an interest or issue has been identified above, provide a list of the procedures that are in place in order to ensure that the sponsoring broker is independent from the issuer:

.....
.....
.....

This declaration is furnished to you in accordance with the Listings Requirements of the LuSE and may not be relied upon for any other purpose or by any other person.

Yours faithfully

.....
(signature of approved executive)

.....
(initials and surname of approved executive)''

Schedule 18
Annual compliance certificate

The relevant compliance certificate contained herein must be completed in the form of a letter addressed to the LuSE.

Annual compliance certificate for issuers with a primary listing on the LuSE

I, the undersigned, (full names),
being duly authorised hereto, certify to the LuSE Limited (the “LuSE”) that (“the company”) and its
directors have, during the twelve* months ended 31 December,
complied with all Listings Requirements and every disclosure requirement for continued listing on the
LuSE imposed by the LuSE during that period.

Signed by:
(duly authorised hereto, for and on behalf of the directors of the company)

*adjust if necessary

Annual compliance certificate for issuers with a secondary listing on the LuSE

I, the undersigned, (full names),
being duly authorised hereto, certify to the LuSE that ... (“the company”) and its directors
have, during the twelve* months ended 31 December, complied
with every stock exchange requirement and disclosure requirement for continued listing
on the [insert name of relevant exchange
on which the company has a primary listing].

I further certify that, during the period, the company has and, currently, is in compliance
with all the relevant statutory requirements in [insert
country of incorporation].

Signed by:
(duly authorised hereto, for and on behalf of the directors of the company)

*adjust if necessary

Schedule 19
Procedural requirements of the Securities Exchange News Service

Definitions

19.1 In this schedule, unless otherwise stated or the context requires otherwise, an expression which denotes any gender includes other genders and the following terms will have the meanings set out below:

Term	Meaning
company announcements	announcements as defined in paragraph 11.2 of Section 11
LuSE approval	approval by the LuSE
LuSE trading hours	from 09h00 to 17h00 on business days
price sensitive company releases	releases, other than company announcements, by applicant issuers that contain price sensitive information
price sensitive information	unpublished information that, if it were to be made public, would be reasonably likely to have an effect on the reference price of a listed company's securities
registered submitter	an organisation that has been approved and registered by SENS to submit announcements on behalf of applicant issuers
relevant company information	company announcements and price sensitive company releases
SENS operational hours	from 07h00 to 18h00 on business days

Introduction

19.2 As a result of a need to disseminate relevant company information to the market on a real time basis, the LuSE has established an office called the Securities Exchange News Service ("SENS"). All relevant company information received by SENS will, after authentication and LuSE approval, if necessary, be electronically transmitted to the SENS subscribers, which include the major wire services, who will immediately disseminate such information to their customers. SENS will facilitate early, equal and wide dissemination of relevant company information, and will improve communication between applicant issuers and the market.

Timely submission of relevant company information

19.3 (a) All relevant company information must be submitted to SENS as soon as possible after authorisation by the applicant issuer. To promote the equal release of such information and confidentiality prior thereto, in terms of paragraph 3.5 of Section 3, applicant issuers may not release, even subject to a time embargo, such information to any third party, (which for the purposes of this schedule includes, inter alia, analysts, the media (including the Internet) and printers who have not signed a confidentiality agreement with applicant issuers):

- (i) during LuSE trading hours, until such information has been published through SENS in terms of 19.8 below; or

- (ii) outside LuSE trading hours, until such information has been authenticated in terms of 19.6 below, approved by the LuSE (if necessary) in terms of 19.7 below, and arrangements have been made for such information to be published through SENS prior to the next opening of LuSE trading hours.
- (b) Accordingly, in terms of paragraph 3.8 of Section 3, where a company intends to release price sensitive information at a shareholders' meeting to be held during LuSE trading hours, arrangements should be made for notification of such information to SENS, so that the release of such information at the meeting is made at the same time as such information is published through SENS. If any other price sensitive information is released during such meeting (e.g. during question time), immediate steps should be taken for an appropriate company announcement or release to be published through SENS.

Registration of submitters

- 19.4 (a) Organisations that wish to submit announcements on behalf of applicant issuers must be Sponsoring Brokers. Company announcements will only be accepted from sponsoring brokers.

Method and form of submission

- 19.5 (a) All relevant company information must be submitted to SENS after such announcements have been duly approved. A Sponsoring Broker must do all necessary things in order to ensure approval of a company announcement before submission to SENS.
- (b) Relevant company information must be submitted to SENS by e-mail, LuSE web-site or fax (refer to 19.15 below), together with a mandatory cover page containing:
- (i) the applicant issuer's name and alpha code, sponsoring broker name and sponsoring broker contact name, name and telephone number of the registered submitter and persons authorised by the applicant issuer to confirm the authenticity of the information to be published through SENS;
 - (ii) a statement, where applicable, that the applicant issuer's securities are listed on other exchanges, and the names of such exchanges, together with an indication of the exchange of primary listing;
 - (iii) a statement whether or not any other regulatory approvals have been obtained (refer to 19.7(b) below);
 - (iv) a statement whether or not, in the opinion of the company, the relevant company information contains price sensitive information (refer to 19.1 above); and
 - (v) if relevant, a request for confirmation of publication through SENS (refer to 19.10 below).
- (c) As indicated in paragraph 3.45 of Section 3, the relevant company information must be in English and must conform to the specifications set out in the Appendix to this schedule, to prevent any delay in publication through SENS.

Authentication of submissions

- 19.6 (a) If relevant company information is received by SENS during SENS

operational hours, SENS will immediately telephonically confirm its authenticity with one of the contact persons referred to in the cover page.

- (b) If relevant company information is received by SENS outside SENS operational hours, such information will be authenticated as soon as possible during the following SENS operational hours.

Approval of certain submissions

- 19.7 (a) All relevant company information must be submitted to SENS for authentication.
- (b) If a company announcement requires the approval of another regulatory authority, e.g. the Zambian Bank of Zambia, Competition Board, the sponsoring broker of the company, as indicated in 19.5(b)(iii) above, must state in the cover page whether or not such regulatory approval has been obtained.

Publication through SENS

- 19.8 (a) All company information will be published through SENS immediately after such information has been authenticated in terms of 19.6 above, and approved (if necessary) in terms of 19.7 above.
- (b) Publication through SENS will take place by SENS electronically transmitting the company information to SENS subscribers, which include the major wire services, which will immediately disseminate such information to their customers.

SENS Processing

- 19.9 (a) Submission of documents will be processed on a “first-in-first-out” basis.
- (b) Only documents submitted in the following file formats will be accepted:
 - (i) MS Word: doc files;
 - (ii) MS Excel: xls files;
 - (iii) Rich text: RTF files;
 - (iv) Comma separated: CSV files; and
 - (v) Text files: txt files.
 - (vi) Any other as may be approved by the LuSE

Publication on other markets

- 19.10 (a) After relevant company information relating to an applicant issuer with a primary listing on the LuSE has been authenticated in terms of 19.6 above, and approved by the LuSE (if necessary) in terms of 19.7 above, such applicant issuer must, as indicated in paragraph 3.81 of Section 3, ensure that the same information is made available to each other stock exchange on which its securities are listed, and, as far as possible, ensure that such information is released simultaneously on the respective markets. If, however, such information is published through SENS at any time when it cannot be released on another market/stock exchange, it must be published as soon as possible thereafter on the other relevant market(s)/stock exchange(s) in accordance with such market(s) disclosure requirements. Relevant company information relating to an applicant issuer with a primary listing on the LuSE may not be released on any other market, unless it is released in terms of 19.3 (a) above.

- (b) Applicant issuers with a secondary listing on the LuSE should, as far as possible, ensure that the same relevant company information is published, through SENS, at the same time that it is released on any other market/stock exchange on which its securities are listed. If, however, such information cannot simultaneously be published through SENS, the company should ensure that such information is published through SENS as soon as possible prior to the next opening of LuSE trading hours.
- (c) Applicant issuers with dual listings, or their sponsoring broker, should liaise with SENS and the other exchanges with a view to achieving the above objectives.

Confirmation of publication through SENS

19.11 If confirmation of publication through SENS is required, this should be clearly stated, as required in 19.5(b)(v) above, in the cover page to the relevant company information that is submitted to SENS for publication.

Procedural requirements of SENS

19.12 Notwithstanding prior publication through SENS, relevant company information may be published in the press (in accordance with paragraph 3.46 and 3.47 of Section 3) as soon as possible after they have been authenticated in terms of 19.6 above, and approved by the LuSE (if necessary) in terms of 19.7 above.

Indemnity

- 19.13 (a) The LuSE will endeavour to ensure that relevant company information submitted to SENS is published in the form submitted to SENS. The LuSE, however, makes no undertaking, representation or warranty, either in this regard or as to the accuracy or completeness of the information published through SENS.
- (b) The LuSE shall, in particular, save in the event of the LuSE's own wilful default or gross negligence, not be liable either to the person submitting the relevant company information or to any other person for (or in respect of) any direct, indirect or consequential liability, loss, damage or cost of any kind or nature, howsoever arising and whether or not as a result of incorrect, inaccurate or defective information published through SENS, or the failure of any software or hardware, the destruction of data, system malfunction, interruption of communication links or eventuation of any form of force majeure.
 - (c) Each applicant issuer indemnifies the LuSE and holds the LuSE harmless against all and any loss (direct, indirect or consequential), liability, action, suit, proceeding, cost, demand and damage of all and every kind or nature, directly or indirectly arising from reliance on or receipt or use of the service or from the provision of the service (or its failure) as well as, but not limited to, the circumstances set out above, save when such loss, liability, action, suit, proceeding, cost, demand or damage is directly attributable to the LuSE's own wilful default or gross negligence.

Copyright

19.14 Any person that submits relevant company information to SENS for publication is deemed to warrant to the LuSE that it is the owner of the copyright and other intellectual property rights in such information ("the rights") or, if it is not the owner of such rights, that it has submitted such information with the owner's consent. The owner shall, in submitting or causing such information to be submitted to SENS, be deemed to have licensed the LuSE to disseminate such

information through SENS, and the LuSE shall, accordingly, not infringe any of the owner's rights by so doing.

Address and contact numbers

19.15 Address: Securities Exchange News Service (SENS)
 LUSAKA

Telephone No: ()

Facsimile No: ()

E-mail: ()

Website: ()

Appendix to Schedule 19

Requirements for the submission of announcements to SENS using e-mail and/or the LuSE web site

The LuSE may require certain specifications regarding submission of comments to SENS using e-mail or website.

Schedule 20
Standard wording for cautionary announcements

The following three announcements comprise what is generally accepted to be the standard cautionary announcements acceptable to the LuSE. They should be drafted from the alternatives presented in this schedule to read sensibly and meaningfully given the circumstances that have given rise to their necessity. However, applicant issuers should be aware that these announcements contain the minimum disclosure requirements acceptable to the LuSE and wherever possible should publish cautionary announcements containing more detailed information.

First cautionary announcement

20.1 “Cautionary announcement

Shareholders are advised that [the company has entered into negotiations, which if successfully concluded] [there has been an event/there are circumstances/there are new developments relating to the company, the full impact of which is/are currently being determined and which] may have a material effect on the price of the company’s securities. Accordingly, shareholders are advised to exercise caution when dealing in the company’s securities until a full announcement is made.”

Renewal of existing cautionary

20.2 “Further cautionary announcement

Further to the cautionary announcement(s) dated, shareholders are advised that [negotiations are still in progress which, if successfully concluded,] [the full impact of the event/circumstances/new developments is/are still being determined, and that this event/these circumstances/these new developments] may have a material effect on the price of the company’s securities. Accordingly, shareholders are advised to continue exercising caution when dealing in the company’s securities until a full announcement is made.”

Withdrawal of cautionary

20.3 “Withdrawal of cautionary announcement:

Shareholders are referred to the cautionary announcement(s) dated, and are advised that as [negotiations have been terminated] [the contents referred to therein have ceased to have any relevance or effect on the company], caution is no longer required to be exercised by shareholders when dealing in their securities.”

Directors declaration

This director's declaration must be provided in letter format addressed to the LuSE in accordance with the LuSE's Listings Requirements.

Personal details

- 1 Company:
- 2 Surname of Director:
- 3 Any former surname:
- 4 First name:
- 5 Identity number:
- 6 Director designation and function:
- 7 Physical address:
- 8 Postal address:
- 9 Telephone number (business):
- 10 Fax no.:
- 11 E-mail address:

Qualifications and experience

- 12 Are you a director, or alternate director of any other company that is publicly listed or traded, or a partner in any partnership? If so, state the name of any such company or partnership, the nature of business where this is not indicated in the title, and the date you became a director or partner.
.....
.....

- 13 Provide details of your qualifications and relevant experience as required in terms of Section 7.B of the Listings Requirements.

Qualifications:

Experience:

- 14 Have you 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 as described in section 7.B of the Listings Requirements? If so, give full particulars.
.....
.....

Integrity

- 15 Have you ever been convicted of an offence resulting from dishonesty, fraud or embezzlement? If yes, provide details.
.....
.....

- 16 Has any company been put into liquidation or been placed under judicial management or had an administrator or other executor appointed during the period when you were (or within the preceding 12 months had been) one of its directors, or alternate directors?

.....
.....
17 Have you ever been adjudged bankrupt or sequestrated in any jurisdiction?
.....
.....

18 Have you at any time been a party to a scheme of arrangement or made any other form of compromise with your creditors?
.....
.....

19 Have you ever been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities? If yes, provide details.
.....
.....

20 Have you ever been barred from entry into any profession or occupation?
.....
.....

21 Have you at any time or has a company of which you were a director or alternate director or officer at the time of the offence, been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act. All such convictions must be disclosed even though they may now be “spent convictions”
.....
.....

I director of

.....
knowledge and belief (having taken all reasonable care to ensure that such is the case) the answers to all the above questions are true, and I hereby give my authority to the LuSE to disclose any of the foregoing particulars as the LuSE may, in its absolute discretion think fit.

I also acknowledge that
of which I am a director has agreed to be bound by and to comply with the LuSE’s Listings Requirements, as amended from time to time, and, in my capacity as a director, I undertake and agree to discharge my duties in ensuring such compliance whilst I am a director.

I further acknowledge that certain requirements contained in the LuSE’s Listings Requirements, as amended from time to time, affect me directly as a director and, in my personal capacity, as well as in my capacity as a director, I undertake to be bound by and to comply with all such requirements whilst I am a director.

.....
Signature

.....
Date

Schedule 22

Application for the de-listing of shares arising out of a repurchase of shares

- 22.1 The following basic information should be given in the application for a de-listing of shares arising from a repurchase of shares:
- (a) description and number of shares for which a de-listing is applied;
 - (b) the date on which the repurchase was effected;
 - (c) the present authorised and issued share capital;
 - (d) the issued share capital after the de-listing of the securities that are the subject of the application;
 - (e) the date on which the shares were/will be cancelled;
 - (f) the percentage that the shares repurchased in (b) above represent (calculated on the number of shares in issue before any repurchases were effected);
 - (g) the extent of the authority outstanding by number and percentage;
 - (h) reference to the type of authority (general or specific) under which the repurchase was done;
 - (i) reference to the general/annual general meeting at which the authority to repurchase the shares was given;
 - (j) confirmation that the company is not in breach of its working capital requirements;
 - (k) the total of any treasury shares held by a subsidiary, expressed by number and percentage of the total in issue;
 - (l) confirmation that the cancellation of these shares will not place the company in breach of the spread regulations of the LuSE;
 - (m) confirmation that the company is not in breach of section 89 of the Act;
 - (n) confirmation that the repurchase was not made during a closed period; and
 - (o) confirmation that the Rules of the Securities Regulation Panel have been considered, and that the repurchase does not indirectly result in an affected transaction.
- 22.2 Where the repurchase has been made under the general authority to repurchase shares, the following information must be included in the application;
- (a) a copy of the announcement, where the 3% announcement level has been reached;
 - (b) confirmation that the price paid for the repurchase was not greater than 10% of the weighted average market price for the securities for the five business days immediately preceding the date on which the transaction was effected;
- 22.3 The application must be signed by the company secretary, by a director of the company and by the sponsoring broker.
- 22.4 The application must be accompanied by a resolution of the board of directors of the applicant authorizing the application for the de-listing of the shares.
- 22.5 The application must be accompanied by a copy of the working capital letter issued by the sponsoring broker in terms of paragraph 2.12 of Section 2.
- 22.6 A copy of the notice of general/annual general meeting to grant the authority to

repurchase shares must accompany the application.

Schedule 23

The use of electronic media for the delivery of investor information

Introduction

23.1 The LuSE is of the view that delivery of investor information through an electronic medium would generally satisfy the obligations and requirements under the applicable law. The law would normally require hard copy delivery.

Definitions

23.2 Unless expressly stated otherwise, the definitions in the Listings Requirements shall apply to this schedule, and in this schedule, unless otherwise stated or the context requires otherwise, an expression which denotes any gender includes other genders and the following terms will have the meanings set out below:

Term	Meaning
alert	a data message provided for in 23.8 (b) below;
data message	information generated, sent, received or stored by electronic, optical or similar means including, but not limited to, electronic mail;
electronic media	media such as facsimiles, CD-ROM, electronic mail, bulletin boards, internet web sites and computer networks (e.g. local area networks and commercial on-line services);
electronic circular	a circular delivered by means of electronic delivery;
electronic ally	delivery of a circular by or through an electronic medium;
hyperlink	a link in a document linking such document either to a section of such document or to another document on the information system;
information system	a system for generating, sending, receiving, storing or otherwise processing data messages and includes the Internet and the world wide web;
investor information	circulars, abridged and full annual financial statements, quarterly and interim reports, listing particulars, dividend and interest notices and proxy forms;
online	via an information system;
online proxy voting	proxy solicitation and voting via an information system;
paper-based counterpart	the paper-based circular issued to an applicant issuer's members by traditional mail simultaneously with the circular delivered electronically;
service provider	a party other than the applicant issuer performing electronic delivery or facilitating online proxy voting on behalf of an applicant issuer; and
web site	any computer on an information system running a world wide web or similar protocol server process.

Electronic circulars and delivery

- 23.3 Electronic delivery of circulars by issuers is permitted subject to the following principles:
- (a) the applicant issuer's memorandum and articles of association must allow for electronic delivery;
 - (b) any member of an applicant issuer must consent to electronic delivery. Unless a member's express consent is obtained, the LuSE will not regard electronic delivery to such member as valid for purposes of the Listings Requirements. Where members have expressly and individually consented to electronic delivery, the applicant issuer and its agents must maintain a database of those members;
 - (c) applicant issuers or their agents must provide proof to the LuSE, on demand, of such consent obtained;
 - (d) the consent must be informed consent and members should be apprised:
 - (i) that information provided would be available through a specific electronic medium or source (e.g. via a limited proprietary system, or at a world wide web site);
 - (ii) of the potential that investors may incur costs (e.g. on-line time); and,
 - (iii) of the period during, and the documents for, which the consent will be effective;
 - (e) circulars may be distributed through more than one medium; and
 - (f) members consenting to electronic delivery must be allowed to withdraw such consent, unconditionally, at any time.

Service providers

- 23.4 For purposes of this schedule, any service provider shall be deemed to be the agent of the applicant issuer.
- 23.5 Electronic delivery can be performed either by the issuer or a Service Provider .

Form

- 23.6 The electronic circular must, save for the fact that it is in electronic form be identical in content and of the same general layout and appearance as its paper-based counterpart.

Electronic mail (e-mail)

- 23.7 When electronic circulars are delivered by electronic mail (e-mail):
- (a) the circular may be attached contained in the text of the data message or attached as an attachment provided that the applicant issuer must provide all information (corporate or otherwise) required by applicable law, on the same document as the one in which the circular is contained. Accordingly, the contents of the circular must not be separated between the data message text and the attachment, if any;
 - (b) when provided as an attachment, the circular must be contained in a word processed document generally in use at the time. This includes the version (issue) of the word processor (Microsoft Word or Word Perfect);
 - (c) the LuSE will only allow an electronic circular attached as a web page (html) attachment if the member has consented to such form of electronic

circular; and

- (d) whenever the electronic circular requires specific software, other than word processor software, to be viewed, the issuer or its agent must either provide such software with the data message itself or insert a hyperlink, linking such data message to a website from which such software is constantly available for download without any additional cost to the member.

Circulars on website

- 23.8 Subject to the approval of the LuSE, issuers may post investor information on a website, in lieu of electronic delivery, under the following circumstances:
- (a) members must consent to this form of delivery;
 - (b) applicant issuers are obliged to send a data message (“the alert”) to members containing the following statement:
”Important Notice: You are hereby informed that [Company Name] has issued an important notice on the Internet which you should read by accessing the following web address: [URL address]. If you are unable to access the notice, please call the following number without delay: [Company contact detail].”;
 - (c) the alert must be sent commensurate with or as soon as possible after making the circular available for viewing on the website.
 - (d) Save for the provisions of 23.8 (b) above, the alert may not contain any other information.

Time of transmission

- 23.9 A data message, whether an electronic circular or an alert, must be sent commensurate with the sending of its paper-based counterpart.

Evidence of electronic delivery

- 23.10 Issuers should, where possible through the technology used, obtain evidence of actual delivery of electronic circulars. This may include records of e-mail return receipts or confirmation of accessing or downloading electronic circulars.

Online proxy voting

- 23.11 Issuers and their agents should make appropriate arrangements for the receipt of online proxy returns.

Schedule 24
Corporate action timetables

This schedule contains the principles and timetables applicable to all corporate actions.

Principles applicable to all corporate actions

24.1 The following principles apply to all corporate actions:

- (a) all timetables are based on business days and not calendar days;
- (b) settlement takes place three days after trade (T + 3);
- (c) the record date (“RD”) is the date on which the register must be in a final form;
- (d) the record date must be on a Friday unless the Friday is public holiday in which case it will be on the last business day of that week;
- (e) the last day to trade (“LDT”) must be five trading days before record date. To be recorded in the register on the record date, trade must take place five trading days before the record date;
- (f) on declaration date (“DD”) an announcement must be published including the declaration data. The declaration date must be on or before the date of issue/posting of any circular and/or other documents and must be at least fifteen business days before the record date;
- (g) an announcement including the finalisation information must be made on or before the finalisation date (“FD”) which must be at least ten days before the record date and at least five days before the last day to trade;
- (h) declaration data and finalisation information can be announced on the same day as long as the announcement is published at least fifteen days before the record date;
- (i) changes to the pertinent details of a corporate action between finalisation date and the last day to trade will result in the cancellation of the corporate action;
- (j) the securities concerned will trade ex entitlement on the first business day after the last day to trade;
- (k) any corporate action must be declared unconditional on or before the finalisation date;
- (l) with respect to securities affected by a corporate action, no dematerialise or rematerialise orders will be processed in respect thereof from the business day following the last day to trade up to and including the record date but will recommence on the first business day after the record date. The certificated register will be closed for this period;
- (m) suspension and termination of a listing as a result of a corporate action will always take place at the commencement of business; all ratios or basis for cash payments (which cash payments are measured in cents) must be reflected to five decimal places;
- (n) all allocations of securities will be rounded up or down based on standard rounding convention (i.e. allocations will be rounded down to the nearest whole number if they are less than 0,5 and will be rounded up to the nearest whole number if they are equal to or greater than 0,5) resulting in allocations of whole securities and no fractional entitlements;

- (o) all affected securities holders will have to anticipate their holdings on the record date by taking into account all unsettled trades concluded on or before the last day to trade which are due to be settled on or before record date. This will enable affected securities holders to provide their CSDP or broker with their election based on their anticipated holdings by the election deadline;
- (p) elections not made by the election deadline will result in the default provisions set out in the relevant corporate action being applied by the CSDP in respect of those securities for which no election has been made;
- (q) Information to be included in all documentation:
 - (i) wherever reference is made to holders of securities of a company the procedures for certificated and dematerialised holders of securities must be detailed;
 - (ii) the surrender of securities certificates will only apply to certificated securities holders and the surrender forms must state this;
 - (iii) in the case of dematerialised holders of securities the CSD or broker will automatically take care of the equivalent of the surrender of securities certificates;
 - (iv) election forms only apply to certificated holders of securities and the election forms must state this. The circular and/or documents must also state that the dematerialised holders of securities election must be provided to their appointed CSD or broker in the manner and time stipulated in the custody agreement entered into between the holder of securities and the CSD or broker;
 - (v) the form of proxy included in the circular and/or documents must state that it is for completion by certificated holders and dematerialised holders who have “own name” registration of securities only. The documentation must state that dematerialised holders of securities who wish to attend the general/annual general meeting must inform their CSD or broker of their intention and the CSD or broker will issue them with the necessary documentary authorisation to attend and vote at such meeting. Alternately, should they not wish to attend the meeting in person, holders of securities may provide their CSD or broker with their voting instruction and such CSD or broker will complete all necessary documentation and action same in order for the holders of securities vote(s) to be taken account of at such meeting;
 - (vi) the salient dates section of the circular and/or documents must include all the dates in the declaration data and finalisation information. The definitions for these dates must be included in the “definitions” section of the circular and/or document; and
 - (vii) if new securities are to be issued, holders of securities must be given the option to receive the new securities in certificated or dematerialised form.
- (r) the timetables in this schedule do not include election dates or deadlines due to such dates varying between brokers and CSDs and their clients in respect of the dematerialised environment in terms of the agreements between clients and their brokers or CSDs and yet another date in respect of the certificated environment. However, issuers must take account of such dates of election for each corporate action and must clearly indicate in documents and announcements the dates, taking account of the varying dates of election applicable to investors in the dematerialised environment

as well as the date of election for certificated securities holders.

Timetables applicable to all corporate actions

24.2 The following timetables, read with 24.1 above, apply to all corporate actions:

(a) Payments to shareholders of cash, scrip or other assets

Definition: Payments to holders of securities.

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade
D – 4 Ex date	Shares trade “ex” distribution (price of share reduced)/new securities listed and commence trading.
“Friday” D + 0 Record date	Date to be recorded in the register to receive the cash payout
D + 1 Pay date	Posting of cheques or electronic bank transfers/issuing of new securities in respect of certificated shareholders. Safe custody accounts credited and updated at CSD or broker in respect of shareholders who have dematerialised their shares

(b) Preference share redemption

Definition: Issuer redeems all or part of the outstanding debentures/preference shares.

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10 Finalisation date	Publication of finalisation data
D – 5 Last day to trade	Last day to trade
D – 4 List	Securities to be redeemed suspended on LuSE trading system
“Friday” D + 0 Record date	Date to be recorded in the register to receive the redemption payment
D + 1 Pay date	Cheques posted or electronic transfers effected/CSDs and brokers credited
D + 2	Listing of securities redeemed terminated

(c) Capitalisation issue

Definition: An issue of fully paid securities capitalised from a company’s share premium, capital redemption reserve fund or reserves (or combination thereof) to existing holders of securities in proportion to their holdings at a specific date.

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10	Publication of finalisation information

Finalisation date	
D – 5 Last day to trade	Last day to trade
D – 4 List	Listing of new shares. Entitled to trade new shares
“Friday” D + 0 Record date	Record date to determine who participates in the capitalisation Issue
D + 1 Pay date	Accounts with CSD or broker credited or issuing of new share certificates effected

(d) Cash dividends and interest payments

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade
D – 4 List	Securities start trading ex-dividend/interest
“Friday” D+0 Record date	Record date to determine who receives the dividend/interest
D + 1 Pay date	Electronic transfer of funds or cheques posted/CSDs and brokers credited

(e) Consolidation

Definition: Consolidation results in a reduction in the number of securities issued with a corresponding increase in the par value, such that the value of the issued capital remains the same.

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade
D – 4 List	New capital structure listed. Entitled to trade new securities (old capital structure terminated)
“Friday” D+0 Record date	Record date
D +1 Pay date	New securities issued

(f) Conversion – automatic – full/partial

Definition: Holders of securities receive new securities in place of all or part of the old securities. There are no elections. All affected securities are converted. Conversion may be triggered as per security proposal e.g. time lapse, dividend ceiling etc.

Day	Event
D – 15 Declaration date	Publication of declaration data

D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade mother share
D – 4 List	List and trade new shares. Suspension of mother shares on LuSE trading system/partial withdrawal of mother share.
“Friday” D + 0 Record date	Record date
D + 1 Pay date	Issue of new securities and termination of all or part of mother shares

(g) Election – full/partial

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade
D – 4 List	If new shares do not exist, new shares are listed. Maximum number of shares listed at this date
“Friday” D + 0 Record date	Record date
D + 1 Pay date	Issue new securities/cash payment
D + 2	Adjustment of number of shares listed

(h) Liquidation – advance/final/Interim

Definition: Payment of cash to holders of securities on a winding up of the company and subsequent termination of listing. Liquidation payment(s) can be made in stages (interim and final).

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade to be eligible to receive the liquidation payment(s) prior to the suspension of the securities
D – 4	Mother share suspended
“Friday” D + 0 Record date	Record date
D + 1 Pay date	Cheques posted. CSDs and brokers credited
D + 2	Termination of listing of mother share

(i) Name change

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10	Publication of finalisation information

Finalisation date	
D – 5 Last day to trade	Last day to trade old securities
D – 4 List	List and trade new shares. Termination of old shares on LuSE trading system
“Friday” D + 0 Record date	Record date
D + 1 Pay date	Issue of new securities. Certificates posted/CSDs and brokers safe custody accounts updated

(j) Odd lot offer

Definition: An odd lot offer is an event where a listed company intends eliminating odd lot holdings to reduce administrative costs and offers all holders of odd lots the option of electing to:

- retain their odd-lot holding; or
- top up their odd lot holding to a round lot of securities; or
- sell their odd-lot holding

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade
D – 4 List	Maximum number of shares listed at this date
“Friday” D + 0 Record date	Record date. Offer closes
D + 1 Pay date	Issue of new securities. Payment of cash. Accounts at CSD or broker credited or debited and updated

(k) Offer to shareholders – unconditional – cash/share settlement

Day	Event
D – 15 Declaration date + Finalisation date	Publication of declaration data and finalisation data Offer opens Circular made available
D – 5 Last day to trade	Last day to trade to take up the offer. If the offer period is extended the last day to trade will be five trading days before the closing date of the offer
“Friday” D + 0 Record date	Record date Closing date of the offer
D + 1 or within 5 days after the offer becomes unconditional Pay date	Payment of cash/Issue of securities

(l) Offer to shareholders – conditional – cash/share settlement

Day	Event
D – 15	Publication of declaration data and finalisation information (NB!

Declaration date	publication of finalisation information, excluding the statement concerning conditionality, required because offer opens today) Offer opens Circular made available
D – 10 Earliest Finalisation date	Earliest date of satisfying conditionality of offer. If conditions are not satisfied by this date, FD does not occur. FD occurs on the date that conditions are satisfied after this date.(NB! Publication of finalisation data has already taken place on DD)
D – 5 Earliest Last day to trade	Earliest last day to trade to take up the offer. If the offer period is extended the last day to trade will be five trading days before the closing date of the offer.
“Friday” D + 0 Earliest Record date	Earliest Record date. See explanation for FD and LDT. Closing date of the offer
D+1 or first trading day after closing date Pay date	Payment of cash/Issue of securities

(m) Redemption – with/without election

Definition: – with election – an event where an issuer repays the redeemable preference share capital or the debenture securities in full to the holder. The holder has the option to elect either a cash repayment or new securities.

Definition: – without election – an event where an issuer repays the redeemable preference shares or the debenture securities in full to the owner, in cash or new securities, as stipulated by the issuer prior to finalisation date.

Day	Event
D – 15 Declaration date	Publication of declaration data Circular must be made available
D – 10 Finalisation date	Last day to publish of finalisation information
D – 5 Last day to trade	Last day to trade to be eligible for the redemption
D – 4 List	Suspension of old shares on LuSE trading system
“Friday” D + 0 Record date	Record date
D + 1 Pay date	Issue share new securities and cheques
D + 2 Termination	Termination of old shares on LuSE trading system

(n) Renounceable offer

Definition: an offer of renounceable rights to subscribe/purchase securities in an applicant (usually a subsidiary) by an issuer to the issuer’s securities holders, pro rata to their holdings in the issuer, by means of the issue of renounceable LAs.

Day	Event
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D – 15 Declaration date	Publication of declaration data by the issuer
D – 11	All documentation described in paragraph 16.15 of Section 16 must have been submitted to and approved by the LuSE
D – 10 Finalisation date	Publication of finalisation information by the issuer Publication of abridged pre-listing statement by the applicant Applicant’s pre-listing statement made available
D – 5 Last day to trade	Last day to trade to be eligible for the offer
D – 4 List	List and trade letters of allotment (LAs) Mother share trades ‘ex’ the rights entitlement
“Friday” D + 0 Record date	Record date for the offer.
D + 1	Issue LAs. Circulars and pre-listing statements posted to the issuer’s shareholders. Renounceable offer opens
D + 10	Last day to trade LAs
D + 11	List new shares
D + 15	Record date for LAs. Renounceable offer closes. Payment to be made by certificated shareholders
D + 16	Issue of securities. Refund to be made to certificated shareholders. Publication of results announcement.

(o) **Rights offer/claw-back offer**

Definition: an offer of renounceable rights to an issuer’s securities holders, pro rata to their holdings in the issuer, to subscribe for securities in the issuer by means of the issue of renounceable LAs.

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 11	All documentation described in paragraph 16.15 of Section 16 must have been submitted to and approved by the LuSE
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade cum rights
D – 4 List	List and trade letters of allotment (LAs). Mother shares trade ‘ex’ the rights/claw back entitlement.
“Friday” D + 0 Record date	Record date
D + 1	Issue LAs. Circular and pre-listing statement (if applicable) posted to shareholders. Rights offer opens.
D + 10	Last day to trade LAs
D + 11	List new shares
D + 15	Record date for LAs. Rights offer closes
D + 16	Issue of securities. Publication of results announcement.

Refund cheques posted to certificated shareholders.

(p) Scheme of Arrangement

Day	Event
D – 26 Declaration date	Declaration data and finalisation information published, excluding statement of conditionality Circular must be made available
D – 18 Earliest Last day to trade – scheme meeting	Earliest Last day to trade to be able to vote at the scheme meeting. Date is dependent upon whether the proxy is required 24 hours or 48 hours before scheme meeting
D – 13 Earliest Record date – scheme meeting	Earliest Record date – to vote at the scheme meeting Date is dependent upon whether the proxy is required 24 hours or 48 hours before scheme meeting
D – 11 Conditional Finalisation date	Scheme meeting Finalisation date and publication of results on SENS including statement that it is subject to Court sanction and registration of order with Registrar.
D – 6	Court sanctions scheme Register order with Registrar Publication on SENS after registration of order
D – 5 Last day to trade Scheme	Last day to trade
D – 4 List	Mother share suspended on LuSE trading system. If applicable, listing of maximum number of new shares (if not existing)
D + 0 Record date – scheme	Record date Offer closes (if applicable)
D + 1 Pay date	Issue cash/new shares in company or combination. Listing of actual number of shares if applicable
D + 2	Mother share terminated at commencement of trading

(q) Scrip dividend

Day	Event
D – 15 Declaration date	Declaration data published and Circular must be made available All documentation described in paragraph 16.16 of Section 16 must have been submitted to and approved by the LuSE
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade
D – 4 List day	Securities start trading ex-dividend Maximum number of shares are listed Entitled to trade new shares
“Friday” D + 0 Record date	Record date Offer closes
D + 1	Payment of cash/issue new securities.
D + 2	Adjustment of number of new securities listed

Day	Event
D + 0 Finalisation date and last day to trade	Publication of announcement invoking Section 440K Last day to trade
D + 1	Suspension of mother share on LuSE trading system
D + 5 Record date	Record date
D + 32	Termination of listing of mother share if there is confirmation of no objections

(s) Share repurchases – pro-rata offer

Day	Event
D – 20 Declaration date	Declaration data published and Circular must be made available All documentation must have been submitted to and approved by the LuSE Offer to purchase shares opens.
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade
D – 4 List	Securities starts trading ex rights
“Friday” D + 0 Record date	Record date Closing date of offer
D+1 Pay date	Payment of cash. Balance of share certificates posted, if applicable. Accounts at CSDs updated. Results announcement
D+2	Cancellation of shares if applicable

(t) Subdivision

Definition: A listed company may adjust its capital structure by splitting its shares into units of lesser value. This results in an increase in the number of shares issued with a corresponding reduction in the par value per share such that the issued capital and the shareholders percentage interest in the company remain the same.

Day	Event
D – 15 Declaration date	Publication of declaration data
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade in shares at ‘old’ par value
D – 4 List	New capital structure listed. Entitled to trade new shares. Old capital structure suspended
“Friday” D + 0 Record date	Record date
D + 1 Pay date	New securities issued. Old Capital structure terminated

(v) **Unbundling with/without accompanying cash payment – termination of mother share – with/without election**

Definition: with election – Holding company listed on LuSE. Holding company has investments in subsidiaries, cash, unlisted companies and/or listed companies. After unbundling, the holding company is dissolved and the shareholders will receive, proportionately to their initial holdings in the holding company:

- a) shares in the subsidiaries (listed or private); or
- b) cash; or
- c) a combination of the above

Definition: without election – Holding company listed on LuSE. Holding company has one or more subsidiaries. After unbundling, the holding company is dissolved and the shareholders will receive shares in the subsidiaries (listed or private) proportionate to their initial holdings in the holding company.

Day	Event
D – 15 Declaration date	Publication of declaration data.
D – 10 Finalisation date	Publication of finalisation information
D – 5 Last day to trade	Last day to trade
D – 4 List	Mother share suspended on LuSE trading system/listing of entitled share
“Friday” D + 0 Record date	Record date Election closes, if applicable
D + 1 Pay	Securities distribution/cash payout
D+2	Termination of listing at commencement of business

(x) **Change of sector**

Day	Event
D – 35 First submission date	Issuer or sponsoring broker submit reclassification request to the LuSE
D – 4 Publication date	If approved, LuSE announce the classification change on SENS
D + 0 = third Friday of the month	Changes to the issuer’s classification become effective at close of business

(y) **New listing – offer for sale or subscription**

Day	Event
D – 16	LuSE grants formal approval for listing (the issuer must be in receipt of the formal approval letter issued by the LuSE)
D – 15	Offer opens Publication of announcement and distribution of Prospectus or pre-listing in accordance with paragraph 11.7 Prospectus or Pre-listing statement must be made available in an electronic form on the website of the applicant and/or the sponsoring broker/designated adviser

D – 3	Latest closing of offer at 12:00
D – 2	Submission of final Part II documents (if all documents are not submitted, the LuSE may instruct the company to postpone the listing date)
Commencement of business	
D	Day of Listing

(z) New listing – placing

Day	Event
D – 5	LuSE grants formal approval for listing (the issuer must be in receipt of the formal approval letter issued by the LuSE) Publication of announcement and distribution of Prospectus or pre-listing statement in accordance with paragraph 11.6 Prospectus or Pre-listing statement must be made available in an electronic form on the website of the applicant and/or the sponsoring broker/designated adviser
D – 4	Offer opens
D – 3	Latest closing of offer at 12:00
D – 2	Submission of final Part II documents (if all documents are not submitted, the LuSE may instruct the company to postpone the listing date)
Commencement of business	
D	Day of Listing

(aa) New listing – introduction

Day	Event
D – 5	LuSE grants formal approval for listing (the issuer must be in receipt of the formal approval letter issued by the LuSE) Publication of announcement and distribution of Prospectus or pre-listing statement in accordance with paragraph 11.3 Prospectus or Pre-listing statement must be made available in an electronic form on the website of the applicant and/or the sponsoring broker/designated adviser
D – 2	Submission of final Part II documents (if all documents are not submitted, the LuSE may instruct the company to postpone the listing date)
Commencement of business	
D	Day of Listing

Definitions

Throughout these Listings Requirements, unless otherwise stated or the context requires otherwise, an expression which denotes any gender includes other genders and the following terms will have the meanings set out below:

Term	Meaning
acquisition issue	an issue of securities in consideration for an acquisition of assets or net assets or an issue of securities for an acquisition of, or merger with, another company in consideration for the securities of that other company
The Act	The Securities and Central Securities Depositories Act chapter 354 of the Laws of Zambia or any law that may replace it wholly or in part from time to time
acting in concert	co-operation for a common purpose by two or more persons pursuant to an agreement, arrangement or understanding, whether formal or informal, between them; and associates shall be deemed to be so co-operating unless otherwise proved
admission or admission to listing	admission of securities to listing on the LuSE, and “admitted” shall be construed accordingly
announce or announcement	an announcement of information through SENS in accordance with SENS Procedural Requirements as contained in Schedule 19 and in the media, if required in terms of the Appendix to Section 11
applicant or applicant issuer	an issuer,
associate	“associate” in relation to an individual means: 1 that individual’s immediate family; and/or

-
- 2 the trustees, acting as such, of any trust of which the individual or any of the individual's immediate family is a beneficiary or discretionary subject, including trustees of a trust without nominated beneficiaries, but who have been provided with a letter of wishes or similar document or other instruction, including a verbal instruction, naming desired beneficiaries (other than a trust that is either an occupational pension scheme, or an employees' share scheme that does not, in either case, have the effect of conferring benefits on the individual or the individual's family); and/or

 - 3 any company in whose equity securities the individual or any person or trust contemplated in 1 or 2 above, taken together, are directly or indirectly beneficially interested, or have a conditional, contingent or future entitlement to become beneficially interested, and that the individual or any person or trust contemplated in 1 or 2 above are, or would on the fulfilment of the condition or the occurrence of the contingency be, able:
 - (a) to exercise or control the exercise of 35% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or

 - (b) to appoint or remove directors holding majority of the voting rights at board meetings on all, or substantially all, matters;

For the purpose of 3(a) above, where more than one director of the same listed company is directly or indirectly beneficially interested in the equity securities of another company, then the interests of those directors and their associates will be aggregated when determining whether such a company is an associate of any one director of such listed company

“associate” in relation to a company (“company”) means:

- 1 any other company that is its subsidiary, holding company or subsidiary of its holding company;

- 2 any company whose directors are accustomed to act in accordance with the company's directions or instructions; and

3 any company in the capital of which the company, and any other company under 1 or 2 taken together, is, or would on the fulfilment of a condition or the occurrence of a contingency be, interested in the manner described in 3 above

beneficial “beneficial” in relation to:

- 1 any interest in a security, means the de facto right or entitlement to receive the income payable in respect of that security and/or to exercise or cause to be exercised any or all of the voting, conversion, redemption or other rights attaching to that security; and
- 2 any other interest, means the obtaining of any benefit or advantage, whether in money, in kind or otherwise, as a result of the holding of that interest

beneficial owner in relation to a security, the person or entity with any one or more of the following:

- 1 the de facto right or entitlement to receive any dividend or interest payable in respect of that security; or
- 2 the de facto right to exercise or cause to be exercised in the ordinary course of events, any or all of the voting, conversion, redemption or other rights attached to such security

business day any day except a Saturday, Sunday or any other day on which the LuSE is closed

capitalisation issue or bonus issue an issue of fully paid shares capitalised from a company’s share premium, capital redemption reserve fund or reserves, or combination thereof, to existing shareholders of the company in proportion to their shareholdings at a specific date

cash company or cash shell a listed company, other than an investment entity as defined in Section 15, whose assets, to the satisfaction of the LuSE, consist(s) wholly or mainly of cash due to it having disposed of all or most of its business(es), or has otherwise ceased to have a business of sufficient substance to support its market capitalisation

category 1 or 2 transaction	A transaction, principally an acquisition or disposal by a listed company as described in Section 9
Central Depository or CSD	an entity whose main business is the clearing, netting and settlement of transactions on a stock exchange
the CEO	the Chief Executive Officer, for the time-being, of the LuSE
children	in relation to an individual includes any step child, adopted child or illegitimate child, who has not yet attained the age of 21 years, and any person under the guardianship of the individual
circular	any document issued to holders of listed securities by an issuer of securities, including notices of meetings, but excluding annual financial statements, interim reports, provisional reports, proxy forms and dividend or interest notices
claw back offer	a pre placed rights offer where placees, acting in lieu of an underwriter, are issued securities, or the rights thereto, for cash by an applicant, which securities, or rights, are then offered to the applicant's shareholders in proportion to their holdings in the form of a right to enable such shareholders to "claw back" their right to subscribe for such securities
closed period	<p>(a) the date from the financial year end up to the date of earliest publication of the preliminary report (refer to paragraph 3.22), abridged report (refer to paragraph 3.21) or provisional report (refer to paragraph 3.16);</p> <p>(b) the date from the expiration of the first six month period of a financial year up to the date of publication of the interim results;</p> <p>(c) the date from the expiration of the second six month period of a financial year up to the date of publication of the second interim results, in cases where the financial period covers more than 12 months (refer to paragraph 3.15);</p>

	(d) in the case of reporting on a quarterly basis, the date from the end of the quarter up to the date of the publication of the quarterly results; and
	(e) any period when an issuer is trading under a cautionary announcement
closing price	the price determined and disseminated by the LuSE, based firstly on the uncrossing price of the closing auction, or, failing which, the volume weighted average price of the last 10 minutes of trade prior to the closing auction, or, failing which, the last automated trade price
Committee	The Listing Committee of the LuSE
Commission	Securities and Exchange Commission, Zambia
company	a body corporate, wherever incorporated or established, including any other legal person, undertaking, association of persons or entities and any trust or similar device, wherever established, that issues securities, which are capable of being listed by the LuSE
company secretary or secretary	as defined in the Companies Act as including any official of a company, by whatever name he/she may be designated, or a company, who, or which, is performing the duties normally performed by a secretary of a company
the Constitution	the Constitution of the Republic of Zambia as amended or replaced from time to time
control	a de facto holding or aggregate holding of shares or other securities in a company entitling the holder thereof to exercise, or cause to be exercised, the specified percentage, as defined in the Takeover and Mergers Rules of the Act, or more of the voting rights at general/annual general meetings of that company
controlling shareholder	any shareholder that, together with: 1 his, or its, associates; and

2 any other party with whom such shareholder has an agreement or arrangement or understanding, whether formal or informal, relating to any voting rights attaching to securities of the relevant company;

can exercise, or cause to be exercised the specified percentage, as defined in the Act, or more of the voting rights at general/annual general meetings of the relevant company, or can appoint or remove, or cause to be appointed or removed, directors exercising the specified percentage or more of the voting rights at directors' meetings of the relevant company

convertible securities securities that are convertible into or exchangeable for other securities or warrants or options to subscribe for or purchase other securities, and "conversion" and "convertible" shall be construed accordingly

corporate action or event an action taken by an issuer or any other entity or third party which affects the holders of securities in terms of entitlements or notifications

day(s) any day of the week (i.e. calendar days)

declaration date or DD the date on which the corporate action and the declaration data, including any conditions precedent to which the corporate action is subject, are announced and released through SENS

declaration data the minimum information to be announced on the declaration date if applicable as follows:

share ISIN
event type
last day to trade
election date
record date
pay date
ex date
conditions precedent

equity instruments securities with restricted voting rights but which participate in the distribution of profits in a manner directly linked to the profitability of the company

equity securities	equity shares, securities convertible into equity shares and equity instruments
equity share capital	in regard to a company, its issued share capital excluding any convertible securities, equity instruments and any other securities which are regarded as debt instruments
equity shares	shares that comprise a company's equity share capital and carry votes
ex date	the first trading day after LDT. All trades from this day will exclude the right to receive entitlements
external company	a company incorporated outside the Republic of Zambia and registered as a foreign company in the Republic of Zambia
external property	property situated outside the Republic of Zambia
finalisation date or FD	the date on which an event and its details become unconditional in all respects and irrevocable i.e. no further finalisation changes to any of the finalisation information can be made by the issuer and the event can only be cancelled
finalisation information	<p>finalisation information on the corporate action to be included in the announcement on the finalisation date if applicable as follows:</p> <p>ISIN</p> <p>entitled share name</p> <p>entitled share code</p> <p>entitled share ISIN</p> <p>event type</p> <p>last day to trade</p> <p>election date</p> <p>record date</p> <p>pay date</p> <p>ex date</p> <p>price</p> <p>ratio</p> <p>default for election</p> <p>first date to trade entitlement</p> <p>statement that all conditions precedent have been fulfilled</p>

first day to trade or FDT	the first business day on which newly issued securities may be traded
group	a holding company, not itself being a wholly owned subsidiary, together with all companies which are its subsidiaries, if any
holding company	has the same meaning as construed under the Companies Act
hours	wherever reference is made to hours in the Listings Requirements, such reference is to hours during the course of a business day
immediate family	an individual's spouse and children
intangible assets	non-monetary assets without physical substance including but not limited to goodwill, patents, trade marks, brand names, copyrights, franchises, licences, know-how and publication titles
International Financial Reporting Standards or IFRS	the International Financial Reporting Standards formulated by the International Accounting Standards Board
International Standards on Auditing or ISA	the International Standards on Auditing formulated by the International Auditing and Assurance Standards Board
an introduction	a method of bringing securities to listing not involving an issue of new securities or any marketing of existing issued securities because the spread of shareholders already complies with the conditions for listing
investment entities	investment companies, investment trusts and unit trusts whose principal activity is investment in securities
ISIN	the unique International Security Identification Number of each listed security
issuer	any company, excluding an issuer of specialist securities, any class of whose securities has been admitted
LAs	forms of instruction in respect of letters of allocation
last day to trade or LDT	the last business day to trade in a security in order to settle by record date to be able to qualify or participate in an event. All trades done from commencement of trade on LDT + 1 will be excluding entitlements

the List	the list maintained by the LuSE of securities admitted to listing
list date or LD	the date on which new shares are listed
listed company	a company, any class of whose securities is listed
listing	the admission of securities to the List and “listed” shall be construed accordingly
listing particulars	refer to the definition of “pre-listing statement”
Listings Requirements	the Listings Requirements as amended from time to time by the LuSE, whether by way of practice note or otherwise, contained herein, including the “Introduction”, “Definitions”, “Sections” and “Schedules”, save that the section headings, paragraph headings and the introductory text to each section headed “Scope of Section” do not form part of the Listings Requirements and are for guidance and ease of reference only and are not to be construed as affecting the substance or interpretation of the Listings Requirements
the LuSE	Lusaka Stock Exchange Limited
the LuSE Code	the LuSE Code of Corporate Practices and Conduct representing the principles of good governance as amended or replaced from time to time
Main Board	all securities listed on the Main Board of the List
major subsidiary	a subsidiary that represents 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 LuSE prepared within the last six months) or profits (after deducting all charges except taxation and excluding extraordinary items) of the issuer’s group
market value	in relation to a listed security, the traded or trading price
material	information that, if omitted or misstated, could influence the economic decisions of users and includes a change in, or constituent of, a particular factor that may be regarded in the circumstances as being material and that, as a rule of thumb, would normally be equal to or exceed 10%
material investment	a company (listed or unlisted) in which the listed company holds at least a 10% interest of any class of its securities
material shareholder	any person who is, or within the 12 months preceding the date of the transaction was, entitled to exercise or control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at general/annual general meetings of the listed company, or any other company that is its subsidiary or holding company or is a fellow subsidiary of its holding company

memorandum and articles of association	memorandum of association and articles of association or equivalent document constituting or defining the constitution of a company
merger issue	refer to the definition of “acquisition issue”
new applicant	an applicant, no class of whose securities is already listed
offer for sale	an invitation to the public by, or on behalf of, a third party to purchase securities of the issuer already in issue, or to be issued, and may be in the form of an invitation to tender at or above a stated price
offer for subscription	an invitation to the public by, or on behalf of, an issuer to subscribe for securities of the issuer not yet in issue or allotted, and may be in the form of an invitation to tender at or above a stated price
open market	dealings on the LuSE trading system without any prior agreement
pay date or PD	the date on which entitlements will be paid or posted
per share	in the context of earnings/headline earnings/net asset value and net tangible asset value per share required in terms of the Listings Requirements for the listed security, (other than the requirement for earnings per share in terms of IFRS) per share means per listed security, except in the case where the listing is for two securities which trade as a linked unit in which case per share means per linked unit. In such an instance the applicant issuer must expressly use the words “per linked unit”
placing	a marketing of securities already in issue but not listed, or not yet in issue, to specified persons or to any securities house assisting in the placing, that does not involve an offer to the public or to existing holders of the applicant’s securities generally and that takes place immediately before the applicant is listed. A placing includes a preferential placing
practice notes	practice notes issued from time to time by the LuSE to change, add to, clarify or expand upon the Listings Requirements
preferential offer	an offer by an applicant to directors, employees, pensioners and direct business associates, including customers with whom there is a direct and enduring contractual relationship, of the applicant by means of a non transferable application form bearing the name of a specific party and stating a maximum number of securities that may be subscribed for in that application
pre-issued securities	entitlements to securities the listing of which on the LuSE has been approved but where the listing becomes effective only after a number of conditions have been fulfilled on or before the commencement date of official trading
pre-issued trading	transactions effected in pre-issued securities

pre-listing statement	the statement required to be issued by companies in terms of Section 6
press announcement	an announcement in the press in accordance with paragraphs 3.46 to 3.48
price	the basis of the cash entitlement (for the purposes of corporate actions)
price sensitive information	unpublished information that, if it were made public, would be reasonably likely to have an effect on the price of a listed company's securities
primary listing	in relation to a security listed on more than one stock exchange, a listing by virtue of which the issuer is, as respects that security, subject to the full requirements applicable to listing on that exchange
promoter	the individual(s), company, partnership or association responsible for promoting a company
prospectus	a prospectus issued in accordance with the Act and in compliance with Section 6 if issued by an issuer or new applicant
publish/ed or publication	see the definition of announce or announcement
pyramid companies	companies classified by the LuSE as pyramid companies in accordance with the criteria set out in paragraph 14.4
ratio	basis of share entitlement reflected as a ratio
record date or RD	the date on which the holdings, upon which the event entitlement is based are ascertained. Record date must be on a Friday or, if Friday is a public holiday, the last trading day of the week
reference price	the last trade price, or in the absence of trade price, a price as determined by the LuSE
related party	a related party as defined in paragraph 10.1
renounceable offer	an offer by a listed company to its shareholders to subscribe by way of rights for securities in the applicant, usually the listed company's subsidiary, where the listed company has received the right to subscribe for those securities in the applicant but renounces all or part of that right to its shareholders pro rata to their shareholdings
rights offer	an offer by an issuer to existing holders of securities to subscribe for further securities in the issuer in proportion to their holdings by means of the issue of a renounceable right that is traded as either "fully paid" or "nil paid" rights for the period before payment for the securities is due as detailed in the "Rights offer/Claw back offer" timetable in Schedule 24
the ruling price	refer to reference price
scrip dividend	a bonus or capitalisation issue in terms of which a shareholder may elect to receive shares in lieu of a cash dividend

secondary listing	a listing that is not a primary listing
secretary	see company secretary
securities	as described in terms of the the Act but does not include debt securities
SENS	the Securities Exchange News Service
SENS Procedural Requirements	the SENS Procedural Requirements contained in Schedule 19
settlement period	this is the period between the day on which the trade takes place and the date on which that trade is due for settlement, currently 3 business days
significant	any matter or element that is significant for the purpose of making an informed assessment of any transaction or listed security
subscribed capital or issued shares or issued capital	the portion of the capital of a company that has been subscribed for by shareholders and is described as issued capital
substantial	a change in or a constituent of a particular factor that may be regarded in the circumstances as being substantial and that, as a rule of thumb, would normally be equal to or exceed 30%
temporary documents of letters title	allotment letters, split receipts, letters of acceptance, of rights, scrip certificates and any other temporary documents of title
Takeover and Mergers Act Rules	The Takeover and Mergers Rules made pursuant to the traded or trading price refer to reference price or closing price as the case may be.
Tribunal	the Securities Appeals Tribunal constituted under the Act
vendor consideration issue	listed or to be listed securities that are to be issued to vendors in consideration for an acquisition of asset(s) or net asset(s) from such vendors
vendor consideration placing	a marketing on behalf of vendors of a vendor consideration issue

warrant	an instrument, complying with all relevant criteria described in Section 19, issued by a third party and listed on the LuSE, or on any other exchange that is acceptable to the LuSE that gives the warrant holder the right to buy underlying securities from the issuer (in the case of a call warrant) or to sell underlying securities to the issuer (in the case of a put warrant) at a pre-determined price and in a pre-determined ratio either, at any time from the date of issue of the warrant until a pre-determined future date, or on a pre determined future date
warrant issuer	an entity that issues warrants in accordance with the provisions of Section 19
weighted average traded price	the total value of the securities traded divided by the total number of securities traded over a particular period of time

Section 1 Authority of the LuSE

Scope of section

This section sets out the authority of the LuSE regarding its powers to list, suspend and terminate listings, and its powers to enforce the Listings Requirements.

The main headings of this section are:

- 1.1 General powers of the LuSE
- 1.6 Suspension of securities
- 1.11 Termination of securities
- 1.19 Annual revision of the List
- 1.20 Censure and penalties
- 1.24 Power to require information
- 1.26 Publication

General powers of the LuSE

- 1.1 Subject to the provisions of the Act, the LuSE has the power:
 - (a) subject to the Listings Requirements, to grant, review, suspend or terminate a listing of securities;
 - (b) to prescribe from time to time the Listings Requirements with which a new applicant must comply before securities issued by such new applicant is granted a listing;
 - (c) to prescribe from time to time the Listings Requirements with which applicant issuers must comply;
 - (d) to prescribe from time to time the Listings Requirements with which an applicant issuer's directors must comply while securities issued by such applicant issuer remain listed;
 - (e) **to suspend, alter or rescind a Listings Requirement prescribed before or after a listing has been granted and to prescribe additional Listings Requirements from time to time either by way of amendment to these Listings Requirements or by way of the issue of practice notes; and**
 - (f) **to prescribe the circumstances under which a listing of securities shall or may be suspended or terminated.**
- 1.2 Listings are granted subject to compliance with the Listings Requirements and new applicants and their directors must comply with the Listings Requirements. In addition, the LuSE may grant a listing subject to any additional condition(s) that it considers appropriate, in which event the new applicant will be informed of, and will be required to comply with, any such condition(s).
- 1.3 Nothing contained in this section shall limit the powers of the LuSE or its officers to those contained herein, and the LuSE or its officers may at any time exercise any further powers granted to the LuSE or its officers in terms of the Act. Where the LuSE exercises discretion in terms of these Listings Requirements, it shall use its sole discretion and, subject to the provisions of

paragraphs 1.4 , judicial review and the appeal provisions in the Act, its rulings shall be final.

- 1.4 If an applicant issuer or director in respect of whom a decision (other than a decision in respect of which a specific appeal or review procedure is prescribed in these Listings Requirements, the Rules of the LuSE and the Act, or any replacement legislation) is taken under these Listings Requirements objects to such decision, such person must notify the LuSE in writing within 48 hours of the decision giving reasons for such objection. In such event the LuSE shall consider the objection and shall be entitled, in its sole discretion, to consult with not less than two independent members of the Listing Committee. After taking into account the views of those independent members, the LuSE shall be entitled to reconsider and change, amend or vary its decision. A decision of the LuSE made after following this procedure will be final.**
- 1.5 Subject to the provisions of the Act, if the LuSE decides, at its instance, to terminate a listing, and the issuer concerned objects to this decision, then the issuer may appeal to the Commission in writing within 48 hours of the decision giving reasons for such objection.**

Suspension of securities

Suspension initiated by the LuSE

- 1.6 The LuSE may, subject to the Act or any other written law, and if either of the following applies:
- (a) if it will further one or more of the objects contained in the Act, which may also include, if it is in the public interest to do so; or
 - (b) if the applicant issuer has failed to comply with the Listings Requirements and it is in the public interest to do so
- suspend the listing of securities of an applicant issuer and impose such conditions as it may in the circumstances deem appropriate for the lifting of such suspension.
- 1.7 When the listing of securities of an issuer is under threat of suspension, the affected issuer shall be given the opportunity of making written representations to the LuSE in support of the continued listing of such securities prior to the LuSE making any decision to suspend such listing.
- 1.8 If a listing is suspended and the affected issuer fails to take adequate action to enable the LuSE to reinstate the listing within a reasonable period of time, the LuSE may terminate the listing in accordance with the procedure set out below.

Suspension at the request of the issuer

- 1.9 The LuSE may suspend a listing of securities in the following circumstances:
- (a) where an issuer is placed under receivership or a petition for winding up of the Issuer has been presented or a resolution to windup the issuer has been passed; or
 - (b) where a written request is made by a/the director(s) of an issuer and it is apparent that there are two levels of information in the market and the LuSE considers that this situation cannot be remedied by the immediate publication of an announcement to clarify the situation.

Continuing obligations of issuers in relation to suspensions

- 1.10 If an issuer's securities are suspended, it must, unless the LuSE decides otherwise:**
- (a) continue to comply with all the Listings Requirements applicable to it;**
 - (b) submit to the LuSE a monthly progress report pertaining to the current state of affairs of the issuer and any action proposed to be taken by the issuer in order to have the listing reinstated; and**
 - (c) advise the holders of securities on a quarterly basis concerning the current state of affairs of the issuer and any action proposed by the issuer in order to have the listing reinstated, including the date on which the suspension is expected to be lifted.**

Termination of securities

Termination initiated by the LuSE

- 1.11 The LuSE may, subject to the Act, and if one of the following applies:**
- (a) if it is of the opinion that it is in the public interest to do so; or**
 - (b) if the issuer has failed to comply with the Listings Requirements and it is in the public interest to do so**
- remove from the List any securities previously included therein; provided that the listing of such securities shall first have been suspended in accordance with the above provisions.**
- 1.12 When a listing of securities is under threat of termination, the affected issuer shall be given the opportunity of making representations, in writing, to the LuSE in support of the continued listing of such securities, prior to the LuSE making any decision to terminate such listing.

Termination at the request of the issuer

- 1.13 An issuer may make written application to the LuSE for a deletion of any of its securities from the List, stating from which time and date it wishes the deletion to be effective. The LuSE may grant the request for termination, provided paragraphs 1.14 and 1.15 are properly complied with and perfected.
- 1.14 Prior to being able to effect paragraph 1.13 an issuer must send a circular to the holders of its securities complying not only with the requirements of paragraph 11.1 (contents of all circulars) but also with the following:**
- (a) where the issuer is a listed company, approval must be obtained from shareholders in general meeting for the termination of the listing prior to the issuer making written application for such removal;**
 - (b) the reasons for termination must be clearly stated;**
 - (c) an offer (which must be fair in terms of paragraph 1.14(d)) must be made to all holders of listed securities with terms and conditions provided in full; and**
 - (d) a statement must be included by the board of directors confirming that the offer is fair insofar as the shareholders (excluding any related party/ies) of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to the**

LuSE. The board of directors must obtain a fairness opinion (which must be included in the circular) prepared in accordance with Schedule 5 before making this statement.

- 1.15 Where approval is required in terms of paragraph 1.14(a), more than 50% of the votes of all shareholders present or represented by proxy at the general meeting, excluding any controlling shareholder, its associates and any party acting in concert, and any other party which the LuSE deems appropriate, must be cast in favour of such resolution unless the LuSE otherwise decides.**
- 1.16 Shareholder approval for the termination of the listing need not be sought, and a circular need not be sent to the holders of securities where the listing of such securities is intended to be terminated:**
- (a) following a take-over offer, and notice has been given by the offeror of its intention to cancel the listing of the securities (in these circumstances) in the initial offer document or any subsequent circular sent to holders of securities; or**
 - (b) upon or following the completion of any transaction in connection with which a circular has been sent to holders of securities containing notice of the intention to terminate the listing of the securities on or after the completion of the transaction, and in which shareholders are provided with the opportunity to vote on the termination in accordance with paragraph 1.15.**

Redemption either wholly or in part and removal from the List of redeemable preference shares

- 1.17** Written application for the removal of redeemable preference shares or the corresponding portion thereof from the List as and from the appropriate date must be made to the LuSE at least 30 days before the date of redemption and in accordance with the relevant timetable in Schedule 24.
- 1.18** The application must be accompanied by a copy of the proposed announcement and/or circular to be published and/or sent to the redeemable preference shareholders notifying them of the redemption.

Annual revision of the List

- 1.19** All listings shall be revised by the LuSE annually after receipt by the LuSE of a certificate from each applicant issuer complying with Schedule 18 (“the certificate”), by not later than 31 January in each year (“the due date”). If the certificate is not received by the LuSE on or before the due date:
- (a) on the day following the due date, a letter of reminder will be sent by registered post or facsimile to the applicant issuer requesting that it rectifies the situation and advising that it has been granted a period of 14 days, from the date of such reminder, in which to provide the LuSE with the certificate, failing which the applicant issuer must make written representations to the LuSE within 7 days thereafter as to why the securities should not be suspended and subsequently terminated (in terms of paragraph 1.11);**
 - (b) failing compliance within 14 days of despatch of the reminder to the issuer, the LuSE will publish an announcement informing holders of securities that the issuer has not provided the LuSE with the certificate,**

and cautioning holders that the listing of the securities concerned are under threat of suspension and possible termination;

- (c) on the date of publication of the announcement, the listing of the relevant securities will be annotated on the LuSE trading system with an “R” to indicate that it has failed to provide the LuSE with the certificate timeously;
- (d) the issuer will be invoiced the cost of publication of the press announcement, which invoice will be payable on presentation; and
- (e) if the certificate is not submitted and the representations received in terms of paragraph 1.19(a) are not satisfactory, the listing of the relevant securities will be suspended and the lifting of the suspension will only be effected upon receipt of the certificate by the LuSE.

Censure and penalties

1.20 Where the LuSE finds that an applicant issuer or any of an applicant issuer’s director(s) has contravened or failed to adhere to the provisions of the Listings Requirements, the LuSE may, in accordance with the provisions of the Act and without derogating from its powers of suspension and/or termination:

- (a) censure the applicant issuer and/or applicant issuer’s directors, individually or jointly, by means of private censure; or
- (b) censure the applicant issuer and/or the applicant issuer’s directors, individually or jointly, by means of public censure;
- (c) in the instance of either 1.20(a) or (b), impose a fine on the applicant issuer and/or the applicant issuer’s directors, individually or jointly;
- (d) disqualify recognition of an applicant issuer’s director from holding the office of a director of a listed company for any period of time; and/or
- (e) order the payment of compensation to any person prejudiced by the contravention or failure.

1.21 In the event that an applicant issuer or any of an applicant issuer’s director(s) contravenes or fails to adhere to the provisions of the Listings Requirements, the LuSE may elect in its discretion, that

- (a) **full particulars regarding the imposition of a fine may be published in the national newspapers or through SENS; and/or**
- (b) **an investigation or hearing be convened and the applicant issuer or any of the applicant issuer’s director(s) pay the costs incurred in relation to such investigation or hearing.**

1.22 **Unless the LuSE considers that the maintenance of the smooth operation of the market or the protection of investors otherwise requires, the LuSE will give advance notice to the parties involved of any action that it proposes to take under paragraphs 1.20 and 1.21, and will provide them with an opportunity to make written representations to the LuSE.**

1.23 **The whole or any part of the fines issued in terms of paragraph 1.20 will be appropriated as follows:**

- (a) **the settlement of any costs incurred by the LuSE in enforcing the provisions of the Listings Requirements; and/or**
- (b) **the allocation to a fund administered by the LuSE to further one or**

more of the objects contained in the

Act. Power to require information

- 1.24 The LuSE may, in accordance with the Act, require an applicant issuer to disclose to it, within a period specified by it, such information at the applicant issuer's disposal as the LuSE may determine, save to the extent that the issuer has obtained a court order excusing it from such disclosure. The LuSE may request that a copy of such order be delivered to it. If the LuSE is satisfied, after such applicant issuer has had an opportunity of making representations to it, that the disclosure of that information to the registered holders of the securities in question will be in the public interest, it may by notice in writing require such applicant issuer to publicly disclose that information within the period specified in the notice.
- 1.25 The LuSE may require an applicant issuer to provide for the publication or dissemination of any further information not specified in the Listings Requirements in such form and within such time limits, as it considers appropriate. The applicant issuer must comply with such requirement and, if it fails to do so, the LuSE may publish the information after having heard representations from the applicant issuer or after having granted the applicant issuer the opportunity to make such representations.

Publication

- 1.26 Without derogating from any other powers of publication referred to in these Listings Requirements, the LuSE may, in its absolute discretion and in such manner as it may deem fit, state or announce that it has:
- (a) investigated dealings in a listed security;
 - (b) censured an applicant issuer;
 - (c) **censured an applicant issuer's director(s);**
 - (d) suspended the listing of any security;
 - (e) terminated the listing of any security;
 - (f) **imposed a fine on an applicant issuer;**
 - (g) **imposed a fine on an applicant issuer's director(s); and/or**
 - (h) **advised that in its opinion the retention of office as a director of any applicant issuer's director(s), who shall be named, is prejudicial to the interests of investors.**
- 1.27 In a statement or announcement referred to in paragraph 1.26, the LuSE may give the reasons for such investigation, censure, suspension, termination or fine as the case may be and, in the case of an investigation, so much of the LuSE's conclusions or findings as it may, in its absolute discretion, deem necessary.
- 1.28 No applicant issuer or its directors, officers or holders of securities, including nominees, shall have any cause of action against the LuSE, or against any person employed by the LuSE, for damages arising out of any statement or announcement made in terms of paragraph 1.26, unless such publication was made either grossly negligently or with willful intent.

Section 2

Sponsoring Brokers

Scope of section

This section sets out the requirements relating to sponsoring brokers.

Sponsoring Brokers will be companies licensed by the Commission as dealers and admitted by the LuSE as members in terms of the LuSE Rules. Such sponsoring brokers must undertake to the LuSE that they accept certain responsibilities. These responsibilities are detailed in Section 2 and Schedule 16 of the Listings Requirements. The responsibilities of a sponsoring broker appointed by an applicant issuer are twofold, namely:

- (a) to assist applicant issuers with applications for listing which require the production of listing particulars and/or other relevant documentation; and
- (b) to provide advice on a continuing basis regarding the application of the Listings Requirements, including the application of the spirit of the Listings Requirements and upholding the integrity of the LuSE, and in particular, the continuing obligations set out in Section 3.

Only sponsoring brokers recorded on the LuSE's Register of Sponsoring Brokers may act as sponsoring brokers.

The main headings of this section are:

- 2.1 Qualifications
- 2.2 Appointment
- 2.7 Responsibilities of a sponsoring broker
- 2.13 Direct access
- 2.17 Disciplinary action

Qualifications

2.1 In order for a person to become a sponsoring broker and to perform its responsibilities in accordance with the Listings Requirements, it must:

- (a) **be a holder of a dealer's licence issued under the Act**
- (b) **be a member of the LuSE in accordance with LuSE Rules**
- (c) **have paid the necessary fees as may be payable to the LuSE pursuant to LuSE membership.**

The authority to act as a sponsoring broker will be reviewed on an annual basis in accordance with the provisions of Schedule 16.

Appointment

2.2 An applicant issuer is required to have an appointed sponsoring broker at all times.

2.3 A joint sponsoring broker is required to be appointed:

- (a) **where the sponsoring broker is also the applicant issuer;**
- (b) **where the sponsoring broker is a subsidiary or associate of the**

applicant issuer;

- (c) where the LuSE, in respect of any transaction, deems it necessary to appoint a joint sponsoring broker; or.
- (d) where the sponsoring broker is not independent in terms of Schedule 16.

- 2.4 Where a joint sponsoring broker is required to be appointed in terms of paragraph 2.3, such appointed joint sponsoring broker shall be the lead sponsoring broker of the applicant issuer. Where an applicant issuer has appointed more than one sponsoring broker, the applicant issuer must appoint one of the sponsoring brokers as the lead sponsoring broker. The lead sponsoring broker must be identified as such in all communication with holders of securities and to the public.
- 2.5 Where a sponsoring broker other than an applicant issuer's appointed sponsoring broker initiates a specific transaction for the applicant issuer, such sponsoring broker may be appointed as joint sponsoring broker for that transaction. In such a case, one of the joint sponsoring brokers must be appointed as lead sponsoring broker.
- 2.6 An applicant issuer must advise the LuSE in writing (providing a copy to the sponsoring broker) of the appointment, resignation or dismissal of any sponsoring broker. Where a sponsoring broker is dismissed or resigns, the applicant issuer and the sponsoring broker must immediately inform the LuSE separately in writing of the reason for the dismissal or resignation. In such a situation, the applicant issuer has 30 days to appoint a new sponsoring broker from the date of dismissal or resignation of the sponsoring broker, unless the LuSE decides otherwise. Failure to comply with this requirement may result in disciplinary action being taken in terms of the Listings Requirements.

Responsibilities of a sponsoring broker

Nature of responsibilities

- 2.7 The responsibilities of a sponsoring broker are contained in Schedule 16 and in paragraphs 2.8 to 2.12. Failure to carry out these responsibilities may result in the LuSE taking one or more of the steps referred to in paragraph 2.17.
- 2.8 A sponsoring broker, or in the case of more than one sponsoring broker, the lead sponsoring broker (as contemplated in paragraph 2.4) must:
- (a) at the date of first submission of any documentation, submit a confirmation in the form set out in Schedule 17 to the LuSE;
 - (b) provide to the LuSE any information or explanation known to it in such form and within such time limit as the LuSE may reasonably require for the purpose of verifying whether the Listings Requirements are being and have been complied with by it or by an applicant issuer;
 - (c) submit all documentation required in terms of paragraph 16.2 to the LuSE, ensuring that such announcements and documents (excluding all periodic financial announcements and the annual financial statements), in both principle and content, are in compliance with the Listings Requirements. The sponsoring broker must obtain confirmation, preferably in writing, from applicant issuers in respect of periodic financial announcements and annual financial statements that such announcements and documents have been prepared in

compliance with the Listings Requirements. All first submissions, together with the required checklist as contained in the Appendix to Section 16, must be signed by at least one of the approved executives of the sponsoring broker;

- (d) ensure that the applicant issuer is guided and advised as to the application of the Listings Requirements, including the application of the spirit of the Listings Requirements and upholding the integrity of the LuSE;**
- (e) manage the submission of all documentation to the LuSE and ensure its completeness and correctness before submission;**
- (f) satisfy itself as to the credentials of the reporting accountants, auditors, competent persons, valuers, providers of fairness opinions, and any other party deemed necessary by the LuSE;**
- (g) carry out any activities so requested by the LuSE;**
- (h) discharge its responsibilities with due care and skill; and**
- (i) prior to the submission of any documentation that requires approval by the LuSE, satisfy itself, to the best of its knowledge and belief, having made due and careful enquiry of the applicant issuer and its advisers:
 - (i) about the matters described in paragraphs 2.9 to 2.12; and**
 - (ii) that there are no material matters, other than those disclosed in writing to the LuSE, that should be taken into account by the LuSE in considering the submission.****

Directors

- 2.9 The sponsoring broker must be satisfied that the directors of new applicants and newly appointed directors of issuers:
- (a) have completed and submitted the directors' declaration as set out in Schedule 21;**
 - (b) have had explained to them by the sponsoring broker the nature of their responsibilities and obligations arising from the Listings Requirements; and**
 - (c) in particular, understand what is required of them to enable holders of securities and the public to be able to appraise the position of an applicant issuer on an ongoing basis and to avoid the creation of a false market in the applicant issuer's securities once they are listed.**

Financial reporting procedures

- 2.10 Before the application for a new listing is made, or in the event of a sponsoring broker accepting appointment to act as such to an issuer, the sponsoring broker must report to the LuSE in writing that it has obtained written confirmation from the applicant issuer that the directors have established suitable information communication procedures providing for a flow of information that provides a reasonable basis for the directors to make proper judgements as to the financial position and prospects of the issuer and its group.

Profit forecast

- 2.11 Where a profit forecast or estimate is required and produced in accordance with paragraphs 8.35 to 8.44, the sponsoring broker must report in writing to the

LuSE that it has made due and careful enquiry of the issuer's board of directors that the profit forecast or estimate has been properly prepared.

Working capital statement

- 2.12** Where an issuer prepares listing particulars, or any circular or communication to holders of securities that require a working capital statement, the sponsoring broker must report to the LuSE in writing that it has discharged all of its responsibilities in terms of Schedule 25.

Direct access

- 2.13** A sponsoring broker must be present at all formal discussions held between the LuSE and an applicant issuer.
- 2.14** Notwithstanding the provisions of this section, the LuSE may, in appropriate circumstances, communicate directly with the applicant issuer or with an adviser of the applicant issuer, in addition to its sponsoring broker, to discuss matters of principle and/or the interpretation of the Listings Requirements.
- 2.15** Where discussions take place without the sponsoring broker being involved, the applicant issuer or adviser concerned must ensure that the sponsoring broker is informed (preferably in writing) of the matters discussed as soon as practicable.
- 2.16** Any information to be released through SENS will not be released until consent has been received from the sponsoring broker.

Disciplinary action

- 2.17** If the LuSE determines, after taking account of written representations, that a sponsoring broker has breached any of its responsibilities under the Listings Requirements the LuSE is entitled to take any one or more of the following actions:
- (a) censure the sponsoring broker;
 - (b) remove the sponsoring broker from the Register of Sponsoring Brokers maintained by the LuSE;
 - (c) impose a penalty
 - (d) publish details of the action it has taken and the reasons for that action.
- 2.18** Where the LuSE has decided to take any action described in paragraph 2.17(b), the sponsoring broker shall be entitled to request that the decision be taken on appeal to the commission.
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Section 3 Continuing Obligations

Scope of section

This section sets out certain of the continuing obligations that an issuer is required to observe once any of its securities have been admitted to listing. Additional continuing obligations are set out in the following sections:

- Section 8 Financial Information
- Section 9 Transactions
- Section 10 Transactions with Related Parties
- Section 11 Circulars and Announcements
- Section 16 Documents to be submitted to the LuSE
- Section 18 Dual Listings and Listings by Overseas Companies

Additional and/or alternative continuing obligations applicable to special classes of issuer are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 14 (Pyramid Companies), Section 15 (Investment Entities) and Section 19 (Specialist Securities), respectively. Observance of continuing obligations is essential for the maintenance of an orderly market in securities and to ensure that all users of the market have simultaneous access to the same information. Failure by an issuer to comply with any applicable continuing obligation may result in the LuSE taking any or all of the steps described in Section 1.

The main headings of this section are:

- 3.1 Compliance with the Listings Requirements
- 3.4 General obligation of disclosure
- 3.11 Disclosure of periodic financial information
- 3.26 Cash companies (“cash companies” or “cash shells”)
- 3.27 Rights between holders of securities
- 3.34 Profit warranties
- 3.35 Issues by subsidiaries other than on listing
- 3.37 Shareholder spread
- 3.44 Communication with holders of securities
- 3.59 Directors
- 3.75 Auditors
- 3.80 Miscellaneous obligations

Compliance with the Listings Requirements

- 3.1 Every issuer whose securities are listed shall comply with the Listings Requirements.
- 3.2(a) Where there is an overlap of application between the Listings Requirements and any other requirements or dispensations that may be required by or granted in terms of any law, or by any statutory body or organ such as the Commission or the Registrar of Companies, an issuer must, notwithstanding such other requirements or dispensations, nonetheless comply with the Listings Requirements.
 - (b) The provisions of paragraph 4.28(d) must be complied with on an ongoing

basis.

- 3.3 An issuer is required to have an appointed sponsoring broker at all times and all necessary correspondence between an issuer and the LuSE must be communicated through the sponsoring broker of the issuer.

General obligation of disclosure

- 3.4 (a) The following provisions apply in respect of material price sensitive information:

With the exception of trading statements, an issuer must, without delay, unless the information is kept confidential for a limited period of time in terms of paragraph 3.6, release an announcement providing details of any development(s) in such issuer's sphere of activity that is/are not public knowledge and which may, by virtue of its/their effect(s), lead to material movements of the reference price of such issuer's listed securities.

Save where otherwise expressly provided, the requirements of this paragraph are in addition to any specific requirements regarding obligations of disclosure contained in the Listings Requirements.

(b) Trading statements

All issuers, other than those who publish quarterly results, must comply with the detailed requirements of paragraph 3.4(b)(i) to (vi). Issuers with a policy of publishing quarterly results must comply with the general principles contained in paragraph 3.4(b)(vii), but may also elect to comply with paragraph 3.4(b)(i) to (vi) on a voluntary basis.

- (i) **Issuers must publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists (refer to 3.4(b)(ii)) that the financial results (refer to 3.4(b)(v)) for the period to be reported upon next will differ by at least 20% from the most recent of the following (collectively referred to as the "base information"):**

- (1) the financial results for the previous corresponding period; or**
- (2) a profit forecast (in terms of paragraphs 8.35 to 8.44) previously provided to the market in relation to such period.**

Issuers may publish a trading statement if the differences referred to in 3.4(b)(i) are less than 20% but which are viewed by the issuer as being important enough to be made the subject of a trading statement.

- (ii) **The determination of a reasonable degree of certainty in terms of 3.4(b)(i) is a judgmental decision which has to be taken by the issuer and its directors and is one in which the LuSE does not involve itself. This determination may differ from issuer to issuer depending on the nature of business and the factors to which they are exposed.**
- (iii) **Trading statements must provide specific guidance by the inclusion of a specific number or percentage to describe the differences. Issuers will also be permitted to use ranges (i.e. XYZ is expecting an increase of between 15% and 25%) to describe the differences. Where an issuer elects to use a range, the range may not exceed 20% (e.g. 20% to 40%, 25% to 45%)**

etc). If, after publication of a trading statement but before publication of the relevant periodic financial results, an issuer becomes reasonably certain that their previously published number, percentage or range in the trading statement is no longer correct, then the issuer must publish another trading statement providing the revised number, percentage or range in accordance with paragraph 3.4(b).

- (iv) In light of the existing Listings Requirements' definitions of "significant", "material" and "substantial", these words may not be used in trading statements because to do so would imply a range differing from that permitted in terms of 3.4(b)(i) (i.e. more than 20%).
- (v) Financial results in terms of 3.4(b)(i) are relevant criteria that are of a price sensitive nature which, in the first instance, comprise headline earnings per share ("heps") and earnings per share ("eps"), and, in the second instance, and only if more relevant (because of the nature of the issuer's business) net asset value per share ("navps"). If an issuer wishes to adopt navps, it must announce on SENS, in advance of the first period ending which uses such navps, that it will be adopting navps for trading statement purposes. Thereafter, such policy adoption must be confirmed annually in the annual financial statements.
- (vi) In the event of an issuer publishing a trading statement, such issuer must either:
 - (1) produce and submit to the LuSE a profit forecast or estimate, and accountants report thereon in compliance with paragraphs 8.35 to 8.44 and 8.48 (c); or
 - (2) include a statement (which is not deemed to be a cautionary statement and which does not give rise to the commencement of a closed period) in the trading statement advising securities holders that the forecast financial information has not been reviewed and reported on by the issuer's auditors either in accordance 3.4(b)(vi)(1)(aa) or 3.4(b)(1)(vi)(bb).
- (vii) Issuers who have a policy of publishing quarterly results will be exempt from the provisions of 3.4 (b)(i)-(vi) but must instead include a general commentary in each quarterly results announcement to ensure that shareholders are guided on the expected performance of the issuer for the next quarter (which may be as detailed or broad as the issuer chooses). Such guidance is exempt from compliance with paragraphs 8.35 to 8.44 of the Listings Requirements.
- (viii) Property entities can elect to adopt distribution per listed security as their relevant measure of financial results in terms of 3.4(b)(v) provided that they
 - (1) follow the procedures set out in 3.4(b)(v) for adopting a different relevant measure for financial results; and
 - (2) issue a trading statement if the financial results for the period to be reported on will differ by at least 15% from

the base information, as opposed to the 20% referred to in 3.4(b)(i).

Confidentiality

- 3.5 Information that is required to be announced in terms of paragraph 3.4 or any other Listings Requirement, including price sensitive information, may not, subject to paragraphs 3.6 to 3.8, be released (even subject to a time embargo) to any third party (which for the purposes of clarity, includes, inter alia, an analyst, the media (including the Internet) or a printer (unless there is a confidentiality agreement in place with such printer)):
- (a) during LuSE trading hours (as defined in Schedule 19), until such time as such information has been published in accordance with paragraph 8 of Schedule 19; or
 - (b) outside of LuSE trading hours until such time as such information has been authenticated and, if necessary, approved (in accordance with paragraphs 6 and 7 of Schedule 19), and arrangements have been made for such information to be published before the next business day's opening of LuSE trading hours.
- 3.6 An issuer may provide price sensitive information in the strictest confidence to its sponsoring brokers, advisers and/or any person(s) with whom it is negotiating with a view to effecting a transaction or raising finance; which persons may include prospective underwriters of an issue of securities, providers of funds or loans or potential placees of the balance of a rights issue not taken up by shareholders. In such cases, the issuer must advise, in writing, the recipients of such information that it is confidential and constitutes inside information as defined in the Act.
- 3.7 Price sensitive information required by and provided in confidence to, any government department, the Bank of Zambia or any other statutory or regulatory body or authority need not be published, unless there is a breach of confidentiality and the market is made aware of such information, in which event the issuer must immediately announce details of such information.
- 3.8 When an issuer intends to release price sensitive information at any meeting of holders of listed securities, arrangements must be made for the publication of such information to ensure that the announcement of such information at the meeting is made simultaneously with the publication through SENS in accordance with Schedule 19. If any price sensitive information is disclosed in an unplanned manner during the course of a meeting of holders of listed securities, immediate steps must be taken for an appropriate announcement to be made containing such price sensitive information.

Cautionary announcements

- 3.9 Immediately after an issuer acquires knowledge of any material price sensitive information and the necessary degree of confidentiality of such information cannot be maintained or if the issuer suspects that confidentiality has or may have been breached, an issuer must publish a cautionary announcement (complying with paragraph 11.40). An issuer that has published a cautionary announcement must provide updates thereon in the required manner and within the time limits prescribed in paragraph 11.41.

Exception

- 3.10 If the directors of an issuer consider that disclosure to the public of information in accordance with paragraph 3.4 will or probably will prejudice the issuer's legitimate interests the LuSE, may grant a dispensation from the requirement to make such information public.

Disclosure of periodic financial information

Dividends and interest

- 3.11 The declaration of dividends, interest and other similar payments ("distribution payments") by an applicant issuer should immediately be announced.
- 3.12 If an applicant 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.
- 3.13 An issuer declaring a final dividend prior to the publication of its annual financial statements or provisional report must ensure that the dividend notice announced and given to shareholders contains a statement of the calculated or estimated consolidated profits before taxation of the issuer's group for the year, including particulars of any amounts not comprising current year income appropriated to provide wholly or partly for such dividend.
- 3.14 The announcement required in terms of paragraph 3.11 must be in accordance with Schedule 24.

Interim and quarterly reports

- 3.15 Interim reports shall be published and distributed to shareholders after the expiration of the first six month period of a financial year, by no later than three months after that date. Where the financial period covers more than 12 months, interim reports shall be distributed in respect of the first six month periods (as well as complying with the Act). In the case of issuers that report to shareholders on a quarterly basis, the quarterly reports shall be published in accordance with the Appendix to Section 11 as soon as possible after the expiration of each quarter (such issuers must still comply with the provision of this paragraph in respect of interim reports). Interim reports must comply with IFRS

Provisional reports

- 3.16 If an issuer has not distributed annual financial statements to all shareholders within three months of its financial year end, it must publish and distribute to all holders of securities provisional annual financial statements ("provisional reports") within the three months as specified, even if the financial information is unaudited at that time. The provisional reports are to be prepared in accordance with paragraphs 3.15 and 8.57 to 8.61. Where the provisional report has been audited the announcement must state that the signed audit report is available for inspection at the issuer's registered office. Although the audit report of the auditors need not be included in the provisional report, if such report is modified, details of the nature of such modification shall also be stated therein.**

Procedure for non-compliance

- 3.17 Where an issuer fails to comply with paragraphs 3.15 and/or 3.16:
- (a) on the day following the due date of issue of the listed company's interim/provisional report, a letter of reminder will be sent by registered

post or facsimile to the listed company requesting that it rectify the situation and advising that it has been granted a period of one month, from the date of such reminder, in which to issue its interim/provisional report, failing which the issuer's listing will be suspended and a meeting of the LuSE will be convened to consider the continued suspension or termination of the issuer's listing;

- (b) failing compliance within 14 days of dispatch of the reminder to the listed company, the LuSE will release an announcement through SENS informing holders of securities that the issuer has not issued its interim/provisional report and cautioning shareholders that the issuer's listing of securities is under threat of suspension and possible termination;
- (c) on the date of the announcement, the issuer's listing will be annotated on the LuSE trading system with a "RE" to indicate that it has failed to submit its interim/provisional report timeously;
- (d) where the listing is suspended, the lifting of the suspension will only be effected upon receipt by the LuSE of the issuer's interim/provisional report, and the LuSE is satisfied that the interim/provisional report complies with IFRS.

Requirement for review by auditors

3.18 The following provisions apply in respect of unaudited interim reports, unaudited quarterly reports and unaudited provisional reports:

- (a) subject to 3.18(b), unaudited interim reports are not required to be reviewed by an issuer's auditors;
- (b) unaudited interim reports shall be reviewed by an issuer's auditors if the issuer's auditors disclaimed, qualified or gave an adverse opinion in the issuer's last annual financial statements, unless the LuSE otherwise decides;
- (c) unaudited provisional reports shall be reviewed by an issuer's auditors;
- (d) unaudited quarterly reports are not required to be reviewed by an issuer's auditors, unless otherwise requested by the LuSE;
- (e) if an interim or provisional report has been reviewed by auditors, this fact and the name of the auditors shall be stated in the published interim or provisional report. Although the report of the auditors need not be included in the published interim or provisional report, if such report is modified, details of the nature of such modification shall also be stated therein. If the report of the auditors is not included in the published interim or provisional report, it shall state that the report of the auditors is available for inspection at the issuer's registered office;
- (g) if during the course of a review of a provisional report, the auditors become aware of any unresolved matter that could result in an emphasis of matter or a qualified, adverse or disclaimer of opinion in the annual financial statements for the period under review, that fact and the nature thereof shall be stated; and
- (h) where the financial period covers more than 12 months and interim reports are distributed in accordance with paragraph 3.15, a review opinion must be obtained for the second six month period.

Annual financial statements

3.19 Every issuer shall, within three months after the end of each financial year and at least twenty-one clear days before the date of the annual general meeting,

distribute to all holders of securities and submit to the LuSE in accordance with paragraph 16.21:

- (a) a notice of the annual general meeting; and
 - (b) the annual financial statements for the relevant financial year, which financial statements will have been reported on by the issuer's auditors.
- 3.20 Where annual financial statements have not been distributed to holders of securities within three months of its financial year end, the issuer must distribute and publish a provisional report as detailed in paragraph 3.16.
- 3.21 An issuer's annual financial statements must be sent to the issuer's holders of securities and 20 copies sent to the LuSE once they are issued. At the same time an abridged version of such annual financial statements ("abridged report"), complying with paragraphs 8.57 to 8.61, must be published. Although the audit report of the auditors need not be included in the abridged report, if such report is modified, details of the nature of such modification shall also be stated therein.
- 3.22 Any annual financial information published voluntarily by an issuer in advance of being required to do so in terms of paragraphs 3.20 or 3.21 must, at a minimum, be reviewed by the issuer's auditors and must comply with paragraphs 8.57 to 8.61 in respect of disclosure ("preliminary report"). In this event the name of the auditors shall be stated in the preliminary report. Although the review/audit report of the auditors need not be included in the preliminary report, if such report is modified, details of the nature of such modification shall also be stated therein. If the review/audit report of the auditors is not included in the preliminary report, it shall state that the report of the auditors is available for inspection at the issuer's registered office. If an issuer has published a preliminary report, then, at the date of issue of its annual financial statements; such issuer must either comply with paragraph 3.21, or publish an announcement stating that it has issued its annual financial statements and that it is not publishing an abridged report as the information previously published in the preliminary report is unchanged.

Procedure for non-compliance

- 3.23 The following procedure shall apply to an issuer that fails to comply with paragraph 3.19 above:
- (a) two months after the issuer's financial year end, the LuSE will send to the issuer a letter of reminder by registered post, or facsimile, advising that the issuer still has one month within which to submit its annual financial statements, failing which its listing may be suspended until such time as the annual financial statements have been submitted;
 - (b) three months after the listed company's financial year end, the company's listing will be annotated on the LuSE trading system with a "RE" to indicate that it has failed to submit its annual financial statements timeously;
 - (c) the LuSE will release an announcement over SENS informing holders of securities that the issuer has not submitted its annual financial statements and will caution holders of securities that the listing of the issuer's securities is under threat of suspension and possible termination;
 - (d) if the issuer has not complied with paragraph 3.19 by the end of the fourth month after its financial year end, the issuer's listing will be suspended and a meeting of the LuSE will be convened to consider the continued suspension or termination of the issuer's listing;

- (e) the issuer's suspension will be lifted after the LuSE receives the issuer's annual financial statements, and the LuSE is satisfied that these annual financial statements comply with IFRS,
- 3.24 Discretionary authority shall vest with the LuSE to waive the requirement for suspension of an issuer's listing where it has not submitted its annual financial statements timeously.

Modified auditors' opinions

- 3.25 The following procedure shall prevail where a modified auditors' report has been issued on an issuer's annual financial statements:
- (a) When the auditors' report on the annual financial statements of an issuer contains an emphasis of matter paragraph this will be announced through SENS, and the issuer's listing on the LuSE trading system will be annotated with an "E" to indicate that the auditors' report contains an emphasis of matter paragraph.
 - (b) When the auditors' report on the annual financial statements of an issuer is qualified this will be announced through SENS by the LuSE, and the issuer's listing on the LuSE trading system will be annotated with a "Q" to indicate that the auditors' report is qualified.
 - (c) When the auditors' report on the annual financial statements of an issuer contains an adverse opinion this will be announced through SENS, and the issuer's listing on the LuSE trading system will be annotated with an "A" to indicate that the auditors' report contains an adverse opinion.
 - (d) When the auditors disclaim an opinion on the annual financial statements of an issuer:
 - (i) this will be announced through SENS, and the issuer's listing on the LuSE trading system will be annotated with a "D" to indicate that the auditors' report is disclaimed; and
 - (ii) a meeting of the LuSE will be convened to consider the continued listing, suspension and possible subsequent termination of the issuer's listing.

Cash companies ("cash companies" or "cash shells")

- 3.26 The following requirements apply to cash shells:
- (a) **Should the cash company, within six months after classification as a cash company, fail to enter into an agreement and make an announcement relating to the acquisition of viable assets that satisfy the conditions for listing set out in Section 4, its listing will be suspended.**
 - (b) **Failing approval by the LuSE, within a three month period from the date of suspension, of a circular relating to the acquisition of viable assets by the cash shell that satisfy the conditions for listing set out in Section 4, the cash company's listing will be terminated.**
 - (c) **Where a cash company is to be utilised for the reversal of assets into it:**
 - (i) **such cash company must comply with the Listings Requirements for bringing a company to listing; and**
 - (ii) **the reconstituted cash company must meet the conditions for listing as set out in Section 4.**

Rights between holders of securities

Equality of treatment

- 3.27 An issuer must ensure that all holders of any class of its securities that are in the same position, receive fair and equal treatment.

Voting rights

- 3.28 An issuer shall not issue any securities with voting rights differing from other securities of the same class.

Pre-emptive rights

- 3.29 Securities in each class for which listing is applied must rank *pari passu* in respect of all rights. It should be noted that a statement that 'securities in each class rank *pari passu*' is understood to mean that:
- (a) they are in all respects identical;
 - (b) they are of the same nominal value, and that the same amount per share has been paid up;
 - (c) they carry the same rights as to unrestricted transfer, attendance and voting at general/annual general meetings, and in all other respects; and
 - (d) they are entitled to dividends at the same rate and for the same period, so that at the next ensuing distribution the dividend payable on each share will be the same amount.
- 3.30 Subject to paragraphs 3.32 and 3.33, an issuer proposing to issue equity securities for cash must first offer those securities, effected by way of rights offer, to existing holders of equity securities in proportion to their existing holdings. Only to the extent that such securities are not taken up by holders of equity securities under the offer may they then be issued for cash to other persons or otherwise than in the proportion mentioned above.
- 3.31 To the extent permitted by the Registrar of Companies and subject to the prior approval of the LuSE, an issuer need not comply with paragraph 3.30 with respect to securities that the directors of the issuer consider necessary or expedient to be excluded from the offer because of legal impediments or because of compliance with the requirements of any regulatory body of any territory recognised as having import on the offer.

Waiver of pre-emptive rights

- 3.32 To the extent that holders of securities of an issuer provide their authorisation by way of resolution (determined in accordance with paragraph 5.51 (g) or 5.52 (e)), issues by an issuer of equity securities for cash made otherwise than to existing holders of securities in proportion to their existing holdings will be permitted in respect of a specific issue of equity securities for cash for such equity securities issue, and in respect of a general issue of equity securities for cash, for a fixed period of time thereafter in accordance with such general authority.
- 3.33 The LuSE may waive some or all of the requirements contained in paragraph 3.32 if it is satisfied that the conditions as stipulated in Schedule 13 exist.

Profit warranties

- 3.34** Where securities are the subject of a profit warranty, such securities may only be conditionally allotted and issued and shall be held in “escrow”. The conditions required for such profit warranty will only be regarded as having been met once the profit required has been achieved in terms of the profit warranty agreements and the issuer’s auditors have confirmed in writing to the LuSE that the conditions required have been met for the securities to be allotted and issued. Where such conditions are not met:
- (a) the conditional allotment and issue of the securities that were subject to such unfulfilled conditions shall be of no further force or effect; and
 - (b) no cash compensation may be made in order for the profit warranty to be achieved.

Issues by subsidiaries other than on listing

- 3.35 An issue of shares for cash in an unlisted subsidiary of an issuer must be categorised in accordance with the provisions of Section 9.
- 3.36 When an unlisted subsidiary of an issuer has a rights offer, and the issuer does not intend to follow its rights, then the rights offer must be categorised in accordance with the provisions of Section 9.

Shareholder spread

- 3.37 All issuers are required to ensure that a minimum percentage of each class of securities is held by the public as described in paragraphs 4.28 (e) and (f), 4.29 (f) (iv) and (v) or 4.30 (c) (iv) and (v) (“the minimum spread requirements”).
- 3.38 If the percentage of a class of securities held by the public does not comply with the minimum spread requirements the LuSE will allow a two 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), failing which the LuSE may suspend or terminate the listing of an issuer in accordance with Section 1.
- 3.39 No corporate action will be permitted that would reduce the percentage level of securities held by the public below the minimum spread requirements.
- 3.40 If any issuer does not comply with the minimum spread requirements, any application to list new securities will only be granted if, as a result of the issue, the issuer’s current spread will be improved.
- 3.41 Notwithstanding the above, the LuSE may allow a reduction in the minimum spread requirements if it considers such a reduction is in the best interests of the issuer and does not unduly prejudice investors, for example, in the case of a rescue situation.

Notification

- 3.42 An issuer must inform the LuSE in writing, without delay, when it becomes aware that the proportion of any class of listed securities in the hands of the public has fallen below the minimum spread requirements.
- 3.43 An issuer must disclose in its annual financial statements the following concerning its securities held by the public (as defined in paragraphs 4.25 to 4.27):
- (a) the number of public securities holders for every class of listed securities;
 - (b) the percentages of each class of securities held by public and non-public

securities holders; and

- (c) the disclosure for non-public securities holders must be analysed in accordance with the categories set out in paragraph 4.25 to 4.27.

Communication with holders of securities

Prescribed information to holders of securities

- 3.44 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:
- (a) inform holders of securities of the holding of meetings that they are entitled to attend;
 - (b) enable them to exercise their right to vote, where applicable; and
 - (c) release announcements and distribute circulars in terms of the Listings Requirements.

Announcements through SENS

- 3.45 All announcements that are to be made through SENS in accordance with the Appendix to Section 11 must be in English and conform with the specifications contained in the Appendix to Schedule 19.

Press announcements

- 3.46 Announcements requiring publication in the press in accordance with the Appendix to Section 11 must be published in English in a national daily English language newspaper and in one other official language in a national daily newspaper published in that other official language, provided that where no newspaper is published in that official language the announcement shall be published in another national newspaper acceptable to the LuSE. 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.
- 3.47 Where the registered office of an issuer is situated outside the Republic of Zambia, the requirements of Section 18 on Dual Listings and Listings by External Companies apply.
- 3.48 Announcements relating to pre listing statements or circulars must state in which other official languages, if any, they are printed and where such copies may be obtained.

Circulars and pre-listing statements

- 3.49 Circulars and pre listing statements must be printed in English and be distributed to all certificated holders and to those dematerialised beneficial holders of its securities who have elected to receive such documents at the cost of the issuer.
- 3.50 Provision must be made for the translation of circulars and pre listing statements into other official languages where deemed necessary by the LuSE or the issuer.

Transfer office or a receiving and certification office and Strate relationship

- 3.51 All issuers are required to:
- (a) with respect to the certificated environment, maintain a transfer office or a

receiving and certification office. All certifications must be completed within 24 hours of lodgement; and

- (b) with respect to the dematerialised environment, be included in the Register in terms of the Central Securities Depository Rules.

Proxy forms

- 3.52 A proxy form must be sent, together with the notice convening a meeting of holders of securities, to each person entitled to vote at such meeting who has elected to receive such documents.

Documents of title

- 3.53 Securities certificates and all other documents of title that need to be posted by issuers must be sent by registered post.

Temporary documents of title

- 3.54 Issuers may introduce “temporary documents of title” in Zambia provided that it is approved by LuSE
- 3.55 Issuers that have received such approval shall not place a time limit on the acceptance by them of any “temporary documents of title” for the purpose of issuing definitive securities certificates.
- 3.56 Issuers that have received such approval shall:
 - (a) cancel any securities certificates lodged with or being issued by them, and against which a “temporary document of title” has been issued, as soon as they are able to do so; and
 - (b) issue definitive securities certificates within 21 days after presentation to them of any “temporary document of title” duly signed and completed by the transferee.
- 3.57 Issuer shall not charge a fee for registration or transfer of its securities

Receipts

- 3.58 Only on request will receipts be issued for securities lodged with an issuer, whether for registration or otherwise.

Directors

- 3.59 An issuer, through its sponsoring broker, must notify the LuSE of any change to the board of directors or company secretary including:**
 - (a) the appointment of a new director or company secretary;**
 - (b) the resignation, removal, retirement or death of a director or of the company secretary; and/or**
 - (c) changes to any important functions or executive responsibilities of a director;**

without delay and no later than by the end of the business day following the decision or receipt of notice detailing the change. Such changes must be announced as soon as practically possible and also included in the issuer’s next publication of listing particulars, interim report or annual financial statements. Where a director retires and is re-appointed at an annual or other general meeting, no notification is required as this does not result in a change to the board of directors.

- 3.60** An issuer must submit to the LuSE and its sponsoring broker, the relevant director's declaration in respect of each of its appointed directors within 14 days of their appointment in the form specified in Schedule 21. The issuer must insure that each of the appointed directors is free of any conflict of interest between the duties he owes to the company and his private interest.
- 3.61** The notifications required by paragraph 3.59 must state the effective date of the change if it is not with immediate effect. If the effective date is not yet known or has not yet been determined the notification should state this fact and the issuer must notify the LuSE once the effective date has been determined.
- 3.62** All directors of issuers are bound by and must comply with the LuSE's Listings Requirements, as amended from time to time, in their capacities as directors, and in their personal capacities.

Dealing in Securities

For the purposes of paragraphs 3.63 to 3.74, reference to a director includes the company secretary.

- 3.63** An issuer, via its sponsoring broker, must announce the following information:
- (a) details of all transactions (including off market transactions) in securities relating to the issuer by or on behalf of:
 - (i) a director and company secretary (held directly, indirectly or beneficially) of the issuer;
 - (ii) a director and company secretary (held directly, indirectly or beneficially) of a major subsidiary company of the issuer;
 - (iii) any associate of 3.63 (a)(i) or (ii) above (collectively referred to for purposes of paragraphs 3.63 to 3.74 as "directors"); or
 - (iv) any independent entity, in terms of which, any party in paragraph 3.63(a)(i)–(iii) may derive any beneficial interest now or in the future; and
 - (b) such announcement shall contain the following information:
 - (i) the name of the director;
 - (ii) the name of the company of which he is a director;
 - (iii) the date on which the transaction was effected;
 - (iv) the price, number, total value and class of securities concerned;
 - (v) in the case of options or any other similar right or obligation, the option strike price, strike dates and periods of exercise and/or vesting;
 - (vi) the nature of the transaction;
 - (vii) the nature and the extent of the director's interest in the transaction; and
 - (viii) confirmation that clearance has been given in terms of paragraph 3.66.
- 3.64** "Transaction" includes any sale/purchase of/subscription for, agreement to sell/purchase/subscribe for or donations of, any securities relating to the issuer (including but not limited to warrants, single stock futures and other derivatives issued in respect of the issuer's securities) and the acceptance,

acquisition, disposal, and exercise of any option (including but not limited to options in terms of a share incentive/option scheme) 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.

- 3.65 The directors are required to disclose to the issuer all information that the issuer needs to comply with paragraph 3.63. The issuer shall also advise each of its directors of their obligations to disclose to it all information that the issuer needs in order to comply with paragraph 3.63. Any director who deals in securities relating to the issuer is required to disclose the information required by paragraph 3.63 to the issuer without delay, and in any event by no later than 24 hours after dealing. The issuer must in turn announce such information without delay and in any event by no later than 24 hours after receipt of such information from the director concerned.

Clearance to deal

- 3.66 A director may not deal in any securities relating to the issuer without first advising the chairman (or one or more other appropriate directors designated for this purpose) in advance and after receiving clearance from same. In his own case, the chairman, or other designated director, must advise the board in advance, or advise another designated director, and receive clearance from the board or designated director, as appropriate.

Circumstances for refusal

- 3.67 A director must not be given clearance (as required by paragraph 3.66) to deal in any securities relating to the issuer during a prohibited period. A “prohibited period” means:
- (a) a closed period;
 - (b) any period when there exists any matter, which constitutes unpublished price sensitive information in relation to the issuer’s securities (whether or not the director has knowledge of such matter).
- 3.68 A written record must be maintained by the issuer of the receipt of any advice received from a director pursuant to paragraph 3.66 and of any clearance given. Written confirmation from the issuer that such advice and clearance, if any, have been recorded must be given to the director concerned.

Dealing in prohibited periods

- 3.69 A director may not deal in any securities relating to the issuer during a closed period as defined.
- 3.70 Notwithstanding 3.69, a director may not deal in any securities relating to the issuer at any time when he/she is in possession of unpublished price sensitive information in relation to those securities, or otherwise where clearance to deal is not given in terms of paragraph 3.66.

Dealings by associates of directors and investment managers

- 3.71 A director must prohibit (by taking the steps set out in paragraphs 3.72 and 3.73) any dealing in securities relating to the issuer during a closed period:
- (a) by or on behalf of any associate of his/hers; and/or

- (b) by any investment manager dealing on his behalf or on behalf of any person associated with him/her where either he/she or any person associated with him/her has funds under management with that investment manager, whether or not on a discretionary basis.
- 3.72 For the purposes of paragraph 3.71, a director must advise all of his associates in writing:
 - (a) of the name(s) of the issuer(s) of which he is a director;
 - (b) of the closed periods during which they cannot deal in the specific issuer's securities; and that they must advise him immediately after they have dealt in securities relating to the issuer(s) in order for him to comply with paragraph 3.65.
- 3.73 For the purpose of 3.71, a director must advise his investment managers in writing:
 - (a) of the name(s) of the issuer(s) of which he is a director; and
 - (b) that they may not deal in any securities relating to issuer(s) of which he is a director unless they obtain his express consent in writing.
- 3.74 Paragraphs 3.63 to 3.73 do not override the provisions of the Act and should not be construed as additional defences or exclusions from having to comply with the Act. Issuers may impose more rigorous restrictions upon dealings by directors if they so wish, or if it is appropriate in certain circumstances.

Auditors

- 3.75 An issuer must notify the LuSE of:
 - (a) the termination of the appointment of the auditors, or
 - (b) the resignation of the auditors, without delay and no later than by the end of the business day following the decision by the issuer to terminate the appointment of the auditors or after receipt of the auditors' resignation.
- 3.76 The notification required by paragraph 3.75 must state the effective date of the termination or resignation, if it is not with immediate effect.
- 3.77 The notification required by paragraph 3.75 must be accompanied by a letter from the auditors stating the date of termination, what the auditors believe to be the reason for such termination or, in the case of resignation, the reason(s) for such resignation.
- 3.78 The LuSE may, at its sole discretion, request the company to publish an announcement informing shareholders of the termination of the auditors' appointment or resignation of the auditors and the reason(s) therefor.
- 3.79 The annual financial statements for the year ended in which the termination or resignation took place must state that the auditors' appointment was terminated or that the auditors resigned and the reason(s) therefor.

Miscellaneous obligations

Listing and other fees

- 3.80 An issuer must pay the listing and other fees, including its annual listing fee, as set out in Section 17, as soon as such payment becomes due. Failure to

pay any fees due may result in the censure of the issuer in terms of Section 1.

Companies listed on another exchange

- 3.81** An issuer whose securities are listed on any other exchange must ensure that equivalent information is made available at the same time to the market of each exchange on which the issuer's securities are listed, unless prohibited by or in terms of the rules or requirements of any other stock exchange. Refer to paragraph 10 of Schedule 19, and Section 18.

Information to be processed by the LuSE

- 3.82 Issuers must ensure that information that is provided to the LuSE for processing is the same as that provided to other parties such as transfer secretaries.

Disclosure of beneficial interests in securities

- 3.83** The issuer is to publish the beneficial interests of directors and major shareholders in its annual financial statements as required by paragraphs 8.63(d) and (f).

Corporate Governance

- 3.84** In addition to complying with paragraph 8.63(a), issuers must comply with the following specific requirements concerning corporate governance and must disclose their compliance therewith in their annual report:
- (a) there must be a policy detailing the procedures for appointments to the board. Such appointments must be formal and transparent, and a matter for the board as a whole, assisted where appropriate by a nomination committee. The nomination committee must constitute only non-executive directors, of whom the majority must be independent (as defined in paragraph 3.84 (f) (iii), and should be chaired by the board chairperson;
 - (b) there must be a policy evidencing a clear division of responsibilities at board level to ensure a balance of power and authority, such that that no one individual has unfettered powers of decision-making;
 - (c) the chief executive officer must not also hold the position of chairperson;
 - (d) all issuers must, in compliance with the LuSE Code, appoint an audit committee and if required, given the nature of their business and composition of their board, a risk committee and nomination committee. The composition of such committee, a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report;
 - (e) a brief CV of each director standing for election or re-election at the annual general meeting should accompany the notice of annual general meeting contained in the annual report; and
 - (f) the capacity of each director must be categorised as executive, non-executive or independent, using the following as guidelines to determine which category is most applicable to each director:
 - (i) executive directors:
are directors that are involved in the day to day management and running of the business and are in full time salaried

employment of the company and/or any of its subsidiaries;

(ii) non-executive directors:

are directors that are not involved in the day to day management of the business and are not full-time salaried employee of the company and/or any of its subsidiaries;

(iii) independent directors are non executive directors who:

- (1) are not representatives of any shareholder who has the ability to control or materially influence management and/or the board;**
- (2) have not been employed by the company or the group of which it currently forms part in any executive capacity for the preceding three financial years;**
- (3) are not members of the immediate family of an individual who is, or has been in any of the past three financial years, employed by the company or the group in an executive capacity;**
- (4) are not professional advisors to the company or the group, other than in the capacity as a director;**
- (5) are not material suppliers to, or customers of the company or group;**
- (6) have no material contractual relationship with the company or group; and**
- (7) are free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner;**

(g) the audit committee must set the principles for recommending the use of the external auditors for non-audit services.

Liquidation and judicial management

3.85 In the event of an applicant issuer being placed or making application to be placed in judicial management or liquidation, whether voluntary or compulsory, provisional or final, the applicant issuer will immediately notify the LuSE of this fact.

Section 4

Conditions for Listing

Scope of section

This section sets out the conditions for listing. The main headings of this section are:

- 4.1 Introduction
- 4.6 Conditions applicable to all markets
- 4.25 Public shareholders
- 4.28 Main Board listing criteria

Additional and alternative requirements relating to conditions for listing are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 14 (Pyramid Companies), Section 15 (Investment Entities), Section 18 (Dual Listings and Listings by External Companies) and Section 19 (Specialist Securities), respectively.

Introduction

- 4.1 Listings and/or additional listings are granted subject to compliance with the Listings Requirements and approval by the LuSE.
- 4.2 All applications for listing are to be submitted to the LuSE through a sponsoring broker.

Discretion of the LuSE

- 4.3 It must be emphasised that, notwithstanding these requirements, the LuSE may, in its overriding discretion, grant a listing to an applicant that does not meet the requirements set out below or refuse a listing to an applicant that does comply with these Listings Requirements on the grounds that, in the LuSE's opinion, the grant or refusal of the listing is in the interests of the investing public. Applicants that wish to apply for a listing, but which do not meet all of the objective criteria prescribed by these Listings Requirements for the grant of a listing are therefore invited to discuss their intended applications with the LuSE.
- 4.4 Where unusual features exist with regard to the applicant itself the LuSE must be consulted by the sponsoring broker to discuss such features at the earliest possible date, and any required rulings obtained from the LuSE at that time.
- 4.5 Applicants are required to submit to the LuSE, at an early date, any matter or unusual feature appertaining to the listing, or listing application/documentation, not specifically provided for in, or in conflict with, the Listings Requirements.

Conditions applicable to all markets

Applicant to be duly incorporated

- 4.6 The applicant must be duly incorporated or otherwise validly established under the law of the country of incorporation or establishment, and must be operating in conformity with its memorandum and articles of association and all laws of its country of incorporation or establishment.
- 4.7 **An applicant seeking a listing on the LuSE must contractually undertake to the LuSE, by completing Schedule 7, that from the date of admission to**

listing of any of its securities it will comply fully with all the Listings Requirements of the LuSE, irrespective of the jurisdiction in which the applicant is incorporated.

Directors

- 4.8 The directors and senior management of an applicant must collectively have appropriate expertise and experience for the management of the applicant and the group's business. Details of such expertise and experience must be disclosed in any listing particulars prepared by the applicant (refer to paragraphs 7.B.1, 7.B.2 and 7.B.3).
- 4.9 An applicant must submit to the LuSE and its sponsoring broker at the date of application for listing, the directors' declaration form contained in Schedule 21 in respect of each of the directors of the applicant. The applicant must ensure that each of the directors is free of any conflict of interest between the director's duties to the company and his/her private interests.
- 4.10 The chief executive officer must not also hold the position of chairperson.

Listing of subsidiary companies or assets

- 4.11 When, in connection with the listing of a subsidiary company, a listed holding company intends making an offer of securities in such subsidiary; or the subsidiary intends issuing shares for cash to persons other than wholly owned entities within the listed holding company's group or the subsidiary has an offer for subscription by way of a rights offer then the offer/issue/rights offer must be categorised in accordance with the provisions of Section 9. Any shares that are renounced by the listed holding company to its shareholders need not be categorised in accordance with Section 9.
- 4.12 The LuSE must be consulted in order to provide a ruling in principle, before any listed company intends to list a subsidiary company, or any of its group assets, or when it is aware that another party intends to list certain of the listed company's assets subsequent to a disposal of such assets by the listed company.

Financial information

- 4.13 The following requirements relate to the preparation and disclosure of financial Information:
- (a) applicants must comply with Section 8 where applicable and their financial statements must have been reported on by the auditors without qualification, disclaimer, adverse audit opinion or reference to an emphasis of matter; and
 - (b) an issuer must publish audited annual financial statements for its financial year, as specified in the prospectus/pre-listing statement, irrespective of the fact that the company may have subsequently changed its year-end.

Status of securities

- 4.14 Securities for which a listing is sought must be issued in conformity with the law of the applicant's country of incorporation or establishment and in conformity with the applicant's memorandum and articles of association and all authorisations needed for their creation and issue under such law must have been duly given. No application will be considered until the memorandum and articles

of association of the applicant and/or, if applicable, Debenture Trust Deed has been approved by the LuSE.

- 4.15 Where a new applicant already has securities listed on another stock exchange and is applying for admission of such securities to listing on the LuSE, it must be in compliance with the requirements of that other exchange and the relevant laws of that country (see also Section 18).
- 4.16 Securities in each class for which listing is applied must rank *pari passu* in respect of all rights. It should be noted that a statement that 'securities in each class rank *pari passu*' is understood to mean that:
- (a) they are in all respects identical;
 - (b) they are of the same nominal value, and that the same amount per share has been paid up;
 - (c) they carry the same rights as to unrestricted transfer, attendance and voting at general/annual general meetings, and in all other respects; and
 - (d) they are entitled to dividends at the same rate and for the same period, so that at the next ensuing distribution the dividend payable on each share will be the same amount.

Transferability of securities

- 4.17 The securities for which listing is sought must be fully paid up and freely transferable, unless otherwise required by Statute. Where the issuer's articles of association state differently, the LuSE will require the issuer to amend its articles of association.

Low and high voting securities

- 4.18 The LuSE will not:
- (a) grant a listing to a company with low or high voting securities; or
 - (b) allow an existing listed company to issue low or high voting securities.
- However, where a company currently has listed low or high voting securities, the LuSE will grant a listing of additional securities of that class.
- 4.19 A low voting security is one that, subject to compliance with the provisions of Section 195 of the Act, confers on its holder, both at the time of listing of the security and subsequently, reduced voting rights in comparison with the voting rights conferred on the holders of equity securities of the issuer already listed. The voting rights may be reduced either with respect to the number of votes per security or with respect to the matters on which the holders of the securities may vote, or otherwise.
- 4.20 A high voting security, on the other hand, is one that, subject to compliance with the provisions of Section 195 of the Act, confers on its holder, both at the time of listing of the security and subsequently, enhanced voting rights in comparison with the voting rights conferred on the holders of equity securities of the issuer already listed. The voting rights may be enhanced either with respect to the number of votes per security or with respect to the matters on which the holders of the securities may vote, or otherwise.

Convertible securities

- 4.21 In addition to any other Listings Requirements affecting convertible securities, the LuSE will not grant a listing to convertible securities unless there are sufficient unissued securities in the applicant's authorised capital, into which the convertible securities could/will convert, at the time that such convertible

securities are issued and listed. The applicant must also undertake to the LuSE that it will, at all times, maintain a sufficient number of unissued securities in its authorised share capital to be able to effect the eventual conversion, or until such convertible securities are no longer in issue.

Whole class to be listed

- 4.22 An application for listing of securities of any class must:
- (a) if no securities of that class are already listed, relate to all securities of that class, issued or proposed to be issued; or
 - (b) if securities of that class are already listed, relate to all further securities of that class, issued or proposed to be issued.

Unlisted securities

- 4.23 In the event of an applicant issuing securities and not being granted a listing for such securities, or if for any reason certain securities are delisted:
- (a) the share certificates of such securities must be held in trust and stamped with the words “Unlisted securities” and may only be released with written permission from the LuSE, which permission shall provide further instruction concerning the stamping and transferability of such securities;
 - (b) the share register must show that the securities are unlisted and a statement detailing the number and status of the unlisted securities must appear in the applicant’s annual financial statements; and
 - (c) subject to LuSE discretion, any additional securities issued of the same class or status will also be subject to paragraphs 4.23 (a) and (b).
- 4.24 Where shareholders are required to vote in terms of the Listings Requirements, the votes of shareholders of unlisted securities will not be taken into account in determining either a quorum or for approval of any resolution considered at any general/annual general meeting.

Public shareholders

- 4.25 For the purposes of paragraphs 4.28 (e) and (f), 4.29 (f) (iv) and (v) and 4.30(c) (iv) and (v), securities will not be regarded as being held by the public if they are beneficially held, whether directly or indirectly, by:
- (a) the directors of the applicant or of any of its subsidiaries;
 - (b) an associate of a director of the applicant or of any of its subsidiaries;
 - (c) the trustees of any employees’ share scheme or pension fund established for the benefit of any directors or employees of the applicant and its subsidiaries;
 - (d) any person who, by virtue of any agreement, has a right to nominate a person to the board of directors of the applicant;
 - (e) any person that is interested in 10% or more of the securities of the relevant class unless the LuSE determines that, after taking account of relevant circumstances, such person can be included as a member of the public for the purposes of paragraphs 4.28 (e) and (f), 4.29 (f) (iv) and (v), and 4.30 (c)(iv) and (v); or
 - (f) employees of the issuer, where restrictions on trading in the issuers listed securities, in any manner or form, are imposed by the issuer on such employees.

- 4.26 Notwithstanding 4.25 (a) to (f) above, securities will be regarded as being held by the public if any person that is interested in 10% or more of such securities of the relevant class:
- (a) is a fund manager or portfolio manager managing more than one fund or portfolio, where each fund or portfolio is interested in less than 10% of the securities; provided that this exemption shall not apply where the fund or portfolio manager is, in relation to any such fund or portfolio, acting in concert with any person that holds relevant securities that, together with those held by the fund or portfolio in question, represent 10% or more of the securities;
 - (b) is the registered holder of securities that are the subject of a depository receipt programme and no depository receipt holder, together with any person with whom he may be acting in concert, holds depository receipts representing 10% or more of the securities, save where the holder is a fund or portfolio manager as contemplated in paragraph 4.26(a) above; or
 - (c) is a nominee shareholder and none of the beneficial shareholders that that nominee represents, together with any person with whom he may be acting in concert, is interested in 10% or more of the securities, unless the beneficial shareholder is a fund or portfolio manager as contemplated in paragraph 4.26(a) above.
- 4.27 The LuSE may, in its sole discretion, require the listed company to provide it with a declaration that, to the best of the knowledge and belief of the directors, any beneficial shareholders of the company whose shares are registered in the names of one or more nominees, do not include any person that may be acting in concert with any other person insofar as it may affect their classification as public shareholders.

Main Board listing criteria

- 4.28 An applicant seeking a listing on the Main Board must satisfy the following criteria:
- (a) it must have a subscribed capital, including reserves but 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 LuSE prepared within the last six months, of at least **ZMK500 Million**;
 - (b) it must have not less than **10 000 000** equity shares in issue;
 - (c) it must have a satisfactory audited profit history for the preceding three financial years. The LuSE may in its absolute discretion list a company which is in its development stage (other than a mineral company) and which does not have the required profit history.
 - (d)
 - (i) **it must be carrying on as its main activity, either by itself or through one or more of its subsidiaries, an independent business which is supported by its historic revenue earning history and which gives it control (which for the purposes of this section is defined as at least 50% +1 of the voting shares) over the majority of its assets, and must have done so for the period covered by paragraph 4.28(c).**
 - (ii) **paragraph 4.28(d)(i) is not applicable if it is a company with a majority of its assets invested in securities of other companies and it satisfies the “Criteria for listing” for investment entities detailed in Section 15.**

(iii) the LuSE may in its absolute discretion list a company which has only controlled the majority of its assets for twelve months provided that:

- (1) it has produced audited financial statements with the required profits referred to in paragraph 4.28(c) for the period during which it has exercised control;
- (2) it can illustrate that the underlying assets/companies/subsidiaries are in a similar line of business and are dependent on one another or are complementary for the production of the company's products; and
- (3) at least one of the underlying assets/companies/subsidiaries would qualify for a listing on the main board on its own.

In deciding whether to exercise its discretion, the LuSE will have regard to, *inter alia*, whether the majority of the underlying assets/companies/subsidiaries have been in existence for the period referred to in paragraph 4.28(c).

(e) **it must have 25% of each class of equity securities held by the public; and**

(f) its number of the public shareholders in respect of listed securities shall be at least:

- (i) 300 for equity shares;
- (ii) **50 for preference shares or equity instruments;**

Section 5

Methods and Procedures of Bringing Securities to Listing

Scope of section

This section describes the different methods and procedures by which securities may be brought to listing.

Additional and alternative requirements relating to methods of bringing securities to listing are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 15 (Investment Companies), Section 18 (Dual Listings and Listings by External Companies) and Section 19 (Specialist Securities), respectively. Schedule 24 details the timetable requirements for corporate actions in a dematerialised environment.

The main headings of this section are:

- 5.1 Methods open to applicants for bringing securities to listing
- 5.4 Introductions
- 5.9 Placings
- 5.13 Offers for sale or subscription
- 5.22 Renounceable offers
- 5.28 Rights offers
- 5.38 Claw-back offers
- 5.39 Capitalisation issues
- 5.44 Scrip dividend and cash dividend elections
- 5.50 Issues for cash
- 5.58 Acquisition or merger issues
- 5.62 Vendor consideration placings
- 5.63 Exercise of options to subscribe for securities (including options in terms of executive and staff share schemes)
- 5.66 Issues with participating or conversion rights
- 5.67 Repurchase of Securities
- 5.85 Payments to securities holders
- 5.93 Exchange control approval
- 5.94 Share certificates
- 5.95 Securities registered in the name of nominee companies
- 5.97 Pre-issued trading
- 5.99 Price stabilisation
- 5.123 Odd lot offers
- 5.127 Shares issued to sponsoring brokers and advisors in lieu of fees

Methods open to applicants for bringing securities to listing

Without securities already listed

- 5.1 New applicants may bring securities to listing by way of:
 - (a) an introduction, being a listing where the applicant complies fully with all Listings Requirements and is not effecting any offer or marketing of securities at or immediately prior to listing; or
 - (b) by the methods referred to in paragraph 5.2 below.

With or without securities already listed

- 5.2 New applicants, or those with securities already listed, may bring securities to listing by way of:
- (a) an offer for sale (including a placing);
 - (b) an offer for subscription (including a placing);
 - (c) an issue with participating or conversion rights; or
 - (d) a renounceable offer.

With securities already listed

- 5.3 Applicants with securities already listed may bring securities, whether or not of a class already listed, to listing by way of:
- (a) a rights offer;
 - (b) a claw-back offer;
 - (c) a capitalisation issue;
 - (d) an issue for cash;
 - (e) an acquisition or merger issue (or vendor consideration issue);
 - (f) a vendor consideration placing;
 - (g) an exercise of options to subscribe for securities (including options in terms of executive and staff share schemes);
 - (h) a conversion of securities of one class into securities of another class; and
 - (i) such other method as may be approved by the LuSE either generally or in any particular case.

Introductions

Specific requirements

- 5.4 With regard to a listing by way of introduction:
- (a) the LuSE will require a certified copy of the share register of the applicant; and
 - (b) the applicant must comply with the conditions for listing set out in Section 4.
- 5.5 An applicant may not bring securities to listing by way of an introduction if there are any pre-existing intentions by any holder(s) (other than public shareholders) to dispose of a material number of their securities at or immediately after listing. The applicant must satisfy the LuSE in respect hereof in so far as it has knowledge of any such intention(s).
- 5.6 In the case of an applicant who's listing has been suspended or terminated:
- (a) because it was a cash company (refer to paragraph 3.26); or
 - (b) in connection with a reverse take-over (refer paragraphs 9.23 and 9.24);
- and is seeking re-admittance to listing, the LuSE may require some form of marketing of the applicant's securities in order to improve or ensure compliance with the "Shareholder spread" requirements set out in Section 4, before approving the listing.

Documents to be submitted to the LuSE

- 5.7 The Part I and II documents described in paragraphs 16.10 to 16.13 must be submitted to and approved by the LuSE in accordance with Section 16.

Documents to be published

- 5.8 The documents that require publication with regard to a listing by way of an introduction are set out in paragraphs 11.3 to 11.5.

Placings

Specific requirements

- 5.9 The applicant must comply with all relevant conditions for listing set out in Section 4.

Documents to be submitted to the LuSE

- 5.10 In the case of a new applicant, the Part I and II documents described in paragraphs 16.10 to 16.13 must be submitted to and approved by the LuSE in accordance with Section 16.
- 5.11 In the case of an applicant with securities already listed, the documentation requiring submission to and approval by the LuSE will be determined by the listing method applicable in terms of paragraph 5.3.

Documents to be published

- 5.12 The documents that require publication with regard to a placing are set out in paragraph 11.6 and must be actioned in accordance with the relevant timetable in Schedule 24.

Offers for sale or subscription

Specific requirements

- 5.13 An offer for subscription by a new applicant must comply with the requirements detailed under “Placings” in this section. An offer for subscription by an issuer with securities already listed on the LuSE is regarded as being an issue for cash and must comply with the requirements of paragraphs 5.50 to 5.57.
- 5.14 An offer for sale by a listed company of securities in the listed company’s subsidiary, as described in paragraphs 4.11 and 4.12 (Listing of subsidiary companies or assets), must be made by way of a renounceable offer of such securities to the securities holders of the listed company, which offer is to be open for a period of 21 days. The listed company must provide the LuSE with an undertaking that it will not dispose of any securities it holds in such subsidiary whilst the renounceable offer is open.

Underwriting

- 5.15 **An offer for sale or subscription need not be underwritten.** However, with respect to new applicants, if an offer for subscription is not underwritten, the offer must be conditional upon the minimum subscription being received that will fulfil the purpose of the offer. A statement to this effect, in bold, must be made in the “Salient details” section of the pre-listing statement or prospectus, and repeated again, in bold, in the section dealing with and detailing the minimum subscription required. With respect to existing issuers, if the offer is not underwritten, it must not be conditional on a minimum subscription being received.

- 5.16 If the offer is underwritten, the underwriter must satisfy the LuSE that it can meet its commitments in the manner required by the LuSE.
- 5.17 Any underwriting commission paid to a securities holder of the company should not be greater than the current market rate payable to independent underwriters. The applicant must present evidence to the LuSE proving the reasonability of such underwriting commission.

Over-subscriptions

- 5.18 In the event of an over-subscription, the formula for the basis of allotment must be calculated in such a way that a person will not, in respect of his application, receive an allocation of a lesser number of securities than any other subscriber that applied for the same number or a lesser number of securities. Random allocations are allowed only where prior approval has been granted by the LuSE. Where a listing is over-subscribed or cancelled and persons are owed subscription refunds in terms of applications made, the sponsoring broker must ensure that the subscription monies are refunded to such persons on the day of listing or on the day following the decision to cancel the listing together with all interest earned on such monies calculated from the date of receipt of such monies by the company concerned.

Documents to be submitted to the LuSE

- 5.19 In the case of a new applicant, the Part I and II documents described in paragraphs 16.10 to 16.13 must be submitted to and approved by the LuSE in accordance with Section 16.
- 5.20 In the case of an applicant with securities already listed, the documents detailed in paragraph 16.14 must be submitted to the LuSE in accordance with the relevant timetable in Schedule 24.

Documents to be published

- 5.21 The documents that require publication regarding an offer for sale or subscription are set out in paragraphs 11.7 to 11.9, and must be actioned in accordance with the relevant timetable in Schedule 24.

Renounceable offers

Specific requirements

- 5.22 The applicant must comply with all relevant conditions for listing set out in Section 4.

Ability to trade

- 5.23 The enforcement of the right of securities holders of the listed company to subscribe for securities in the applicant must be done by means of a renounceable offer to such securities holders, through the issue of renounceable LA or other negotiable document, traded as “nil paid” rights for a period in accordance with the relevant timetable in Schedule 24.

Shareholder spread

- 5.24 The listed company making the renounceable offer and the applicant will be required to prove to the LuSE that the applicant will comply with the minimum spread requirements (see paragraphs 4.28 (e) and (f), 4.29 (f) (iv) and (v) and 4.30 (c) (iv) and (v)) following completion of the renounceable offer.

General

- 5.25 The requirements of a rights offer (see paragraphs 5.28 to 5.37) will apply to a renounceable offer in so far as they are applicable.

Documents to be submitted to the LuSE

- 5.26 The documents detailed in paragraph 16.15 must be submitted to the LuSE in accordance with the relevant timetable set out in Schedule 24.

Documents to be published

- 5.27 The documents that require publication regarding a renounceable offer are referred to in paragraph 11.10 and Schedule 24, and must be actioned in accordance with the relevant timetable in Schedule 24.

Rights offers

Specific requirements

- 5.28 LAs are to be issued in dematerialised form for the rights offer and must be renounceable. The LuSE may in exceptional circumstances waive this requirement.

Underwriting

- 5.29 **A rights offer need not be underwritten**, however, if it is underwritten, the underwriter must satisfy the LuSE that it can meet its commitments in the manner required by the LuSE.
- 5.30 If the rights offer is not underwritten, it must not be conditional on a minimum subscription being received.
- 5.31 Any underwriting commission payable to a securities holder of the company effecting the rights offer must not be greater than the current market rate payable to independent underwriters. The applicant must present evidence to the LuSE proving the reasonability of the underwriting commission payable.

Excess security applications

- 5.32 A rights offer may include the right to apply for excess securities subject to such right being transferable upon renunciation of the LAs.
- 5.33 In the event of a rights offer including the right to apply for excess securities, and applications have been received for such excess securities, and there are excess securities available for allocation, the pool of such excess securities should be allocated equitably, taking cognisance of the number of securities held by the securities holder just prior to such allocation, including those taken up as a result of the rights offer, and the number of excess securities applied for by such securities holder. Non equitable allocations of excess securities will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 securities.

General

- 5.34 Unless circumstances are such as to warrant a concession being granted, the LuSE will require the LAs to be listed.
- 5.35 Forms of instruction in respect of LAs must be sent to certificated holders, in terms of which: Form A (Instruction to Sell) and Form B (Form of Renunciation) must require the signature of the offeree(s); Form C (Registration Application Form) must require the signature of the renounee(s); and Form D (Documents of Title) which must not require a signature.

Documents to be submitted to the LuSE

- 5.36 The documents detailed in paragraph 16.15 must be submitted to the LuSE in accordance with the relevant timetable set out in Schedule 24.

Documents to be published

- 5.37 The documents that require publication regarding a rights offer are set out in paragraphs 11.11 to 11.15, and must be actioned in accordance with the relevant timetable in Schedule 24.

Claw-back offers

Specific requirements

- 5.38 The requirements of paragraphs 5.28 to 5.37 in respect of rights offers apply equally to claw-back offers.

Capitalisation issues

Specific requirements

- 5.39 The issuer may not publish any announcement, advertisement or circular in which a capitalisation issue is proposed to be effected in lieu of the declaration of a dividend and holders of securities are not entitled to elect to receive a cash payment.
- 5.40 Securities holders' approval must be obtained by the applicant to give effect to the capitalisation of share premium or reserves if the articles of association do not permit the directors to do so without the necessary approval of such holders of securities.

Documents to be submitted to the LuSE

- 5.41 The documents detailed in paragraph 16.16 must be submitted to the LuSE in accordance with the relevant timetable set out in Schedule 24.

Documents to be published

- 5.42 The documents that require publication regarding a capitalisation issue are set out in paragraphs 11.16 and 11.17, and must be actioned in accordance with the relevant timetable in Schedule 24.

Submission of letter of application

- 5.43 The capitalisation issue will not be allowed to proceed if the LuSE has not received the letter of application by the Finalisation Date.

Scrip dividend and cash dividend elections

- 5.44 The grant of the right of election must not be prohibited by the articles of association.
- 5.45 The issuer may not publish an announcement or circular in which a capitalisation issue is in any way described or presented as a dividend if holders of securities are not entitled to elect to receive a cash dividend.

Specific requirements

- 5.46 A form of election must be dispatched with the circular containing the

following:

- (a) a statement that the election may be made in respect of all or part of the securities held or deemed to be held at the close of business on the record date, failing which capitalisation shares or cash will be distributed at the discretion of the issuer; and
- (b) the ratio of entitlement.

5.47 Securities holders' approval must be obtained by the applicant to give effect to the capitalisation of share premium or reserves if the articles of association do not permit the directors to do so without such approval of the holders of securities.

Documents to be submitted to the LuSE

5.48 The documents detailed in paragraph 16.16 must be submitted to the LuSE in accordance with the relevant timetable set out in Schedule 24.

Documents to be published

5.49 The documents that require publication regarding a scrip dividend are set out in paragraphs 11.16 and 11.17, and must be actioned in accordance with the relevant timetable in Schedule 24.

Issues for cash

Description

- 5.50 An issue for cash is an issue of equity securities for cash (or the extinction of a liability, obligation or commitment, restraint, or settlement of expenses) in compliance with paragraphs 5.50 to 5.57:
- (a) on terms that are specifically approved by equity securities holders in general meeting (if applicable in terms of paragraph 5.51(g)) in respect of that particular issue ("a specific issue for cash"); or
 - (b) generally approved by securities holders in general/annual general meeting by the giving of a renewable mandate, which will be valid until the company's next annual general meeting or for 15 months from the date of the resolution, whichever period is shorter, to the directors of the issuer to issue equity securities for cash subject to the requirements of the LuSE and to any other restrictions set out in the mandate ("a general issue for cash").

Requirements for specific issues for cash

5.51 An applicant may only undertake a specific issue for cash subject to satisfactory compliance with the following requirements:

- (a) the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;**
- (b) if any of the equity securities are to be issued to non-public shareholders, as defined in paragraph 4.25 to 4.27, this fact must be disclosed;**
- (c) the number or maximum number of equity securities to be issued must be disclosed;**
- (d) if the discount at which the equity securities are to be issued is not**

limited, this fact must be disclosed;

- (e) if the discount at which the securities are to be issued is limited, such limit must be disclosed;
- (f) if the issue is:
 - (i) to a related party/ies as described in paragraphs 10.1 to 10.3, and
 - (ii) the price at which the equity securities are issued is at a discount to the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue is agreed in writing between the issuer and the party subscribing for the securities (the LuSE should be consulted for a ruling if the applicant's securities have not traded in such 30 business day period)

then such issue shall be subject to the inclusion of a statement by the board of directors confirming whether the issue is fair insofar as the shareholders (excluding the related party/ies if it/they are equity securities holders) of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to the LuSE. The board of directors must obtain a fairness opinion prepared in accordance with Schedule 5 before making this statement; and

- (g) approval of the specific issue for cash resolution by achieving a 75% majority of the votes cast in favour of such resolution by all equity securities holders present or represented by proxy at the general meeting convened to approve such resolution, excluding majority shareholder and any parties and their associates participating in the specific issue for cash. If the dilution as a result of a once-off issue (calculated by taking the number of equity securities to be issued and dividing it by the number of listed equity securities, excluding treasury securities held in terms of the Act and shares held in terms of Schedule 14.13) is equal to or less than 0.25 % and the price at which the equity securities are issued is equal to or at a premium to the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue is agreed in writing between the issuer and the party subscribing for the securities (the LuSE should be consulted for a ruling if the applicant's securities have not traded in such 30 business day period) then shareholder approval is not required.

Requirements for general issues for cash

5.52 An applicant may only undertake a general issue for cash subject to satisfactory compliance with the following requirements:

- (a) the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- (b) the equity securities must be issued to public shareholders, as defined in paragraph 4.25 to 4.27, and not to related parties;
- (c) securities which are the subject of general issues for cash:
 - (i) in the aggregate in any one financial year may not exceed 10% of the applicant's relevant number of equity securities in issue

of that class (for purposes of determining the securities comprising the 10% number in any one year, account must be taken of the dilution effect, in the year of issue of options/convertible securities, by including the number of any equity securities which may be issued in future arising out of the issue of such options/convertible securities);

- (ii) of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible;
- (iii) as regards the number of securities which may be issued (the 10% number), shall be based on the number of securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities), at the date of such application:
 - (1) less any securities of the class issued, or to be issued in future arising from options/convertible securities issued, during the current financial year;
 - (2) plus any securities of that class to be issued pursuant to:
 - (aa) a rights issue which has been announced, is irrevocable and is fully underwritten; or
 - (bb) acquisition (which has had final terms announced) may be included as though they were securities in issue at the date of application;
- (d) approval of the general issue for cash resolution by achieving a 75% majority of the votes cast in favour of such resolution by all equity securities holders (except the majority shareholder of the applicant issuer) present or represented by proxy at the general meeting convened to approve such resolution. The resolution must be worded in such a way as to include the issue of any options/convertible securities that are convertible into an existing class of equity securities, where applicable.

Options and convertible securities granted/issued for cash

5.53 In respect of options and convertible securities granted/issued for cash:

- (a) Where options or convertible securities, excluding executive and staff share schemes, are granted/issued for cash (or for the extinction or payment of any liability, obligation or commitment, restraint(s), or settlement of expenses), such options/convertible securities, issued otherwise than to existing holders of equity securities in proportion to their existing holdings, will be permitted in respect of:
 - (i) a specific issue of such options/convertible securities provided specific approval is obtained for such grant/issue in terms of paragraph 5.51, and
 - (ii) a general issue of options/convertible securities, provided approval for such grant/issue is obtained in terms of paragraph 5.52 (and in respect thereof, refer to the second sentence in paragraph 5.52(e)).
- (b) The grant/issue will be subject to the inclusion of a statement by the

board of directors (the board of directors must obtain a fairness opinion prepared in accordance with Schedule 5 before making this statement) confirming whether the issue is fair insofar as the shareholders (excluding the related party/ies if it/they are equity securities holders) of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to the LuSE if:

- (i) in respect of 5.53(a)(i) the issue is to a related party as defined in paragraphs 10.1 to 10.3, and**
- (ii) in respect of 5.53(a)(ii) the discount to the market price at the time of exercise of the option or conversion of the convertible security is not known at the time of grant/issue of the option or convertible security, or if it is known that the discount will exceed 10% of the 30 day weighted average traded price of the security at the date of exercise, then. In this instance, the grant/issue may only proceed if the independent expert confirms that it is fair.**

LuSE discretion

5.54 The LuSE may waive some or all of the requirements contained in paragraphs 5.51 to 5.53 if it is satisfied that the conditions as stipulated in Schedule 13 exist.

Affected transactions

5.55 Where any issue for cash constitutes a transaction requiring certain or approvals or waivers from the Commission, such transaction must be referred to the Commission.

Documents to be submitted to the LuSE

5.56 The documents detailed in paragraph 16.17 must be submitted to the LuSE.

Documents to be published

5.57 The documents that require publication regarding issues for cash are set out in paragraphs 11.19 to 11.22.

Acquisition or merger issues

Specific requirements

5.58 Admission to listing will only be granted to securities issued as consideration for a bona fide acquisition or merger and not in support of a circumvention of securities holders' rights of pre-emption.

5.59 Accordingly, the LuSE must be consulted when a listed company proposes to issue securities as consideration for an acquisition or merger.

Documents to be submitted to the LuSE

5.60 The documents detailed in paragraph 16.18 must be submitted to the LuSE.

Documents to be published

5.61 The documents to be published with regard to an acquisition or merger issue are set out under the various categories in Section 9.

Vendor consideration placings

Specific requirements

5.62 In a vendor consideration placing:

- (a) all vendors must have an equal opportunity of participating in the placing;
- (b) the minimum placing price is the lower of:
 - (i) a 10% discount to the 30 business day weighted average traded price prior to the date that the placing is authorised by the directors; or
 - (ii) a 10% discount to the 3 business day weighted average traded price prior to the date of the placing:

provided that these limits may be exceeded if securities holders give their specific approval of such necessary resolution by achieving a 75% majority of the votes cast in favour of such resolution by all securities holders present or represented by proxy at the general meeting convened to approve such resolution, excluding any vendor and its associates or other party participating in the placing;
- (c) the LuSE should be consulted for a ruling if the issuer's securities have not traded in the 30 business day period referred to under paragraph 5.62(b); and
- (d) if the securities being placed are a class of equity securities not already listed, the requirement regarding the spread of shareholders will apply.

Exercise of options to subscribe for securities (including options in terms of executive and staff share schemes)

- 5.63 Applications for listings of securities issued in terms of options must be made in terms of Section 16.
- 5.64 Application for listing of shares in terms of executive and staff share schemes may either be for block listings or for specific allotments.
- 5.65 The LuSE will grant a block listing only in multiples of R5 million for securities issued in terms of approved schemes. Subsequent issues of securities in terms of the scheme will be subtracted from the initial block until such time as that block is exhausted, at which time an application for a further block listing will be necessary.

Issues with participating or conversion rights

- 5.66 Classes of securities that have participating rights to profits or have equity conversion rights must be offered to equity securities holders of a company by means of a rights offer, unless issued:
 - (a) by way of a claw-back offer;
 - (b) by way of an issue for cash;
 - (c) for the acquisition of assets or for a merger; or
 - (d) in circumstances that the LuSE considers to be exceptional and warranting special approval.

Repurchase of securities

Description

- 5.67** An acquisition by a company of its own securities or a purchase by a subsidiary of securities in its holding company (in accordance with Sections 85, 86, 87, 88 and 89 of the Act) constitutes a repurchase of securities, in which case the holding company must comply with paragraphs 5.67 to 5.84:
- (a) on terms that are approved by securities holders in a general meeting in respect of that particular repurchase (“a specific repurchase of securities”), which shall be valid until such time as the approval is amended or revoked by a special resolution; or
 - (b) generally approved by securities holders by the giving of a renewable mandate, which shall be valid until the company’s next annual general meeting or for 15 months from the date of the resolution, whichever period is shorter, to the directors of the company to repurchase its securities subject to the requirements of the LuSE and to any other restrictions set out in the mandate (“a general repurchase of securities”).
- 5.68** The general repurchase by a company of its own securities shall not, in the aggregate in any one financial year exceed 20% of that company’s issued share capital of that class in any one financial year.

Requirements for specific authority to repurchase securities (“specific repurchase”)

- 5.69** In respect of specific repurchases (which includes the grant of an option in terms of which an issuer may or will be required to repurchase its securities in future), which includes a pro rata offer (being an offer to all securities holders pro rata to their existing holdings) and a specific offer (being an offer from securities holders specifically named) an applicant may only make a specific repurchase subject to the following:
- (a) authorisation thereto being given by its articles;
 - (b) approval being given in terms of a special resolution of the company by securities holders excluding, in the case of a specific offer, any shareholder and its associates that are participating in the repurchase;
 - (c) a statement by the directors that after considering the effect of such repurchase the:
 - (i) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of approval of the circular; and
 - (ii) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the approval of the circular. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements; and
 - (iii) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular (refer to paragraph 7.E.7); and
 - (iv) working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after

the date of approval of the circular (refer to paragraph 7.E.7);

- (d) a pro rata offer must remain open for 21 days and must be effected in accordance with the relevant timetable in Schedule 24;
- (e) if the repurchase is:
 - (i) from a related party/ies as described in paragraphs 10.1 to 10.3, and
 - (ii) the price at which the securities are purchased is at a premium to the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the repurchase is agreed in writing between the issuer and the party selling the securities (the LuSE should be consulted for a ruling if the applicant's securities have not traded in such 30 business day period)

then such repurchase shall be subject to the inclusion of a statement by the board of directors stating whether the repurchase is fair insofar as the shareholders (excluding the related party/ies if it/they are equity securities holders) of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to the LuSE. The board of directors must obtain a fairness opinion (which must be included in the circular) prepared in accordance with Schedule 5 before making this statement;

- (f) issuers may only undertake a repurchase of securities if, after such repurchase, it still complies with paragraphs 3.37 to 3.41 concerning shareholder spread requirements;
- (g) if a company has announced that it will make a specific repurchase, it must pursue the proposal, unless the LuSE permits the company not to do so; and
- (h) a company or its subsidiary may not repurchase securities during a prohibited period as defined in paragraph 3.67 unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.

Documents to be submitted to the LuSE

5.70 The documents detailed in paragraph 16.32 must be submitted to the LuSE in accordance with the relevant timetable set out in Schedule 24.

Documents to be published

5.71 The documents that require publication regarding a repurchase of securities are set out in paragraphs 11.23 to 11.25, and must be actioned in accordance with the relevant timetable in Schedule 24.

Requirements for general authority to repurchase securities (“general repurchase”)

- 5.72** A company may only make a general repurchase of securities subject to the following:
- (a) the repurchase of securities being effected through the order book operated by the LuSE trading system and done without any prior understanding or arrangement between the company and the counter

- party (reported trades are prohibited);
- (b) authorisation thereto being given by its articles;
 - (c) approval by shareholders in terms of a special resolution of the company, in annual general/general meeting, which shall be valid only until the next annual general meeting from the date of the resolution, whichever period is shorter;
 - (d) repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected. The LuSE should be consulted for a ruling if the applicants securities have not traded in such five business day period;
 - (e) at any point in time, a company may only appoint one agent to effect any repurchase(s) on the company's behalf;
 - (f) issuers may only undertake a repurchase of securities if, after such repurchase, it still complies with paragraphs 3.37 to 3.41 concerning shareholder spread requirements of the Companies Act; and
 - (g) an issuer or its subsidiary may not repurchase securities during a prohibited period as defined in paragraph 3.67 unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.

Documents to be submitted to the LuSE

- 5.73** The documents detailed in paragraph 16.32 must be submitted to the LuSE in accordance with the relevant timetable set out in Schedule 24.

Documents to be published

- 5.74** The documents that require publication regarding a repurchase of securities are set out in paragraphs 11.26 to 11.27, and must be actioned in accordance with the relevant timetable in Schedule 24.

General

- 5.75** Whenever an issuer wishes to use repurchased shares, held as treasury securities by a subsidiary of the issuer, such use must comply with the Listings Requirements as if such use was a fresh issue of securities.
- 5.76** The requirements of paragraphs 5.67 to 5.84 also apply to purchases by a subsidiary of securities in its holding company, except in the case of transactions entered into on behalf of bona fide third parties, either by the company or any other member of its group on arm's length terms. An issuer must obtain approval from its shareholders, in accordance with paragraphs 5.69 or 5.72, before any subsidiary of the listed company undertakes to purchase securities in its holding company.
- 5.77** Where there are securities in issue that are high/low voting shares or, are convertible into, exchangeable for, or carry a right to subscribe for securities of the class proposed to be repurchased, a separate meeting of the holders of such convertible securities, high/low voting shares must be held and their approval by special resolution or its equivalent obtained before the company enters into any contract to repurchase securities of the

relevant class unless the trust deed or terms of issue of the convertible securities provides for the company purchasing its own equity securities. A circular and notice of meeting must also be sent to them as stipulated in paragraphs 11.23 (in terms of a specific repurchase) and 11.26 (in terms of a general repurchase).

Purchase of securities other than equity securities

Notification of decision to repurchase

5.78 Where a company intends to make an offer, which is to be open to all holders in respect of all or part of their holdings, to repurchase any of its securities other than equity securities, it must:

- (a) while the offer is being actively considered, ensure that no dealings in the relevant securities are carried out by or on behalf of the company or another member of its group, associate or subsidiary, until the proposal has either been submitted to the LuSE or abandoned; and
- (b) notify the LuSE of its decision to proceed with the offer to repurchase.

Announcement of repurchases, early redemptions and cancellations

5.79 Any repurchases, early redemptions or cancellations of the issuer's securities, other than equity securities, must be announced when an aggregate of 3% of the initial number of the relevant class of securities has been purchased, redeemed or cancelled, and for each 3% in aggregate of the initial number of that class acquired thereafter. Such announcement must be made as soon as possible and in any event by not later than 08h30 on the business day following the day on which the relevant threshold is reached or exceeded. The announcement must state the number of securities purchased, redeemed or cancelled since the most recent announcement, the number of the class of securities that remain outstanding, and when the securities repurchased are to be cancelled and the listing terminated, if applicable.

Period between repurchase and notification

5.80 In circumstances where the repurchase is not being made pursuant to an offer announced in accordance with paragraph 5.78, and the repurchase results in reaching or exceeding a relevant threshold as specified in paragraph 5.79, no further repurchases may be effected until after notification in compliance with paragraph 5.79 has been made.

Convertible securities

5.81 In the case of securities that are convertible into, exchangeable for, or carry a right to subscribe for, equity securities, unless a partial offer is made to all holders of that class of securities on the same terms, repurchases must not be made at a price more than 10% above the 5 business day weighted average price of the securities immediately preceding the date of repurchase.

Derivative transactions relating to the repurchase of securities (general authority)

5.82 Issuers who enter into derivative transactions that may or will result in the repurchase of securities in terms of their general authority must comply with paragraphs 5.67 to 5.81 subject to the exemptions in paragraph 5.83 and additions in paragraph 5.84.

5.83 The following paragraphs need not be complied with (exemptions):

- (a) 5.72 (a), (d) and (g);**
- (b) 11.27.**

5.84 The following paragraphs must be complied with (additions):

(a) with regard to the price of the derivative the:

- (i) strike price of any put option written by the company less the value of the premium received by the company for that put option may not be greater than the fair value of a forward agreement based on a spot price not greater than that stipulated in 5.72 (d);**
 - (ii) strike price of any call option may be greater than that stipulated in 5.72(d) at the time of entering into the derivative agreement, but the company may not exercise the call option if it is more than 10% “out the money”;**
 - (iii) strike price of the forward agreement may be greater than the price indicated in 5.72(d) but limited to the fair value of a forward agreement calculated from a spot price not greater than that stipulated in 5.72(d);**
- (b) all new derivative transactions entered into each week as part of a general authority must be reported to the LuSE by 16h00 on Friday of that week;**
- (c) an announcement must be made when the aggregate of the delta equivalent of the underlying shares (relating to derivative transactions), as well as any shares already repurchased as part of the buy back, are greater than 3% of the initial number of shares, and for each 3% in aggregate thereafter. The delta equivalent will be calculated by multiplying the cumulative deltas of the written puts or purchased calls, of the company, by the notional amounts of these contracts. The delta will be determined by using standard option pricing models. The delta of forward agreements will be a delta of 1. This announcement must be made as soon as possible and in any event by not later than 08h30 on the second business day following the day on which the relevant threshold is reached or exceeded and must contain the following:**
- (i) a general statement that the company has entered into derivative transactions as part of their general authority and that the possibility exists that if these contracts are exercised the applicable thresholds relating to the repurchases will be reached or exceeded;**
 - (ii) the extent of the authority outstanding, taking into account the securities already repurchased plus the delta equivalent of the derivative transactions, by number and percentage (calculated on the number of securities in issue before any repurchases were effected);**
 - (iii) a statement by the directors after considering the effect of the repurchase, taking into account the shares already purchased plus the delta equivalent of the derivative transactions, that the:**
 - (1) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the announcement of the derivative contract;**

- (2) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the announcement of the derivative contract. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited group annual financial statements;
 - (3) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the announcement of the derivative contract; and
 - (4) the adequacy of working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the exercise date of the derivative contracts (in terms of paragraph 7.E.7);
- (iv) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the announcement of the derivative contract;
- (v) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the announcement of the derivative contract. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited group annual financial statements;
- (vi) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the announcement of the derivative contract; and
- (vii) the adequacy of working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the exercise date of the derivative contracts (in terms of paragraph 7.E.7);
- (d) a further announcement must be made when the derivative transactions entered into are exercised and due to the exercise of these transactions the effected repurchases are greater than 3% of the initial number of securities, and for each 3% in aggregate of the affected repurchase thereafter. This announcement must be made as soon as possible and in any event by not later than 08h30 on the second business day following the day on which the relevant threshold is reached or exceeded and must contain all the information as per paragraph 11.27;
- (e) in addition to 5.84(d) the issuer effecting the repurchase must ensure that the writer or the purchaser of the derivative contract, other than the company utilising the derivative as part of its general authority, conducts all trading in the underlying shares through the order book operated by the LuSE trading system;
- (f) the following requirements will apply if the company is under a cautionary, or during a closed period (excluding the case of a written put option which legally requires the company to purchase the shares put to it):
 - (i) in the case of a purchased American style call option the company will not be allowed to exercise its right other than on the expiry date of the contract, regardless of the terms of the options contract. If the contract is exercisable due to the fact that the expiry date falls within the prescribed period then the

contract must be exercised if it is “in the money” and may not be exercised if it is “out the money”;

- (ii) in the case of a purchased European style call option the company must exercise the option if it is “in the money” and may not exercise the option if it is “out the money”; and
- (iii) the company is not allowed to enter into a forward purchase agreement on its own shares during the periods as stipulated, however the settlement of the forward contract is allowed during these periods.

Payments to securities holders

5.85 Companies wishing to make payments to their securities holders must comply with all relevant provisions of the Act. In addition to this, the company must obtain the approval of its securities holders in general meeting, which approval is not required in respect of cash dividends paid out of retained income, scrip dividends or capitalisation issues. This approval can either be:

- (a) a specific approval in respect of that particular payment (“a specific payments(s)”); or
- (b) a general approval by the giving of a renewable mandate (which shall be valid until the company’s next annual general meeting or for 15 months from the date of the resolution, whichever period is shorter) to the directors of the company subject to the Listings Requirements of the LuSE and to any other restrictions set out in the mandate (“a general payment(s)”).

5.86 Any general payment(s) may not exceed 20% of the company’s issued share capital, including reserves but 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 LuSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year.

Requirements for specific payments

5.87 An applicant may only make a specific payment subject to authorisation being given in terms of an ordinary resolution approved by shareholders of the company in general meeting. Such ordinary resolution must be contained in a notice of general meeting that forms part of a circular sent to securities holders of the applicant.

Documents to be submitted to the LuSE

5.88 The documents detailed in paragraph 16.33 must be submitted to the LuSE in accordance with the relevant timetable set out in Schedule 24.

Documents to be published

5.89 The documents that require publication regarding specific payments are set out in paragraphs 11.28 and 11.29, and must be actioned in accordance with

the relevant timetable in Schedule 24.

Requirements for general payments

5.90 An issuer may only make a general payment subject to the following:

- (a) the general payment is made pro rata to all shareholders; and**
- (b) authorisation is given by shareholders in terms of an ordinary resolution of the company, in annual general/general meeting, which shall be valid only until the next annual general meeting or for 15 months from the date of the resolution, whichever period is shorter.**

Documents to be submitted to the LuSE

5.91 The documents detailed in paragraph 16.33 must be submitted to the LuSE.

Documents to be published

5.92 The documents that require publication regarding general payments are set out in paragraphs 11.30 and 11.31.

Exchange control approval

5.93 Where approval for an issue and listing of securities is required, LuSE approval of an issue and listing of such securities will not be given until such time as copies of the requisite authority, giving a ruling regarding the use of funds introduced through normal banking channels from abroad or from a non-resident account relating to such issue, is received (refer to paragraph 16.25).

Share certificates

5.94 With respect to the certificated environment:

- (a) the normal requirement of the LuSE is that all share certificates must be issued on the date of commencement of the listing of new securities or within seven days from the date of lodging of the certificates for transfer or splitting.**
- (b) the LuSE will not normally grant a listing for an issue of securities until the relevant share certificates, or other documents of title, have been made available except where the relevant securities arise out of an entitlement derived from a holding in a listed security. Deals entered into between the date of commencement of the listing and the date the document of title is made available shall be for settlement during the week following the date the document of title is made available.**
- (d) Where it is proposed to issue share certificates, which of necessity are required to be distinguishable from existing listed securities, a copy of the proposed certificate and a copy of the existing certificates are to be submitted to the LuSE. The procedures to be adopted thereafter are to be agreed at this stage.**

Securities registered in the name of nominee companies

5.95 Where an issuer intends entering into a transaction or scheme that may, in its effect, discriminate between shareholders holding securities in dematerialised form through a CSDP or broker nominee company (“the nominee company”) and shareholders holding securities directly in certificated form in such issuer, the issuer is to ensure that CSD provides it with a list of dematerialised

beneficial shareholders on the relevant record date, in order to ensure that all shareholders in the issuer are treated fairly.

- 5.96 The requirement of paragraph 5.95 shall be applied in respect of all corporate actions and the issuer must ensure that the ratio of entitlement is applied to the beneficial securities holders within a nominee company.

Pre-issued trading

- 5.97 A broking member (equities) may only execute transactions in pre-issued securities after such trading has been permitted by the LuSE.**
- 5.98 The LuSE may permit trading in pre-issued securities, subject to the following conditions:**
- (a) the sponsoring broker, with the consent of the issuer, must apply, at the time of informal comment submission, and receive approval for pre-issued trading from the LuSE;**
 - (b) the LuSE must have approved the listings particulars in respect of the issue;**
 - (c) the issue for which pre-issued trading is requested must be an initial public offer and must be of such a size that, in the opinion of the LuSE, it is appropriate to permit pre-issued trading;**
 - (d) pre-issued trading will commence and end on such dates as the LuSE specifies provided that the pre-issued trading must end on the commencement date of official trading in the securities; and**
 - (e) if the listing in respect of which the pre-issued trading has been approved becomes effective, all transactions effected during the period of the pre-issued trading will settle on the same terms as all other transactions in LuSE listed securities. If the listing is still ineffective on the commencement date of official trading, every transaction effected under this rule will be void ab initio and neither the broking member nor a client will have recourse against the LuSE or a broking member, as the case may be, in respect of such transactions.**

Odd lot offers

- 5.99 An “odd-lot” offer is an offer where the listed company intends reducing administrative costs resulting from a large number of “odd-lot” holders. The LuSE interprets an “odd-lot” as a total holding of:
- (a) less than 100 securities; or
 - (b) 100 or more provided that it can be illustrated to the LuSE that the cost associated with a holder disposing of such number of shares is equal to or exceeds the total value of such number of securities.
- 5.100 When a listed company proposes to make an odd lot offer, the following criteria will apply:
- (a) in all instances a two-way election must be provided for in terms of which securities holders may:
 - (i) elect to retain their odd-lot holding; or
 - (ii) elect to sell their odd-lot holding;
 - (b) listed companies may not undertake an odd lot offer where it could lead to a contravention of the minimum spread requirements;

- (c) in any distribution, award or reconstruction contemplated by a listed company where securities holders may receive odd-lot entitlements, securities holders so affected must, where the listed company wishes instead to compensate such securities holders in monetary terms, be given the opportunity to elect to receive such odd-lot entitlement; and
- (d) expropriation resulting from 5.124(a)(ii) being the default action applicable if securities holders do not make any election in terms of 5.124 will only be allowed where the issuer's articles of association are amended to make provision for expropriation of odd-lots and where the specific odd-lot offer has been approved by shareholders in general meeting.

Documents to be submitted to the LuSE

5.101 The documents detailed in paragraph 16.35 must be submitted to the LuSE.

Documents to be published

5.102 The document that requires publication regarding odd lot offers is set out in paragraph 11.53.

Shares issued to sponsoring brokers and advisors in lieu of fees

5.103 For existing companies, where shares are issued to the sponsoring broker or to the advisor(s) of the issuer in lieu of fees, such shares must be issued in compliance with paragraph 5.50. For new listings, such shares of the issuer must be held in trust by the issuer's auditors or attorneys and may not be disposed of within 2 years from the date of listing.

Section 6

Pre-listing Statements

Scope of section

This section sets out the requirements relating to pre-listing statements and prospectuses that are issued in lieu of pre-listing statements. When a new applicant or issuer issues a prospectus the presumption is made that, apart from compliance with the Act, such prospectus will also comply with and contain all necessary disclosures as if it were a pre-listing statement subject to compliance with the Listings Requirements. For the purposes of this section any reference to a pre-listing statement includes reference to a prospectus.

The main headings of this section are:

- 6.1 Requirement for pre-listing statements
- 6.2 Responsibility
- 6.6 Form and content
- 6.11 Formal approval
- 6.13 Supplementary pre-listing statements
- 6.15 Omission of information
- 6.18 Omission of material contracts from disclosure
- 6.19 Issues not requiring pre-listing statements
- 6.21 Acquisition and merger issues
- 6.23 Publication/circulation of pre-listing statements
- 6.24 Revised take-over offers

Additional and alternative requirements relating to pre-listing statements are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 14 (Pyramid Companies), Section 15 (Investment Entities), Section 18 (Dual Listings and Listings by External Companies) and Section 19 (Specialist Securities), respectively.

Requirement for pre-listing statements

- 6.1 When a new applicant or an issuer applies for a listing of securities that requires the publication of a pre-listing statement, such pre-listing statement must contain the particulars referred to in this section.

Responsibility

- 6.2 The pre-listing statement must include a statement, in the form set out in paragraph 7.B.22 (responsibility statement), modified as required pursuant to paragraph 6.3 or 6.4 or in such other form as may be required by the LuSE.
- 6.3 If the pre-listing statement relates to securities issued in connection with a recommended take-over of an issuer (offeree) and the directors of the issuer (offeree) accept responsibility for the information given on that company (offeree) in the pre-listing statement, then the directors of the applicant (offeror) may accept responsibility only for the rest of the information in the pre-listing statement (refer to paragraph 7.B.22) and the responsibility statement must be adapted accordingly.
- 6.4 The LuSE may require responsibility to be extended to additional persons that have made specific statements in, or have made contributions to, the pre-listing statement; in which case the responsibility statement must be amended

accordingly.

- 6.5 The pre-listing statement must be signed by every director of the applicant or issuer, or by his agent or attorney, with a copy of the authority of any such agent or attorney; provided that where responsibility for any information contained in different parts of the pre-listing statement has been extended to or accepted by any other person in accordance with paragraph 6.3 or 6.4, such other person, or his agent or attorney, shall also sign the pre-listing statement and it shall be clearly stated for which part or parts of the pre-listing statement each signatory bears responsibility.

Form and content

6.6 Pre-listing statements must contain:

- (a) the information set out in Section 7 according to the nature and circumstances of the applicant and the type of securities concerned as specified in this section; and
- (b) such additional information as the LuSE may consider investors reasonably require for the purpose of making an informed assessment of the prospects and status of the applicant. If the LuSE requires additional disclosure, it will inform the applicant of such additional information required at the earliest possible date.

6.7 Pre-listing statements must provide factual information in words and figures, in as easily analysable and comprehensible a form as possible.

6.8 There is no prescribed format for pre-listing statements, except that:

- (a) the LuSE may require that prominence be given in the pre-listing statement to important information in such manner as it considers appropriate;
- (b) in the case of pre-listing statements to be published by a new applicant, the following information must appear on the cover page together with the names of, where applicable, the issuer, sponsoring broker, investment/merchant bank, auditors, reporting accountants, financial advisers, attorneys and any other specialist advisor:

<i>Paragraph</i>	<i>Nature of statement</i>
7.A.4 or 5 7.B.22	Share capital of the company Responsibility
7.C.2 or 3 7.C.9	Particulars of the issue Registrar of companies;

- (c) pre-listing statements must not contain pictures, charts, graphs or other illustrations unless the LuSE is satisfied that this is the best and/or only way in which the information can be clearly presented, or is necessary in the interests of being succinct or comprehensible and does not present the information unfairly.

6.9 **New applicants and issuers issuing a pre-listing statement are required to provide all the information contained in paragraphs 7.A to 7.H in such document and in respect thereof:**

- (a) **where the information required by a particular paragraph is inappropriate to the applicant's sphere of activity or legal form, the information must be appropriately adapted so that equivalent information is given;**
- (b) **negative statements are required in all instances except where the LuSE agrees otherwise;**

- (c) **unless specified, all references to disclosure are at the date the pre-listing statement is issued or as near to such date as practicable;**
- (d) **where another company is to become part of an applicant's group, that other company and its subsidiaries must be treated as part of the applicant's group for the purpose of the information required by this paragraph;**
- (e) **the LuSE will not require an indebtedness statement (refer to paragraphs 7.A.12 to 7.A.19) to be included in a pre-listing statement published in connection with an issue of securities where the issuer's business is entirely or mainly that of banking, insurance or the provision of similar financial services, provided the LuSE is satisfied that:**
 - (i) **the inclusion of such a statement would not provide significant information for investors; and**
 - (ii) **the applicant's solvency and capital adequacy are suitably regulated by another regulatory body.**

Shareholder approval

- 6.10 If the issue of securities in respect of which the pre-listing statement is to be issued is made conditional upon shareholder approval, the following statement must appear on the first page of the pre-listing statement:

“This pre-listing statement has been prepared on the assumption that the ordinary and special resolutions proposed in the Notice of General Meeting forming part of the circular to which this pre-listing statement is attached will be passed at the General Meeting of shareholders to be held on . . . and registered (if applicable).”

Formal approval

- 6.11 Pre-listing statements must be formally approved by the LuSE before publication. Such approval will only be given if the LuSE considers that the information in the pre-listing statement is complete.
- 6.12 Pre-listing statements submitted to the LuSE for formal approval must be in the form of a typed document, but the LuSE may permit neat manuscript information relating to the number of securities, the offer/issue price and any figures derived there from if such information is unable to be finalised and included in the pre-listing statement in typed print due to time pressures.

Supplementary pre-listing statements

- 6.13 The LuSE must be advised immediately and supplementary pre-listing statements published if, at any time after pre-listing statements have been published and before dealings in the relevant securities commences, the applicant becomes aware that:
- (a) there has been a material change affecting any matter contained in the pre-listing statement; or
 - (b) a material new matter(s) has/have arisen, the inclusion of information on which new matter would have been required to be disclosed in the original pre-listing statement had such information been known at that time.
- 6.14 Supplementary pre-listing statements must:
- (a) provide full details of the change or new matter;

- (b) contain the responsibility statement required by paragraph 6.2;
- (c) contain a statement that, save as disclosed, there has been no material change and no material new matter that has arisen since publication of the previous pre-listing statement.

Omission of information

- 6.15 If any information required by paragraph 6.6(a) is not applicable and no equivalent information is available, it need not be included in the pre-listing statement provided that the LuSE is informed in writing of same and approves such omission.
- 6.16 The LuSE may authorise the omission of information that is applicable if it considers that:
- (a) the information is of minor importance and will not influence any assessment of the financial position, changes in equity, results of operations or cash flows; or
 - (b) disclosure would be contrary to the public interest and omission thereof is not likely to mislead investors with regard to any important/material facts and/or circumstances; or
 - (c) disclosure would be seriously detrimental to the applicant or would constitute an invasion of the applicant's rights to privacy, and omission is not likely to mislead investors with regard to any important/material facts and/or circumstances.
- 6.17 Requests to the LuSE to authorise any omission of information must:
- (a) be in writing from the applicant or sponsoring brokering broker;
 - (b) identify the information concerned and the reasons for the omission; and
 - (c) state why, in the opinion of the applicant, one or more of the grounds in paragraph 6.16 apply.

Omission of material contracts from disclosure

- 6.18 The LuSE, in its sole discretion, may allow all or part of a material contract to be withheld from public inspection (refer to paragraph 7.F.1) in the event it receives such request from an applicant, which request must:
- (a) be in writing from the applicant or sponsoring broker;
 - (b) state why in the opinion of the applicant one or more of the grounds in paragraph 6.16 apply;
 - (c) enclose a copy of the contract in question or, if the contract is not reduced to writing, a memorandum giving full particulars of its terms; and
 - (d) include confirmation by the applicant that the contract is a material contract not in the ordinary course of business.

Issues not requiring pre-listing statements

- 6.19 Pre-listing statements are not required for issues of securities by applicants whose securities are already listed, and which fall into the following categories:
- (a) securities issued for cash or as a result of the conversion of convertible securities;
 - (b) securities issued as a result of the exercise of rights under options;
 - (c) securities issued in place of securities already listed;

- (d) securities issued/allotted to employees, if securities of the same class are already listed;
- (e) securities issued relating to the extension of a business contemplated by and previously described in a pre-listing statement;
- (f) securities issued as a result of a capitalisation/bonus issue; or
- (g) an issue of securities, including a rights issue, that, together with any securities of the same class issued in the previous three months, would increase the securities issued by less than 25% (for this purpose a series of issues in connection with a single transaction, or series of transactions that is regarded by the LuSE as a single transaction, will be aggregated and deemed to be a single issue for purposes of measurement against the 25% level).

6.20 When a pre-listing statement is not required in terms of paragraph 6.19, further information, which the LuSE considers investors may reasonably require for the purposes of making an informed assessment of the prospects and status of the applicant, may be required to be announced, and in certain instances a circular may also be required to be sent to shareholders (refer to Sections 9, 10 and 11). In regard hereto, applicants must consult with the LuSE at an early stage to determine the LuSE's requirements, if any.

Acquisition and merger issues

6.21 In terms of an acquisition or merger issue (where the consideration for a purchase of assets, regulated by Section 9, or for an offer to shareholders, regulated by the Takeover and Mergers Rules, consists of securities for which a listing will be sought) a pre-listing statement may be required as described in paragraph 6.1 and 9.23. When a pre-listing statement has already been published and the consideration for the acquisition or offer is revised, resulting in the issue of a greater number of shares for which application for listing will be made, a supplementary pre-listing statement may be required (refer to paragraphs 6.13 to 6.14).

Contents of pre-listing statements

6.22 A pre-listing statement required in terms of paragraph 6.21 must comply with the relevant requirements of this section, subject to the following:

- (a) references in Section 7 to the applicant's group must also include the offeree company and its subsidiaries;
- (b) the information regarding major shareholders (refer to paragraph 7.A.27) and directors' interests in securities (refer to paragraph 7.B.20) must be given in relation to the applicant's share capital both as existing and the share capital as enlarged by the securities for which listing is sought; and
- (c) if the transaction is an offer to shareholders:
 - (i) and is recommended by the board of the offeree company at the time of the publication of the offer document, the applicant must publish a statement in respect of the proposed enlarged group as to the adequacy of working capital (refer to paragraph 7.E.7) and details of material loans (refer to paragraph 7.A.15) on the basis that the offer has been completed 100% successfully ("the combined basis");
 - (ii) which has not been recommended by the board of the offeree company at the time of publication of the offer document, the applicant must publish a statement as to the adequacy of working

capital and details of material loans in respect of its own group only. The LuSE will allow the statement on the combined basis to be provided in a later announcement, circular or supplementary pre-listing statement, within 28 days after the offer is declared unconditional.

Publication/circulation of pre-listing statements

- 6.23 Pre-listing statements or supplementary pre-listing statements must be published, either in full or in an abridged form in compliance with Section 11. In either case, the full pre-listing statement must be distributed to all shareholders in accordance with paragraphs 3.49 and 3.50. Where pre-listing statements are revised or supplementary pre-listing statements are prepared, they will normally be required to be published and circulated to shareholders at the time of despatch of the revised offer document. The LuSE may, in properly justified cases, be prepared to allow pre-listing statements to be published and circulated subsequent to the despatch of revised offer documents but before listing is granted.

Reverse take-over offers

- 6.24 When a pre-listing statement has been published and circulated in connection with an offer that involves the exchange of securities for securities of another company, and the offer consideration is revised to include a new class of security for which an application for listing is to be made, it will be unnecessary to repeat the information contained in the original pre-listing statement, but any additional information applicable to the issue of the new class of securities must be contained in a supplementary pre-listing statement.

Section 7

Listing Particulars

Scope of section

This section sets out items of information that may be required to be included in pre-listing statements and circulars relating to rights offers, capitalisation issues and Category 1 or 2 transactions.

The requirements vary according to the nature and circumstances of the applicant, as set out in:

Section 6	Pre-listing statements
Appendix to Section 9	Transactions
Section 11	Circulars and Announcements
Section 12	Mineral Companies
Section 13	Property Companies
Section 15	Investment Entities
Section 18	Dual Listings and Listings by External Companies
Section 19	Specialist Securities

Where the disclosure of information required in terms of this section cannot be obtained or is considered to be harmful to the applicant, application may be made to the LuSE for non disclosure or reduced disclosure. The LuSE's decision will be final.

The information in this section is set out under the following paragraph headings:

- 7.A The applicant and its capital
- 7.B Directors, managers and advisors
- 7.C Securities for which application is being made
- 7.D Group activities
- 7.E Financial information
- 7.F General information
- 7.G Documents and consents to be available for inspection
- 7.H Vendors

7A The applicant and its capital

The following paragraphs detail the disclosure requirements relating to the applicant and its capital.

Name, address and incorporation

- 7.A.1 The name, address of the registered office and of the transfer office, the date of incorporation of the applicant and the place of incorporation or, if the applicant is an external company, the country in which it is incorporated and the date of registration as an external company in the Republic of South Africa.
- 7.A.2 If the applicant is a subsidiary, the name and address of the registered office of its holding company, or of any body corporate that, had it been registered under the Companies Act, would have been its holding company.
- 7.A.3 If the applicant has changed its name within the last three years, the old name must be printed in bold type under the existing name on the cover and first page.

Share capital of the company

- 7.A.4 If the applicant's share capital consists of shares of par value the following information must be disclosed:
- (a) the authorised and issued or agreed to be issued share capital, detailing:
 - (i) the different classes of shares;
 - (ii) the number of shares in each class;
 - (iii) the nominal value of each share in each class;
 - (iv) shares held in treasury;
 - (v) the total value of each class; and
 - (b) the share premium account.
- 7.A.5 If the applicant's share capital consists of shares of no par value the following information must be disclosed regarding the authorised and issued (stated capital) or agreed to be issued stated capital, detailing:
- (a) the different classes of shares;
 - (b) the number of shares in each class;
 - (c) shares held in treasury; and
 - (d) the total value of the stated capital account for each class.
- 7.A.6 A description of the respective:
- (a) preferential conversion and/or exchange rights of any securities;
 - (b) voting rights of securities; and
 - (c) rights to dividends, profits or capital or any other rights of each class, including redemption rights and rights on liquidation or distribution of capital assets.
- 7.A.7 Information regarding the consents necessary for the variation of rights attaching to securities.
- 7.A.8 A summary of any issues or offers of securities of the applicant and/or its subsidiaries during the preceding three years, including:
- (a) the prices and terms at which such securities were issued or offered;
 - (b) by whom any offers were made;
 - (c) the number of securities allotted in pursuance of any issues or offers;
 - (d) whether the securities were issued to all securities holders in proportion to their holdings or, if not, to whom they were issued, the reasons why the securities were so issued and the basis of allotment of the securities;
 - (e) the dates of the issues or offers;
 - (f) the reasons for any premium or discount on the issue or offer, how any premium or discount was dealt with and where some securities were issued or offered at par and others at varying premiums or discounts the reasons for the differential;
 - (g) the value of the asset, if any, acquired or to be acquired out of the proceeds of the issue or offer; and
 - (h) the details of any share repurchases.
- 7.A.9 A summary of any consolidations or sub-divisions of securities during the preceding three years.

- 7.A.10 A statement advising who controls the issue or disposal of the authorised but unissued securities, i.e. the directors or shareholders in general meeting.
- 7.A.11 A statement as to what other classes of securities are listed and on which stock exchanges.

Borrowings

- 7.A.12 The borrowing powers of the applicant and its subsidiaries exercisable by the directors and the manner in which such borrowing powers may be varied.
- 7.A.13 A description of the circumstances, if applicable, if the borrowing powers have been exceeded during the past three years. Any exchange control or other restrictions on the borrowing powers of the applicant or any of its subsidiaries.
- 7.A.14 The number and value of debentures created in terms of a trust deed and the number and value to be issued or agreed to be issued.
- 7.A.15 Details of material loans, including issued debentures, made to the applicant and/or to any of its subsidiaries, stating:
- (a) whether such loans are secured or unsecured;
 - (b) the names of the lenders and/or debenture holders;
 - (c) the amount, terms and conditions of repayment or renewal;
 - (d) the rates of interest on each loan;
 - (e) details of the security provided, if any;
 - (f) details of any conversion or redemption rights; and
 - (g) where the applicant or any of its subsidiaries has debts that are repayable within 12 months, state how the payments are to be financed.
- 7.A.16 Particulars relating to debentures or debenture stock (“debentures”) issued by way of conversion or replacement of debentures previously issued stating all material differences between the security for the old debentures and the security for the new debentures or that the security for the new debentures is identical to the security for the old debentures.
- 7.A.17 Details of all material commitments, lease payments and contingent liabilities.
- 7.A.18 Disclose how the borrowings required to be disclosed by paragraphs 7.A.12 to 7.A.17 arose, stating whether they arose from the purchase of assets by the applicant or any of its subsidiaries.
- 7.A.19 If no loan capital is outstanding this fact must be

stated. **Loans receivable**

- 7.A.20 Details of material loans made by the applicant or by any of its subsidiaries, stating:
- (a) the dates on which the loans were made;
 - (b) to whom each loan was made;
 - (c) the interest and repayment terms of each loan;
 - (d) if the interest and/or capital redemption payments are in arrears, the last date on which payment was made and the extent of the arrears;
 - (e) the periods of the loans;
 - (f) the nature of any/all security held for any/all loans;
 - (g) the current fair value of such security and the method of valuation;

- (h) if a loan is unsecured, the reasons therefore; and
 - (i) if any loan was made to another company, the names and addresses of the directors of such company.
- 7.A.21 Details (as described in paragraph 7.A.20) of loans made or security furnished by the applicant or by any of its subsidiaries to or for the benefit of any director or manager or any associate of any director or manager of the applicant.
- 7.A.22 Disclose how and why each loan receivable was made.

Options or preferential rights in respect of securities

- 7.A.23 Full disclosure of the substance of any contract or arrangement or proposed contract or arrangement, whereby any option or preferential right of any kind was or is proposed to be given to any person(s) to subscribe for any securities of the applicant or any securities of its subsidiaries, including:
- (a) the number and description of securities subject to such option or right;
 - (b) the exercise period of such option or right;
 - (c) the exercise date of such option or right and a statement as to whether such option or right is American or European in nature;
 - (d) the exercise price to be paid for securities subscribed for in terms of such option or right;
 - (e) the option premium or consideration given or to be given for receipt of such option or right;
 - (f) the names and addresses of the persons to whom such right or option was or is to be given, excluding any options or rights given to participants of a bona fide share incentive or option scheme;
 - (g) if such right or option was given to existing shareholders, material particulars thereof; and
 - (h) any other significant facts or circumstances concerning the granting of such option or right.
- 7.A.24 Subscribing for securities shall, for the purpose of paragraph 7.A.23, include acquiring them from a person to whom they were allotted or were agreed to be allotted with a view to his/her/it offering them for sale.

Controlling shareholder(s)

- 7.A.25 The names of the controlling shareholder(s) so far as they are known to the directors of the applicant, or appropriate negative statement.
- 7.A.26 Details of any change in controlling shareholder(s) as a result of the issue.

Major shareholders

- 7.A.27 Insofar as is known to the applicant, the name of any shareholder other than a director, that, directly or indirectly, is beneficially interested in 5% or more of any class of the applicant's capital, together with the amount of each such shareholder's interest or, if there are no such shareholders, an appropriate negative statement.

7.B Directors, managers and advisors

The following paragraphs detail the disclosure requirements relating to directors, managers and advisors.

Directors and management

- 7.B.1 The full name, and if relevant, any former name, business address and function in the group of each of the following persons and an indication of the principal activities performed by them, including any activities performed outside the group where these are significant with respect to the group:
- (a) directors of the issuer and its material subsidiaries;
 - (b) partners with unlimited liability, in the case of a limited partnership with share capital;
 - (c) founders, if the issuer has been established for fewer than five years; and
 - (d) in the case of the applicant and its material subsidiaries, any manager who is relevant to establishing that the requirements of paragraph 4.8 (directors) have been met, typically this will include any members of management forming part of the applicant's or applicant's material subsidiaries' executive and/or management committees responsible for the day to day running of the applicant group's business.
- 7.B.2 In the case of each person described in paragraph 7.B.1 (a) and (d), details of that person's relevant management expertise and experience (see paragraph 4.8) and the following information:
- (a) full names;
 - (b) occupations and/or function, including whether in an executive or non executive capacity, for example; non executive chairman, executive chairman, chief executive officer, managing director, financial director, other relevant executive and non executive director functions/status and the executive functions of all managers specified;
 - (c) business addresses;
 - (d) nationalities;
 - (e) the names of all companies and partnerships of which such person has been a director or partner at any time in the previous five years, indicating whether or not the individual is still a director or partner. It is not necessary to list all the subsidiaries of a company of which the person is also director;
 - (f) details of any bankruptcies, insolvencies or individual voluntary compromise arrangements of such person;
 - (g) details of any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company where such person is or was a director with an executive function of such company at the time of or within the 12 months preceding any such event(s);
 - (h) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such event(s);
 - (i) details of receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of or within the 12 months preceding such event;
 - (j) details of any public criticisms of such person by statutory or regulatory authorities, including recognised professional bodies, 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

- (k) any offence involving dishonesty.
- 7.B.3 Details of the information contained in the director's declaration as set out in Schedule 21 of the Listings Requirements.
- 7.B.4 In the case of a foreign applicant, information, similar to that described in paragraph 7.B.2, relative to the local (South African) executive management committee, if any. Where the LuSE considers the parent company is not adequately represented on the directorate of its South African or foreign subsidiaries an explanation is required.
- 7.B.5 The term of office for which any director has been or is to be appointed, the manner in and terms on which any proposed director will be appointed and particulars of any right held by any person (usually a contractual right given to a shareholder, provider of capital or other person/entity in terms of an agreement between such person/entity and the company) relating to the appointment of any particular director or number of directors.
- 7.B.6 The provisions, or a sufficient summary of the provisions, of the articles of association or other corresponding document of the applicant and each of its subsidiaries with regard to:
 - (a) qualification of directors;
 - (b) remuneration of directors; and
 - (c) any power enabling the directors to vote remuneration to themselves or any members of their board.
- 7.B.7 An analysis in aggregate and by director or proposed director, of emoluments paid or accrued as payable during the last financial period by the company, or group of which the company is a member, directly or indirectly, or proposed to be paid by the company, in their capacity as director(s), or in any other capacity, whether determined by the articles or not, distinguishing separately between executive and non-executive directors, of the following:**
 - (a) fees for services as a director;**
 - (b) 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;**
 - (c) basic salary;**
 - (d) bonuses and performance-related payments;**
 - (e) sums paid by way of expense allowance;**
 - (f) any other material benefits received;**
 - (g) contributions paid under any pension scheme;**
 - (h) any commission, gain or profit-sharing arrangements; and**
 - (i) in respect of share options or any other right given which has had the same or a similar effect in respect of providing a right to subscribe for shares ("share options"):**
 - (i) the opening balance of share options, including the number of share options at each different strike price;**
 - (ii) the number of share options awarded and their strike prices;**
 - (iii) the strike dates of differing lots of options awarded;**
 - (iv) the number of share options exercised and at what prices;**

- (v) the closing balance of share options, including the number of share options at each different strike price;
 - (i) to (v) above may be presented in tabular form;
 - (j) any shares issued and allotted in terms of a share purchase/option scheme for employees (or other scheme/structure effected outside of the issuer which achieves substantially the same objectives as a share purchase/option scheme), usually held as a pledge against an outstanding loan to an employee in a share purchase scheme trust, which have not been fully paid for, including the number so issued and allotted, the price of issue and allotment, the release periods applicable to such shares and any other relevant information;
 - (k) without derogating from the generality of 7.B.7 (a) to (j) above, the directors emoluments disclosed in accordance with 7.B.7 (a) to (j) above must include disclosure of all emoluments received or receivable from the following entities:
 - (i) the issuer' holding company;
 - (ii) the issuer's subsidiaries and fellow subsidiaries;
 - (iii) associates of 7.B.7 (k) (i) and (ii) above;
 - (iv) joint ventures of the issuer or of 7.B.7 (k) (i) to (iii) above; and
 - (v) entities that provide management or advisory services to the company or any of 7.B.7 (k) (i) to (iv) above.
- 7.B.8** Fees paid or accrued as payable to a third party in lieu of directors' fees are to be disclosed in a similar manner as that detailed in paragraph 7.B.7.
- 7.B.9** If the remuneration receivable by any of the directors of the applicant will be varied in consequence of the/any transaction, full particulars of the aggregate variation in the remuneration of the directors shall be stated; if there will be no variation, a statement to that effect.
- 7.B.10** If the business of the applicant or any of its subsidiaries or any part thereof is managed or is proposed to be managed by a third party under a contract or arrangement, the name and address, or the address of its registered office, if a company, of such third party and a description of the business so managed or to be managed and the consideration paid in terms of the contract or arrangement and any other pertinent details relevant to such contract or arrangement.
- 7.B.11** A summary of the provisions of the memorandum and articles of association of the issuer with regard to:
- (a) any power enabling a director to vote on a proposal, arrangement or contract in which he is materially interested;
 - (b) 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;
 - (c) borrowing powers exercisable by the directors and how such borrowing powers can be varied; and
 - (d) retirement or non-retirement of directors under an age limit.

Secretary

- 7.B.12** The full name, street and postal address and professional qualifications, if any, of the secretary of the applicant.

Auditor, attorney, banker, sponsoring broker, trustee, underwriter and expert

- 7.B.13 The names and street and postal addresses of the auditor, attorney, banker, and sponsoring broker to the applicant and, if applicable, the trustee, underwriter, advisor and any expert referred to in the pre-listing statement and any holding of securities in, options on securities in, or agreed to be acquired in the company, by such persons.

Amounts paid or payable to promoter

- 7.B.14 Any amount paid, or accrued as payable, within the preceding three years, or proposed to be paid to any promoter, disclosing his/her/its name and address, or to any partnership, syndicate or other association of which he/she/it is or was a member, and the consideration for such payment, and any other benefit given to such promoter, partnership, syndicate or other association within the said period or proposed to be given, and the consideration for the giving of such benefit.

Commissions paid or payable in respect of underwriting

- 7.B.15 the following must be disclosed in relation to commissions paid or payable in respect of underwriting:
- (a) the amount, if any, or the nature and extent of any consideration, paid, or accrued as payable, within the preceding three years, as commission to any person, including commission so paid or payable to any sub-underwriter that is the holding company or a promoter or director or officer of the applicant, for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any securities of the applicant;
 - (b) the name, occupation and address of each such person; and if such person is a company, the names of the directors of such company and the nature and extent of any beneficial interest, direct or indirect, in such company of any promoter, director or officer of the applicant in respect of which the pre-listing statement is issued; and
 - (c) particulars of the amounts underwritten or sub-underwritten by each such person and the rate of the commission payable for each such underwriting or sub-underwriting contract with such person.
- 7.B.16 Particulars of any commissions, discounts, brokerages or other special terms granted during the three years preceding the date of the pre-listing statement in connection with the issue or sale of any securities, stock or debentures in the capital of the applicant, where this has not been disclosed in any audited annual financial statements.

Preliminary expenses and issue expenses

- 7.B.17 The following disclosure is required with respect to preliminary expenses and issue expenses:
- (a) the total amount or estimated total amount of preliminary expenses incurred by the applicant within the three years preceding the date of the pre-listing statement, and separate disclosure of who the individual persons are/were and the individual amounts paid or payable to each such person of such total preliminary expenses; and
 - (b) the total amount or estimated total amount of the expenses of the issue, and separate disclosure of who the individual persons paid or payable are, including separate disclosure of each sponsoring broker, financial adviser, corporate adviser, attorney, legal adviser, commercial banker, investment

banker, accountant, auditor, underwriter, sub underwriter and any other adviser involved where there are two or more of each such advisers per advisory category, and the individual amounts paid or payable to each such individual person/adviser by the applicant.

Interest of directors and promoter

- 7.B.18 Full particulars of the nature and extent of any material beneficial interest, direct or indirect, of every director or promoter in the promotion of the applicant and in any property referred to in paragraph 7.D.9 acquired or proposed to be acquired by the applicant out of the proceeds of the issue or during the three years preceding the date of the listing statement, and where the interest of such director or promoter consists of being a member in a partnership, company, syndicate or other association of persons, the nature and extent of the interest of such partnership, company, syndicate or other association, and the nature and extent of such director's or promoter's interest in the partnership, company, syndicate or other association.
- 7.B.19 A statement of all sums paid or agreed to be paid within the three years preceding the date of the pre-listing statement to any director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director ("the associate company"), or to any partnership, syndicate or other association of which he is a member ("the associate entity"), in cash or securities or otherwise, by any person either to induce him to become or to qualify him as a director, or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of the applicant.

Directors' interests in securities

- 7.B.20 A statement showing the direct and indirect beneficial interests of the directors' (and his/her associates) holdings in the share capital of the applicant. The statement should include by way of a note any change in those interests occurring between the end of the preceding financial year and the date of the pre-listing statement or, if there has been no such change, disclosure of that fact.

Directors' interests in transactions

- 7.B.21 All relevant particulars regarding the nature and extent of any material beneficial interests, whether direct or indirect, of directors of the group in transactions that were effected by the applicant:
- (a) during the current or immediately preceding financial year; or
 - (b) during an earlier financial year and remain in any respect outstanding or unperformed; or
 - (c) an appropriate negative statement

Responsibility statement

- 7.B.22 A directors' responsibility statement must be made by the directors after due, careful and proper consideration of same as follows:
- "The directors, whose names are given in paragraph . . . on page . . . of this document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the prospectus^A/pre-listing statement/circular/offer document contains all information required by law and the LuSE Listings Requirements

Responsibility of directors, managers and advisors

- 7.B.23 The prospectus/pre-listing statement/circular must be signed by every director of the applicant (or by his agent or attorney, with a copy of the authority of any such agent or attorney); provided that where responsibility for any information contained in different parts of the prospectus/pre-listing statement/circular has been extended to or accepted by any other person(s), such other person(s) (or his/their agent or attorney) shall also sign the prospectus/pre-listing statement/circular and it shall be stated clearly for which part or parts of the prospectus/pre-listing statement/circular each signatory bears responsibility.

7.C Securities for which application is being made

The following paragraphs detail the disclosure requirements relating to securities for which application is being made.

Purpose of the issue/offer

- 7.C.1 A statement of the purpose of the issue/offer giving reasons why it is considered necessary for the applicant to raise the capital in terms of the issue or, if it is an offer, the reasons therefore, and if the proposed capital to be raised is more than the amount of the minimum subscription referred to in paragraph 7.C.8, the reasons for the difference between the proposed capital to be raised and the said minimum subscription.

Particulars of the issue/offer

- 7.C.2 Particulars in respect of securities issued/offered must be disclosed, including:
- (a) the class of securities issued/offered;
 - (b) the nominal value of the securities issued/offered, if applicable;
 - (c) the number of securities issued/offered;
 - (d) the issue/offer price of the securities issued/offered;
 - (e) how the securities issued/offered rank for dividend;
 - (f) whether the securities issued/offered rank *pari passu* with existing securities of the same class;
 - (g) any convertibility or redemption provisions relating to the securities issued/offered;
 - (h) the nature of the documents of title of the securities issued/offered;
 - (i) the treatment of any fractions of the securities issued/offered; and
 - (j) other terms and conditions of the issue/offer.
- 7.C.3 Particulars in respect of debentures issued/offered, including:
- (a) the class of debentures;
 - (b) the terms and conditions of the debentures;
 - (c) if the debentures are secured, particulars of the security, specifying the asset(s) comprising the security and the nature of the title to such asset(s); and
 - (d) any other important terms and conditions of the debenture issue/offer.

Timing

- 7.C.4 If applicable, the times and dates of the opening and of the closing of the

subscription lists or of the issue/offer.

- 7.C.5 If known, the dates on which the securities will be admitted to listing and on which dealings will commence.

Issue price

- 7.C.6 The reasons for any premium or discount on the issue or offer, how any premium or discount was dealt with and where some securities were issued or offered at par and others at varying premiums or discounts the reasons for the differential;
- 7.C.7 Where no par value shares are to be issued, the price at which they are to be issued and where shares are to be issued at different prices the reasons for any such differentiation.

Minimum subscription

- 7.C.8 The minimum amount that, in the opinion of the directors, must be raised by the issue/offer of securities in order to provide the amounts required for, or, if any part thereof is to be defrayed in any other manner, the balance of the amounts required for:
- (a) the purchase price of any property, referred to in paragraph 7.D.9, purchased or to be purchased, that is to be defrayed in whole or in part out of the proceeds of the issue;
 - (b) any preliminary expenses payable, commission payable to any person in consideration for his agreeing to subscribe for, or for procuring or agreeing to procure subscriptions for, or underwriting commission(s) payable by the applicant;
 - (c) the repayment of any moneys borrowed, or other loans in respect of any of the foregoing matters;
 - (d) working capital, stating the specific purposes for which it is to be used and the estimated amount required for each such purpose;
 - (e) any other material expenditure, stating the nature and purposes thereof and the estimated amount in each case; and
 - (f) any amounts to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the issue, and the sources from which those amounts are to be provided.

Registrar of companies

- 7.C.9 If the document issued and published is a prospectus, it must contain a statement on the front cover that a copy of the prospectus has been registered by the Registrar of Companies in terms of the Act and the date of such registration.

Authorisations

- 7.C.10 A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.

Dividends

- 7.C.11 The time limit (if any) after which entitlement to dividends lapses, and an indication of the person in whose favour the lapse operates.
- 7.C.12 The fixed date(s) (if any) on which entitlement to dividends arises.
- 7.C.13 Particulars of any arrangement under which future dividends are waived or

agreed to be waived.

Market value of securities

7.C.14 Where the securities for which application is being made are of a class that is already listed, a table of the aggregate volumes and values traded and the highest and lowest prices traded in those securities for each month over the twelve months prior to the date of issue of the prospectus/pre-listing statement/circular (“the twelve month period”); for each quarter over the two years prior to the twelve month period; and for each day over the 30 days preceding the last practicable date prior to the date of issue of the prospectus/pre-listing statement/circular.

Rights offers, capitalisation issues and scrip dividends

7.C.15 Where the securities for which application is being made are being issued and allotted by way of capitalisation of reserves (including current year distributable income) or the application of share premium, to securities holders of an existing listed security, the following information must be given in respect of such issue:

- (a) the reason for the capitalisation issue or scrip dividend;
- (b) the class and the par value (if any) of the securities involved;
- (c) if applicable, that the shareholder may elect to receive cash in substitution for the whole or part of his capitalisation issue or scrip dividend entitlement and vice versa;
- (d) if applicable, the last day on which shareholders must make their election;
- (e) a statement pointing out any tax implications of the issue for all securities holders, both resident and non-resident;
- (f) in the case of a scrip dividend, a statement should appear, in bold and upper case, on the front page drawing shareholders’ attention to the type of election to be made (i.e. whether shareholders will receive either cash or scrip if they fail to make the election);
- (g) the amount to be capitalised from the share premium or reserves of the applicant in order to be able to issue the capitalisation securities as fully paid up;
- (h) the ratio in which the capitalisation securities will be issued and allotted to shareholders of the applicant;
- (i) the important events and dates contained in the relevant timetable in Schedule 24 applicable to the issue; and
- (j) whether or not the rights (if any) are renounceable.

7.C.16 In the case of a rights offer, the following information must be disclosed in the circular:

- (a) purpose of the rights offer;
- (b) the amount to be raised by means of the rights offer, and the number of securities that are proposed to be issued;
- (c) the terms of the offer;
- (d) if underwritten, details of the underwriter. The underwriting commission must be clearly stated;
- (e) where the underwriter is a company the following information must be furnished:

- (i) the place and date of incorporation and registered number of the company;
 - (ii) the names of the directors of the company;
 - (iii) the name of the secretary of the company;
 - (iv) the bankers to the company; and
 - (v) the authorised and issued share capital of the company.
- (f) details regarding the proposed listing of the LAs, the subsequent listing of the new securities and the amount payable in respect of listing fees;
- (g) details regarding the LAs such as:
- (i) acceptance;
 - (ii) renunciation; and
 - (iii) payment (payment must be made in South African currency); and
- (h) a statement regarding exchange controls as agreed to by the South African Reserve Bank.

Simultaneous issues

7.C.17 If, simultaneously or almost simultaneously with the issue of securities for which application is being made, securities of the same class are issued, or to be issued, details must be given of the nature of such issues and of the number of the securities concerned.

Over subscriptions

7.C.18 State the relevant facts where it is the intention in the event of over subscription to extend a preference on allotment to any particular company or group such as employees and pension funds.

7.D Group activities

The following paragraphs detail the disclosure requirements relating to the group's activities:

General

- 7.D.1 The general history of the applicant and its subsidiaries must be detailed including, inter alia:
- (a) the length of time during which the business of the applicant and of any subsidiary has been carried on;
 - (b) 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 and the main businesses of its subsidiaries and the date on which they became a subsidiaries;
 - (c) brief particulars of any alteration of the applicant's capital during the past three years; and
 - (d) the date of conversion of the applicant into a public company.
- 7.D.2 A general description of the business carried on or to be carried on by the applicant and its subsidiaries and where the applicant or its subsidiaries carries on, or proposes to carry on, two or more businesses that are material, having regard to the profits or losses, assets employed, or to be employed, or any other

- factor, information as to the relative importance of each such business.
- 7.D.3 For the business(es) described in paragraph 7.D.2 detail the degree of any government protection and of any investment encouragement law affecting the business(es).
- 7.D.4 Details of any material changes in the business(es) of the applicant, during the past five years.
- 7.D.5 The opinion of the directors, stating the grounds therefore, as to the prospects of the business of the applicant and of its subsidiaries and of any subsidiary/ies or business undertaking to be acquired, together with any material information that may be relevant thereto.
- 7.D.6 The situation, area and tenure, including in the case of leasehold property the rental and unexpired term of the lease, of the principal immovable property held or occupied by the applicant and any of its subsidiaries.
- 7.D.7 Full details and terms of all material inter-company financial and other transactions, with specific disclosure of all inter company balances before elimination on consolidation.
- 7.D.8 The history of any change in controlling shareholder(s) and trading objects of the applicant and its subsidiaries during the previous five years. A statement of the new trading objects and the manner in which the new objects will be implemented. If the applicant, or as the case may be, the group carries on widely differing operations, a segmental statement showing the contributions of such respective differing operations to its sales, trading results and profits/losses before and after taxation. The proposed new name, if any, the reasons for the change and whether or not consent to the change has been obtained from the Registrar of Companies.

Property acquired or to be acquired

- 7.D.9 The following information regarding any material acquisition(s), within the last three years as at the date of the circular, or proposed acquisition by the applicant or any of its subsidiaries, of any securities in or the business undertaking(s) of any other company/ies or business enterprise(s) or any immovable property/ies or other property/ies in the nature of a fixed asset (collectively “the property”) or any option to acquire such property/ies:
- (a) the date of any such acquisition or proposed acquisition;
 - (b) the consideration, detailing the portion(s) settled by the issue of securities, the payment of cash or other means, and how any outstanding consideration is to be settled;
 - (c) details of the valuation of the property;
 - (d) any goodwill paid and how such goodwill was or is to be accounted for;
 - (e) any loans incurred, or to be incurred, to finance the acquisition, or proposed acquisition;
 - (f) the nature of title or interest acquired or to be acquired; and
 - (g) the details regarding the vendors as described in paragraph 7.H.

Disposal of property

- 7.D.10 The following details regarding any material property (as described in paragraph 7.D.9) disposed of during the past three years as at the date of the circular, or to be disposed of, by the applicant, or any of its subsidiaries:
- (a) the dates of any such disposal or proposed disposal;

- (b) the consideration received, detailing the portion(s) settled by the receipt of securities, cash or other means and how any outstanding consideration is to be settled;
- (c) details of the valuation of the property; and
- (d) the names and addresses of the purchasers of material assets sold. If any purchaser was a company, other than a public company, the names and addresses of the beneficial shareholders of the company. If a public company, the names and addresses of the controlling shareholders of the company. If any promoter or director had any interest, directly or indirectly, in such transaction or where any promoter or director was a member of a partnership, syndicate or other association of persons that had such an interest, the names of any such promoter or director, and the nature and extent of his interest.

Litigation

- 7.D.11 Information on any legal or arbitration proceedings, including any proceedings that are pending or threatened of which the issuer is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the group's financial position or an appropriate negative statement.

7.E Financial information

The following paragraphs detail the disclosure requirements relating to financial information:

Accountants reports

- 7.E.1 The relevant accountant's report, as described in paragraph 8.45, on the applicant.
- 7.E.2 If applicable, an accountant's report, as described in paragraph 8.45, on the asset the subject of the transaction.

Report of historical financial information

- 7.E.3 The requirements set out in paragraphs 8.1 to 8.14 is to be complied with and included in the pre-listing statement.**

Acquisitions made from proceeds

- 7.E.4 If the application for listing coincides, directly or indirectly, with the acquisition by the applicant, or any of its subsidiaries, of securities in or of the business undertaking of any other company in consequence of which that company or business undertaking will become a subsidiary of or part of the business of the applicant, in respect of each of the preceding three years, the same particulars must be provided relating to such company or business undertaking acquired or being acquired as are required mutatis mutandis by paragraph 7.E.1 and a general history of such company or the business undertaking acquired or being acquired as required by paragraphs 7.D.1 to 7.D.3.
- 7.E.5 If the application for listing coincides, directly or indirectly, with the acquisition by the applicant or any of its subsidiaries of securities in or the business undertaking of any other company, then cognisance of such proposed acquisition must be taken in arriving at the particulars described in paragraph 7.E.2 above.
- 7.E.6 If the application for listing coincides, directly or indirectly, with the acquisition by the applicant or its subsidiaries of securities in or the business undertaking of

any other company in respect of each of the preceding three years, the following particulars must be provided relating to such company or business undertaking being acquired in accordance with paragraph 7.D.1;

- (a) the profits before and after tax; and
- (b) its general history.

Statement as to working capital

7.E.7 A statement by the directors of the applicant issuer that in their opinion the working capital available to the applicant and its subsidiaries, if any, is sufficient for the group's present requirements, that is, for at least the next 12 months from the date of issue of the listing particulars, or, if not and the issuer has securities already listed, how it is proposed to provide the additional working capital thought by the issuer to be necessary.

The LuSE will not require a working capital statement to be made by an issuer whose business is entirely or substantially that of banking, insurance or the provision of similar financial services, provided that the LuSE is satisfied that:

- (a) the inclusion of such a statement would not provide significant information for investors; and
- (b) the issuer's solvency and capital adequacy are suitably regulated by another regulatory body.

7.E.8 The working capital statement should be prepared on the group, as enlarged, by the acquisition of any assets.

7.E.9 Applicant issuers and sponsoring brokers must comply with the requirements of Schedule 25 with regard to paragraphs 7.E.7 and 7.E.8.

Material change

7.E.10 A description of any material change in the financial or trading position of the applicant and its subsidiaries that has occurred since the end of the last financial period for which either audited annual financial statements or unaudited interim reports have been published, or an appropriate negative statement.

Profit forecasts

7.E.11 Profit forecasts must comply with paragraphs 8.35 to 8.44.

Pro-forma statements

7.E.12 Pro-forma statements should comply with paragraphs 8.15 to 8.33.

7.F General information

Material contracts

The following paragraphs detail the disclosure requirements relating to general information:

7.F.1 Subject to paragraph 6.17, the dates and the nature of, and the parties to every material contract entered into either verbally or in writing by the applicant or any of its subsidiaries, being a contract entered into otherwise than in the ordinary course of the business carried on or proposed to be carried on by the applicant or any of its subsidiaries:

- (a) entered into within the two years prior to the date of the pre-listing statement or circular; or
 - (b) entered into at any time and containing an obligation or settlement that is material to the issuer or its subsidiaries at the date of the pre-listing statement or circular.
- 7.F.2 If any contract referred to in paragraph 7.F.1 relates to the acquisition of securities in an unlisted subsidiary, or associated company, where all securities in the company have not been acquired, state the reason why 100% of the holding was not acquired, and whether anyone associated with the controlling shareholder(s) of the applicant, or associated companies, or its subsidiaries is interested and to what extent.
- 7.F.3 A brief summary of existing contracts or proposed contracts, either written or oral, relating to the directors' and managerial remuneration, secretarial and technical fees payable by the applicant and any of its subsidiaries and restraint payments, provided that details of the directors and managerial remuneration need only be disclosed in accordance with paragraph 7.B.7.
- 7.F.4 Particulars of royalties' payable or items of a similar nature in respect of the applicant and any of its subsidiaries.

LuSE Code

7.F.5 Applicant issuers must include the following in its pre-listing statement:

- (a) **a narrative statement of how it has applied the principles set out in the LuSE Code, providing explanation that enables its shareholders and potential investors to evaluate how the principles have been applied; and**
- (b) **a statement addressing the extent of the company's compliance with the King Code and the reasons for each and every instance of non-compliance.**

7.F.6 Applicant issuers must comply with the following specific requirements concerning corporate governance and must disclose their compliance therewith in their pre-listing statement:

- (a) **there must be a policy detailing the procedures for appointments to the board. Such appointments must be formal and transparent, and a matter for the board as a whole, assisted where appropriate by a nomination committee. The nomination committee must constitute only non-executive directors, of whom the majority must be independent (as defined in paragraph 7.F.6 (f) (iii), and should be chaired by the board chairperson;**
- (b) **there must be a policy evidencing a clear division of responsibilities at board level to ensure a balance of power and authority, such that that no one individual has unfettered powers of decision-making;**
- (c) **the chief executive officer must not also hold the position of chairperson;**
- (d) **the audit committee must set the principles for recommending the use of the external auditors for non-audit services;**
- (e) **a brief CV of each director must be provided; and**
- (f) **the capacity of each director must be categorised as executive, non-executive or independent, using the following as guidelines to determine which category is most applicable to each director:**

- (i) **executive directors:**
are directors that are involved in the day to day management and running of the business and are in full time salaried employment of the company and/or any of its subsidiaries;
- (ii) **non-executive directors:**
are directors that are not involved in the day to day management of the business and are not full-time salaried employee of the company and/or any of its subsidiaries;
- (iii) **independent directors are non executive directors who:**
 - (1) are not representatives of any shareholder who has the ability to control or significantly influence management and/or the board;
 - (2) has not been employed by the company or the group of which it currently forms part in any executive capacity for the preceding three financial years;
 - (3) is not a member of the immediate family of an individual who is, or has been in any of the past three financial years, employed by the company or the group in an executive capacity;
 - (4) is not a professional advisor to the company or the group, other than in the capacity as a director;
 - (5) is not a significant supplier to, or customer of the company or group;
 - (6) has no significant contractual relationship with the company or group; and
 - (7) is free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner;
- (g) **all applicant issuers must appoint an audit committee and remuneration committee and if required, given the nature of their business and composition of their board, a risk committee and nomination committee. 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.**

Experts' consents

7.F.7 Where a pre-listing statement includes a report purporting to be made by an expert, a statement that the expert has given and has not withdrawn his/her/its written consent to the issue of the prospectus/pre-listing statement/circular, with the report in the form and context in which it is included.

7.G Documents and consents to be available for inspection

The following paragraphs detail the disclosure requirements relating to documents and consents to be available for inspection:

7.G.1 The following documents (or copies thereof), where applicable, relating to the applicant and its subsidiary companies, if any, must be able to be inspected at a place where the applicant has its registered office, and in Johannesburg for a reasonable period of time (being not less than 14 days):

- (a) the memorandum and articles of association;
- (b) any trust deed or agreement affecting the governance of the applicant or the interests of shareholders;
- (c) copies of any special or notarial contract bearing on the trust deed or memorandum and articles of association entered into within the last three years;
- (d) all material contracts (including patent rights, and franchise agreements);
- (e) in the case of a material contract not reduced to writing, a memorandum giving full particulars thereof;
- (f) the latest competent person's report, in the case of a mineral company;
- (g) the latest sworn appraisals or valuations relative to movable and immovable property and items of a similar nature, if applicable;
- (h) copies of service agreements with directors (or a summary of such agreements), managers or secretary/ies; underwriters, vendors' and promoters' entered into during the last three years;
- (i) all reports, letters, audited annual financial statements, income statements, valuations and statements by an expert any part of which is extracted or referred to in the prospectus/pre-listing statement/circular; and
- (j) the audited annual financial statements since the incorporation of the applicant or for the preceding three years, whichever is the lesser, together with all notes, certificates, or information required by the Act.

7.H Vendors

The following paragraphs detail the disclosure requirements relating to vendors of material assets to the applicant or its subsidiaries (or the target in the case of a circular relating to an acquisition):

- 7.H.1 State the names and addresses of the vendors of any material assets purchased or acquired by the applicant or by any subsidiaries of the applicant during the three years preceding the publication of the prospectus/pre-listing statement/circular or proposed to be purchased or acquired, and the amount paid or payable in cash or securities to the vendor, and where there is more than one separate vendor, the amount so paid or payable to each vendor and the amount (if any) payable for goodwill or items of a similar nature. The cost of assets to the vendors and dates of purchase by them, if purchased within the preceding three years. Where the vendor is a company, the names and addresses of the beneficial shareholders, direct and indirect, of that company if required by the LuSE. Where any of the above information is unobtainable, the reasons are to be stated. Transactions between the applicant and a vendor, where the vendor is a related party, will be regulated in terms of the requirements of this paragraph and Section 10 of the Listings Requirements.
- 7.H.2 State whether or not the vendors have guaranteed the book debts or other assets and whether or not "normal" warranties have been given.
- 7.H.3 State whether the vendors' agreements preclude the vendors from carrying on business in competition with the applicant or any of its subsidiaries; or impose any other restriction(s) on the vendor(s), also details of any cash or other payment regarding restraint(s) of trade and the nature of such restraint(s) of trade.
- 7.H.4 State how any liability for accrued taxation, or any apportionment thereof to the date of acquisition, will be settled in terms of the vendors' agreements.

- 7.H.5 Where securities are purchased in a company that will become a subsidiary of the applicant, a reconciliation must be provided showing the difference between the amounts paid for the securities and the proportionate value of the net assets of that company attributable to such securities acquired. Where securities are purchased in companies that will not be accounted for as subsidiaries a statement must be provided detailing how the value of the securities was determined.
- 7.H.6 Where any promoter or director had any beneficial interest, direct or indirect, in such transaction or where any promoter or director was a member of a partnership, syndicate or other association of persons that had such an interest, the names of any such promoter or director, and the nature and extent of his interest must be disclosed. Where the vendors or any of them are a partnership, the members of the partnership shall not be treated as separate vendors.
- 7.H.7 State the amount of any cash or securities paid or benefit given within the three preceding years or proposed to be paid or given to any promoter, not being a director, and the consideration for such payment or benefit received or receivable.
- 7.H.8 State whether the assets acquired have been transferred into the name of the applicant or any of its subsidiaries and whether or not the assets have been ceded or pledged.

Section 8

Financial Information

Scope of section

This section sets out financial information that will be required to be included in a prospectus/pre-listing statement/circular. It also sets out continuing obligations relating to matters of a financial nature. When a new applicant or existing issuer issues a prospectus the presumption is made that, apart from compliance with the Act, such prospectus will also comply with and contain all necessary disclosures as if it were a pre-listing statement subject to compliance with the Listings Requirements.

The main headings of this section are:

- 8.1 Report of historical financial information
- 8.15 Pro forma financial information
- 8.35 Profit forecasts and estimates
- 8.45 Accountant's report
- 8.57 Minimum contents of interim reports, provisional annual financial statements ("provisional reports") and abridged annual financial statements ("abridged annual reports")
- 8.62 Minimum contents of annual financial statements
- 8.65 GAAP Monitoring Panel

Where an applicant is producing a prospectus, additional financial information is required as set out in Section 6.

Additional and alternative requirements are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 14 (Pyramid Companies), Section 15 (Investment Entities), Section 18 (Dual Listings and Listings by External Companies) and Section 19 (Specialist Securities)

Report of historical financial information

- 8.1 The report of historical financial information is the responsibility of the directors of the new applicant/issuer, and this fact is to be stated in the report.**

Circumstances when a report of historical financial information is required

- 8.2 A report of historical financial information is required:**
 - (a) on a new applicant (including an issuer making application in terms of a reverse take-over) making an application for listing and issuing a prospectus/pre-listing statement;**
 - (b) on the subject of any substantial acquisition or disposal (measured against the anticipated market capitalisation of the new applicant at the date of listing) that has been effected by a new applicant in the current or preceding financial year;**
 - (c) on the subject of any substantial acquisition or disposal (measured against the anticipated market capitalisation of the new applicant at the date of listing) that is planned to be effected by a new applicant and is known at the date of issue of the prospectus/pre-listing statement;**

- (d) on an existing listed issuer that is issuing a prospectus/pre-listing statement;
- (e) on the subject of a Category 1 or 2 transaction (“Category 1 or 2 subject”);
- (f) on the subject of any substantial acquisition or disposal (measured against the value of the Category 1 or 2 subject) that has been effected by a Category 1 or 2 subject in the current or preceding financial year;

Financial information to be presented

- 8.3 The report of historical financial information is to include the following historical financial information, prepared in accordance with IFRS:**
- (a) income statements;
 - (b) balance sheets;
 - (c) statements of changes in equity;
 - (d) cash flow statements;
 - (e) accounting policies;
 - (f) notes thereto;
 - (g) segmental information; and
 - (h) the information set out in paragraphs 8.11 and 8.12.
- 8.4 The historical financial information required under paragraph 8.3, is to be presented in consolidated form in respect of a period of at least three years up to and including the financial year immediately preceding the issue of the prospectus/pre-listing statement/circular. Where the historical financial information is not available for the prior three year period the LuSE must be consulted for a ruling regarding disclosure and approval of the transaction. The same historical financial information is also to be presented for the holding company where this provides significant additional information to that presented in consolidated form.**
- 8.5 When a report of historical financial information is required in terms of paragraphs 8.2(b), 8.2(c), 8.2(e) or 8.2(f) it must be prepared in accordance with and by applying the accounting policies of the new applicant/issuer.**
- 8.6 In addition, where the new applicant/issuer has made a substantial acquisition/disposal, has entered into any other substantial transaction or has entered into an agreement to make such a substantial acquisition/disposal or other substantial transaction subsequent to the last audited annual financial statements which has not been reported upon in any circular or other document, disclosure is to be made of all the material terms and conditions of the agreement, including any conditions precedent.**
- 8.7 In addition to the historical financial information required to be presented in accordance with paragraph 8.2, if at the date of the prospectus/pre-listing statement/circular more than nine months have elapsed since the end of the last financial year, reviewed interim financial information is to be prepared in accordance with IFRS on Interim Financial Reporting, and is to be presented for the first six months ended subsequent to the relevant subject matter’s latest financial year ended.**
- 8.8 With respect to 8.2 (a) to (c), if more than 12 months have passed, or with respect to 8.2 (e) to (f), if more than 15 months have passed, since the period for which audited annual financial statements were prepared and issued,**

then audited annual financial statements shall be prepared for the latest financial year ended.

- 8.9** Where other historical financial information has been made available to the issuer's holders of securities subsequent to the issuer's latest financial year-end, such other historical financial information is also to be presented.

Non-compliance with IFRS and the Companies Act

8.10 In the case of a company domiciled outside the Republic of Zambia, where the historical financial information required by paragraphs 8.2 to 8.9 has not been prepared in compliance with IFRS and the Act or the Companies Act, there is to be disclosure of the following:

- (a) the reasons for such non compliance;
- (b) the accounting standards and legislation under which the historical financial information has been prepared; and
- (c) a comprehensive reconciliation to IFRS of the effect of such non-compliance on the information required to be presented in accordance with paragraph 8.3.

Additional information

8.11 The following additional information is to be provided when presenting the historical financial information required by paragraph 8.3 for the latest financial year, and, where paragraph 8.7 is applicable, for the interim period:

- (a) any major change in the nature of property, plant and equipment and any change in policy regarding the use thereof;
- (b) details of any material loan receivable ("loan"), including:
 - (i) the inception date of the loan;
 - (ii) to whom the loan was made;
 - (iii) interest and repayment terms of the loan;
 - (iv) if interest payments are in arrears, the last date on which interest was paid and the extent of the arrears;
 - (v) the period of the loan;
 - (vi) the nature and value of any security held in respect of the loan;
 - (vii) if the loan is unsecured, the reasons therefore;
 - (viii) any changes in 8.11 (b) (ii) to (vii) above during the period; and
 - (ix) how each loan arose, particularly whether it arose from the sale of assets by the issuer or any of its subsidiaries;
- (c) details, as required in 8.11 (b) above, of loans made or security furnished by the issuer or by any of its subsidiaries for the benefit of any director or manager, or any associate of any director or manager;
- (d) details of any material borrowings ("borrowings"), including debentures and similar securities/instruments, stating:
 - (i) the names of the lenders;
 - (ii) the nature and value of security provided, if any, in respect of the borrowings;
 - (iii) interest and repayment terms of the borrowings;

- (iv) if borrowings are repayable within 12 months, how the payments are to be financed; and
 - (v) how the borrowings arose, stating whether or not they arose from the purchase of assets;
 - (e) the aggregate amounts and particulars of any shares and convertible securities issued, setting out the circumstances and purposes of the issues;
 - (f) details of any schemes involving the staff of the issuer or its subsidiaries;
 - (g) in respect of each:
 - subsidiary, and any entity that was a subsidiary during the period covered by the report of historical financial information but has ceased to be one;
 - joint venture;
 - partnership;
 - associate; and/or
 - other long-term investment;
- if material to the financial position, changes in equity, results or cash flows of the issuer, disclose the following:
- (i) the amount of all classes of issued share capital, the percentage held by the issuer, its subsidiaries or nominees, the voting percentage held, if different from the ownership percentage, and any changes therein during the current and /or last financial period;
 - (ii) any rights held by any person enabling such person to vary the voting rights held in any subsidiary; and
 - (iii) the amount of the issuer's interest, distinguishing between shares and indebtedness, and any changes therein during the period;
- (h) the issuer's share of net profits and /or losses for the period of subsidiaries, joint ventures, partnerships and associates, disclosed separately for each such entity;
 - (i) particulars of directors emoluments paid or accrued by the company in compliance with paragraph 7.B.7;
 - (j) the net asset value and tangible net asset value per share expressed in cents;
 - (k) earnings, diluted earnings, headline earnings and dividends per share in respect of each class of share expressed in cents;
 - (l) any material change in the nature of the business of the issuer and its subsidiaries;
 - (m) any material fact or circumstance that has occurred between the end of the latest financial year of the issuer and the date of the prospectus/pre-listing statement/circular, in so far as not already dealt with in the interim financial information included in the report of historical financial information, or, where not applicable, an appropriate negative statement.

8.12 The report of historical financial information is to include commentary on the historical financial information incorporating a general review of the business and operations of the applicant issuer/undertaking the subject of the transaction during the period and the results thereof and is to deal with every fact or circumstance material to an appreciation of the state of affairs, financial position, changes in equity, results of operations and cash flows of the issuer.

Periods

8.13 Where the financial year-end of the issuer changed at any time during the reporting periods, the historical financial information for the full periods in question is to be provided. Annualised historical financial information is not to be presented in the report of historical financial information.

Adjustments

8.14 A statement of adjustments is to be provided, detailing the amounts and reasons therefore, in respect of any adjustments made to previously reported historical financial information used in preparing the report of historical financial information. This is to be provided in the form of a reconciliation between the previously reported historical financial information and the adjusted historical financial information presented in the report of historical financial information. If no adjustments are made, there is to be disclosure of that fact. Adjustments are only to be made to give effect to:

- (a) retrospective application of changes in accounting policies; and
- (b) retrospective correction of fundamental errors.

Pro forma financial information

General

8.15 If the issuer publishes pro forma financial information, including but not limited to financial effects, in any document requiring submission to the LuSE, that information must comply with paragraphs 8.16 to 8.33 and a report in terms of paragraph 8.48(b) must be included in the relevant document. This report is not required to be prepared for an announcement. In all instances, the pro forma financial information must be compiled, and if applicable reported on, in terms of The Guide on Pro forma Financial Information, issued by SAICA.

8.16 Pro forma financial information is the responsibility of the directors of the issuer, and this fact is to be stated with the pro forma financial information.

Nature of information

8.17 Pro forma financial information is to provide investors with information about the impact of the corporate action, the subject of the prospectus/pre-listing statement/circular, by illustrating how that corporate action might affect the reported financial information, had the corporate action been undertaken at the commencement of the period being reported on, or in the case of a pro forma balance sheet, at the date reported on. The pro forma financial information presented is not to be misleading, is to assist investors in analysing future prospects of the issuer and is to include all appropriate adjustments permitted by paragraph 8.30, of which the issuer is aware, and which are considered necessary to give effect to the corporate action as if the corporate action had been undertaken at the commencement of the

period being reported on or, in the case of the pro forma balance sheet, at the date reported on. In certain limited circumstances, permission will be granted to calculate an income statement effect at a date other than at the beginning of the financial period. These exceptions are detailed in The Guide on Pro forma Financial Information, issued by SAICA.

Presentation of information

- 8.18** The pro forma financial information is to state clearly:
- (a) the purpose for which it has been prepared;
 - (b) that it is prepared for illustrative purposes only; and
 - (c) that because of its nature, it may not fairly present the issuer's financial position, changes in equity, results of operations or cash flows.
- 8.19** The pro forma financial information is to be presented in columnar form showing separately the unadjusted financial information, the pro forma adjustments and the pro forma financial information. The pro forma financial information is to identify:
- (a) the basis upon which it is prepared; and
 - (b) the source of each item of information and adjustment.
- 8.20** Pro forma figures must be given no greater prominence in the document than unadjusted financial figures.

Accounting policies

- 8.21** Pro forma financial information is to be presented in a manner consistent with both the format and accounting policies adopted by the issuer in its report of historical financial information.
- 8.22** In quantifying pro forma adjustments, the issuer is to apply accounting policies on the same basis as the issuer would normally adopt in preparing its annual financial statements.
- 8.23** The requirement to apply the issuer's accounting policies in preparing pro forma financial information applies to adjustments made in respect of a material acquisition.
- 8.24** Pro forma financial information is to be prepared in accordance with the policies adopted in presenting the unadjusted financial information of the issuer at the relevant date or for the relevant period, even where new accounting standards will apply subsequently.

Selection of periods

- 8.25** Pro forma financial information may be published only in respect of:
- (a) the most recent completed financial period;
 - (b) the most recent interim period for which unadjusted information has been published or is being published in the report of historical financial information;
 - (c) both 8.25 (a) and 8.25(b);
 - (d) in the case of a pro forma balance sheet, as at the date on which such periods end or ended; and
 - (e) a profit forecast (provided the forecast has been published and reported on in terms of Section 8 or Section 13) for income statement

purposes and paragraphs 8.25(a) to (d) for balance sheet purposes.

Subsequent events

- 8.26** No adjustments may be made to pro forma financial information in respect of post balance sheet events except:
- (a) as provided for in IFRS on Events After the Balance Sheet Date; or
 - (b) in respect of the particular corporate action for which the pro forma financial information is being presented; or
 - (c) in respect of any previously published financial effects; or
 - (d) in respect of any post balance sheet corporate action of the issuer or the target, where it would be misleading not to make an adjustment, and in such instance, in addition to providing full details of the adjustment, details must be provided as to why the issuer believes it would be misleading not to make an adjustment.

Accounting periods

- 8.27** Where a pro forma income statement or cash flow statement is presented for two or more entities or business undertakings, such as may be the case in a material acquisition, the unadjusted information about the issuer and the adjustments in respect of the other entity or entities are to cover similar periods of the same length.

Unadjusted information

- 8.28** The unadjusted information of the issuer is to be derived from the most recent:
- (a) published audited annual financial statements, published interim report, preliminary reports or provisional reports;
 - (b) previously published report of historical financial information;
 - (c) previously published pro forma financial information reported on in accordance with paragraph 8.48(b);
 - (d) profit forecast which has been published and reported on in terms of Section 8 or Section 13 for income statement purposes and paragraphs 8.28(a) to (c) for balance sheet purposes.
- 8.29** The unadjusted information of the subject matter of the acquisition or disposal is to be derived from the:
- (a) most recent published audited annual financial statements, published interim report, preliminary report or provisional report;
 - (b) profit forecast which has been issued and reported on in terms of Section 8 or Section 13 for income statement purposes and paragraphs 8.29(a) or (c) for balance sheet purposes;
 - (c) unpublished management accounts provided that:
 - (i) the issuer is satisfied with the quality of those management accounts;
 - (ii) shareholders are warned about the source of the information; and
 - (iii) in the case of a category 1 transaction or related party circular to shareholders it includes those management accounts and an accountant's review or audit opinion (whichever is applicable)

on those accounts.

Adjustments

- 8.30** Any adjustments that are made to the information referred to in paragraphs 8.28 and 8.29 above in relation to any pro forma statement are to be:
- (a) clearly shown and explained;
 - (b) directly attributable to the transaction concerned and not relating to future events or decisions;
 - (c) factually supportable; and
 - (d) in respect of a pro forma income statement or cash flow statement, clearly identified as those adjustments that are expected to have a continuing effect on the issuer and those that are not.
- 8.31** In order to comply fully with paragraph 8.30, issuers must include notes to the pro forma financial information providing the explanations required in terms of paragraph 8.30 as well as:
- (a) any assumptions on which the adjustments are based;
 - (b) the range of possible outcomes where there is significant uncertainty;
 - (c) the sources of the amounts concerned; and
 - (d) where relevant, how adjustments have been aggregated or allocated to financial statement captions.

Continuing effects

- 8.32** In respect of pro forma income or cash flow statements, issuers are to identify clearly those adjustments that are expected to have a continuing effect on the issuer and those that are not. An issuer is not permitted either:
- (a) to omit adjustments that are directly attributable to a corporate action and are factually supportable, on the grounds that they do not have a continuing effect; or
 - (b) to make adjustments to eliminate items solely on the grounds that they are considered not to have a continuing effect.
- 8.33** Issuers are to interpret paragraphs 8.28 and 8.29 in line with the requirements of IFRS

Earnings and headline earnings per share

- 8.34** Where pro forma earnings and headline earnings per share information is given for a transaction it must be provided in compliance with IFRS and the definition of headline earnings as set out in these Listings Requirements, except that where the transaction includes the issue of securities, the calculation is to be based on the weighted average number of issued securities adjusted if that issue had taken place at the beginning of the period.

Profit forecasts and estimates

- 8.35** The following requirements apply equally to forecasts or estimates of profits or losses, cash flows or net asset values (“collectively defined as ‘profits or losses’”) of an applicant issuer or an undertaking that is to become a material part of an applicant issuer’s group.

- 8.36** Any statement or information relating to the future prospects of an applicant issuer, or an undertaking that is to become a material part of an applicant issuer's group, must be clear and unambiguous. The applicant issuer must determine in advance with its sponsoring broker whether such a statement of information will constitute a profit forecast or an estimate. Any profit forecast or estimate must be presented in an explicit manner and must be compiled using accounting policies applied by the applicant issuer.
- 8.37** (a) A profit forecast is a form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word "profit" is not used.
- (b) A profit estimate is a form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for a financial period ended but for which no financial information has yet been published, or contains data from which a calculation of such a figure may be made, even if no particular figure is mentioned and the word "profit" is not used.
- 8.38** A profit forecast or estimate of an applicant issuer or an undertaking that is to become a material part of the applicant issuer's group which is included in any communication with shareholders is the sole responsibility of the directors and must be reported on by the sponsoring brokers in accordance with paragraph 2.11.
- 8.39** A dividend forecast must be treated as a profit forecast where the issuer has a known policy of relating dividends to earnings, or has an insufficient level of retained earnings, or the forecast otherwise implies a forecast of profit. In the event of uncertainty the LuSE must be consulted.
- 8.40** In the event of an applicant issuer publishing a profit forecast or estimate in an announcement it must either:
- (a) produce and submit to the LuSE a profit forecast or estimate, and accountants report thereon in accordance with:
- (i) ISAE 3400 – The Examination of Prospective Financial Information in respect of profit forecasts; or
- (ii) ISAE 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information, in respect of the estimate;
or;
- (c) include a statement (which is not deemed to be a cautionary statement and which does not give rise to the commencement of a closed period) in the announcement advising securities holders that the forecast financial information has not been reviewed and reported on by the applicant issuer's auditors in accordance with 8.40(a).
- 8.41** The LuSE reserves the right to insist on sign-off by the auditors in accordance with paragraph 8.40(a) where it believes that it would be in the interests of securities holders.
- 8.42** The period of the forecast or estimate should normally be to the end of the financial period. If it is not, then the period of the forecast or estimate must be in respect of a period for which the results will be published, or the issuer must make a new forecast for such a period. The forecast or estimate

must be disclosed on a per share basis and must include profit after tax, disclosing separately any items expected to be of such size, nature or incidence that their disclosure is relevant to explain the expected performance, as well as tax charges, earnings and headline earnings (and cash flows or net asset values if applicable).

- 8.43** A profit forecast included in a prospectus/pre-listing statement must be prepared in accordance with IFRS for that forecast period, must be reported in accordance with paragraph 8.40(a) and must include a statement of the principal assumptions for each factor that would have a material effect on the achievement of the forecast. These assumptions must:
- (a) be clearly segregated between assumptions about factors that the directors can influence and assumptions about factors that are exclusively outside the influence of the directors;
 - (b) be readily understandable by investors;
 - (c) be specific about the particular aspect of the estimate/forecast to which they refer and about the uncertainty attaching to that aspect; and
 - (d) not relate to the general accuracy of the estimates (e.g. sales estimates, expense estimates, etc) underlying the forecasts.
- 8.44 With regards to a profit estimate the estimate may only be subject to assumptions in exceptional circumstances and such exceptional circumstances should be explained.

Accountant's report

Circumstances when an accountant's report is required

- 8.45 An accountants' report is required when a report of historical financial information is required in terms of paragraph 8.2(a), (b), (c), (e) and (f), and when pro forma financial statements and profit forecasts/estimates (when prepared in terms of paragraph 21.3(f), 8.41 and 8.43) are prepared).

The accountant

- 8.46** The accountant must be an accountant and auditor registered in terms of ZICA and must have sufficient knowledge and experience in the application of Section 8 of the Listings Requirements.
- 8.47** The accountant shall conduct the engagement in accordance with the relevant International Auditing and Assurance Standards Board (IAASB) Standard (The IAASB Standards include: International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), and International Standards on Related Services (ISRSs)) and relevant guidance issued by ZICA
- 8.48** The accountant is to provide opinions on the following reports:
- (a) a report of historical financial information by way of:
 - (i) an audit opinion on financial information relating to the financial year immediately preceding the issue of the prospectus/pre-listing statement/circular; and/or
 - (ii) either an audit opinion or a review opinion on financial information relating to the financial years prior to the financial year immediately preceding the issue of the prospectus or

circular; and/or

- (iii) a review opinion on interim financial information where such information requires a review opinion;
- (b) the pro forma financial information as to:
 - (i) whether the pro forma financial information has been properly compiled on the basis stated;
 - (ii) whether such basis is consistent with the accounting policies of the issuer; and
 - (iii) whether the adjustments are appropriate for the purposes of the pro forma information as disclosed pursuant to paragraph 8.17 and paragraph 8.30;
- (c) a profit forecast as to:
 - (i) whether the assumptions, barring unforeseen circumstances, provides a reasonable basis for the preparation of the forecast;
 - (ii) whether the forecast has been properly compiled on the basis stated; and
 - (iii) whether the forecast has been properly presented and all material assumptions are adequately disclosed; and
 - (iv) whether the profit forecast is presented on a basis consistent with the accounting policies of the company or group in question.
- (d) a profit estimate as to:
 - (i) whether the estimate has been properly compiled on the basis stated;
 - (ii) whether the estimate has been properly presented and all material matters are adequately disclosed; and
 - (iii) whether the estimate is presented on a basis consistent with the accounting policies of the company or group in question.

8.49 Where the historical financial information has not been subject to an audit previously or where the reporting accountant is not the auditor of the company, the reporting accountant is to audit, at a minimum, the historical financial information relating to the financial year preceding the issue of the prospectus/pre listing statement/circular, and review the historical financial information of prior periods. The reporting accountant is to follow the International Standard on Auditing on Initial Engagements – Opening Balances with regard to the unaudited opening balances.

8.50 Where, in accordance with the requirements of paragraph 8.48, an audit of the historical financial information is to be performed, and the reporting accountant is also the auditor of the company, he is to review the audit working papers relating to the relevant historical financial statements. However, where the reporting accountant is not the auditor of the company, he is to follow the statement of International Standard on Auditing on Using the Work of Another Auditor.

Contents of an accountant's report

8.51 An accountant's report should be addressed to the directors of the applicant, in the case of an application for listing of new securities, or the listed company, in the case of an acquisition or disposal, and must include the following basic elements, ordinarily in the following layout:

- (a) title;
- (b) addressee;
- (c) Opening or introductory paragraph with:
 - (i) the purpose for which the report has been prepared;
 - (ii) a statement of the responsibility of the directors;
 - (iii) a statement of the responsibility of the accountant; and
 - (iv) **identification of the components of the financial information audited or reviewed;**
- (d) **scope paragraphs, describing the nature of the work undertaken, with:**
 - (i) **a reference that the audit has been conducted in accordance with International Standards on Auditing (ISAs) (in the case of an audit); and/or**
 - (ii) **the relevant International Standard on Review Engagements (ISREs) (in the case of a review); and/or**
 - (iii) **the International Standards on Related Services (ISRS) 4400 – Engagements to Perform Agreed upon Procedures Regarding Financial Information (in the case of agreed-upon procedures);and/or**
 - (iv) **the International Standard on Assurance Engagements (ISAE) 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information (in the case of assurance engagement and estimate); and/or**
 - (v) **the International Standard on Assurance Engagements (ISAE) 3400 – The Examination of Prospective Financial Information; and/or**
 - (vi) **the guidance issued by ZICA (in the case of a review of pro forma financial information); and**
 - (vii) **a description of the work the accountant has performed;**
- (e) **an opinion paragraph containing an expression of opinion (in the case of an audit or assurance engagement) or a conclusion paragraph containing an expression of the accountant’s conclusion (in the case of other assurance engagements conducted in accordance with ISAEs);**
- (f) **the accountant’s name, address and signature; and**
- (g) **the date on which the accountant’s report is**

signed. Date of reports

8.52 The accountant’s report(s) should be dated on the same day that the directors authorise the issue of the prospectus/pre-listing statement/circular/announcement, for formal submission to the LuSE.

Review of prospectus/pre-listing statement/circular

8.53 The accountant should review the prospectus/pre-listing statement/circular to ensure that the contents thereof are not contradictory with the information contained in the report of historical financial information. The accountant must inform the LuSE, in writing, of his consent for inclusion and of any such contradictions.

Consent letters

- 8.54 The accountant should submit a letter to the directors giving his/her consent to the inclusion of:
- (a) the accountant's report(s) in the prospectus/pre-listing statement/ circular; and
 - (b) references to, or extracts from, the accountant's report(s) included in the prospectus/pre-listing statement/circular.
- 8.55 The consent letter should be dated on the same day that the directors authorise the issue of the prospectus or circular for formal submission to the LuSE.
- 8.56 A statement is to be included in the prospectus/pre-listing statement/circular that the accountant has given and has not withdrawn his/her/its written consent to the issue of the prospectus/pre-listing statement/circular, containing the accountant's report in the form and context in which it appears.

Minimum contents of interim reports, preliminary reports, provisional annual financial statements ("provisional reports") and abridged annual financial statements ("abridged reports")

- 8.57 Every listed company, in addition to complying with the statutory requirements concerning interim reports, preliminary reports, provisional reports and abridged reports must prepare such reports in accordance with, and containing the information required by IFRS**

Supplementary information

- 8.58 In addition to the requirements of IFRS the following supplementary information must, where applicable and material, be included:**
- (a) any exceptional increase in borrowings during the period under review, and where possible the effect of such increased borrowings on the earnings per share and headline earnings per share. Should it not be possible to disclose this effect on the earnings per share and headline earnings per share, the reasons must be stated;
 - (b) in respect of the period under review and the immediately preceding comparable period, a headline earnings per share and a diluted headline earnings per share figure must be disclosed, in addition to the required IFRS earnings per share figures, together with an itemised reconciliation between headline earnings and the earnings used in the calculation of earnings per share;
 - (c) with respect to Mineral Companies, summary information must be provided in the interim report disclosing any material changes to the information disclosed in compliance with 8.63(m) for the prior year/period ended, or an appropriate negative statement where there have been no material changes; and
 - (d) disclosure where there is a material change to the initial estimates of a contingent consideration payable or receivable in terms of an acquisition or disposal, as used in the pro forma financial effects calculations.

Change of financial year

- 8.59 If a change in the financial year is proposed, the LuSE must be notified in writing and consulted as to the period or periods to be covered by the interim report.**

Audited/reviewed interim, provisional and abridged annual reports

- 8.60** If an interim, preliminary, provisional or abridged report has been audited or reviewed by an auditor, this fact and the name of the auditor shall be stated in such published report. Although the report of the auditor need not be included in the published report, if such report is modified, details of the nature of such modification shall be stated therein. If the report of the auditor is not included in the published report, it shall state that the report of the auditor is available for inspection at the company's registered office. If such report has not been audited or reviewed by an auditor, an appropriate negative statement must appear in such published report.

Basis of presentation

- 8.61** Interim, preliminary, provisional and abridged reports must be presented on a consolidated basis and prepared in accordance with paragraphs 8.57 and 8.58.

Minimum contents of annual financial statements

- 8.62** The annual financial statements must:

- (a) be drawn up in accordance with the national law applicable to a listed company;
- (b) be prepared in accordance with International Financial Reporting Standards (but see Section 18 in respect of dual listings and listings by overseas companies);
- (c) be audited in accordance with International Standards on Auditing; or in the case of overseas companies, in accordance with national auditing standards acceptable to the LuSE or International Standards on Auditing;
- (d) be in consolidated form if the listed company has subsidiaries, unless the LuSE otherwise agrees, but the listed company's own financial statements must also be published if they contain significant additional information; and
- (e) fairly present the financial position, changes in equity, results of operations and cash flows of the group.

- 8.63** In addition to complying with IFRS, the Companies Act and paragraph 3.84 of the Listings Requirements, issuers are required to disclose the following information in the annual report (in the case of 8.63(a) and (m)), and in the annual financial statements (in the case of 8.63(b)–(l) and (n)):

- (a) the LuSE Code:

- (i) a narrative statement of how it has applied the principles set out in the LuSE Code of Corporate Governance, providing explanation(s) that enable(s) its shareholders to evaluate how the principles have been applied; and
- (ii) a statement addressing the extent of the company's compliance with the LuSE Code and the reasons for non-compliance with any of the principles in the LuSE Code, specifying whether or not the company has complied throughout the accounting period with all the provisions of the LuSE Code, and indicating for what part of the period any non-compliance occurred;

- (b) borrowings:

- (i) full disclosure must be made of all borrowings. Where, during

the period under review, a listed company or any of its subsidiaries incurs a material increase in its borrowings, it must disclose the nature of and purpose for such borrowings; and

(ii) as a note, disclosure must be made of the level of borrowings in relation to those borrowings authorised by the articles of association of the listed company and its subsidiaries;

(c) headline earnings per share:

in respect of each current financial year and the immediately preceding financial year, a headline earnings per share and a diluted headline earnings per share figure must be disclosed, together with an itemised reconciliation between headline earnings and the earnings used in the calculation of earnings per share;

(d) disclosure of directors' interests:

(i) the aggregate of the direct and indirect beneficial interests of the directors (and his/her associates) in, and the direct and indirect interest of each director's holding in the share capital of the listed company. The statement should include by way of a note any change in those interests occurring between the end of the financial year and a date not more than one month prior to the date of the notice of the annual general meeting or, if there has been no such change, disclosure of that fact; and

(ii) comparative figures for the previous year must be presented;

(e) shareholder spread:

(i) the number of public shareholders for every class of listed securities must be disclosed;

(ii) the percentages of each class of listed security that is held by public and non-public shareholders must be disclosed; and

(iii) the disclosure for non-public shareholders must be analysed in accordance with the categories set out in paragraph 4.25;

(f) major shareholders:

the interest of any shareholder other than a director who, in so far as it is known, is directly or indirectly beneficially interested in 5% or more of any class of the listed company's capital, together with the amount of each such shareholder's interest, or if there are no such shareholders, an appropriate negative statement;

(g) share incentive schemes:

the listed company must, in respect of its or its subsidiary companies' share incentive schemes, summarise the details and terms of options in issue at the beginning of the financial period, cancelled or issued during the financial period and in issue at the end of the financial period, the number of securities that may be utilised for purposes of the scheme at the beginning of the financial period, changes in such number during the financial period and the number of securities available for utilisation for purposes of the scheme at the end of the financial period;

(h) profit forecasts:

if the results for the period under review differ by 10% or more from any published forecast or estimate by the company for that period, an explanation of the difference must be given;

(i) unlisted securities:

if applicable, a statement in accordance with paragraph 4.23 (b) must be made;

(j) special resolutions:

full details must be given of all special resolutions passed by the issuer's subsidiaries since the date of the previous directors' report relating to capital structure, borrowing powers, the object clause contained in the memorandum of association or any other material matter that affects the understanding of the company and its subsidiaries;

(k) issues for cash:

details must be given of all issues of securities for cash during the period under review, distinguishing between general and specific issues, and including, at least, the number of securities issued, the price at which and, in the event of a specific issue to non-public shareholders as defined in paragraph 4.25, to whom they were issued; and

(l) disclosure of individual director's emoluments:

an analysis in aggregate and by director, of emoluments paid in respect of each current financial year and the immediately preceding financial year by the company, or receivable by directors, in their capacity as director, or in any other capacity, whether determined by the articles or not, distinguishing separately between executive and non-executive directors;

(i) fees for services as a director;

(ii) 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;

(iii) basic salary;

(iv) bonuses and performance-related payments;

(v) sums paid by way of expense allowance;

(vi) any other material benefits received;

(vii) contributions paid under any pension scheme;

(viii) any commission, gain or profit-sharing arrangements; and

(ix) in respect of share options or any other right given which has had the same or a similar effect in respect of providing a right to subscribe for shares ("share options"):

(1) the opening balance of share options, including the number of share options at each different strike price;

(2) the number of share options awarded and their strike prices;

(3) the strike dates of differing lots of options awarded;

(4) the number of share options exercised and at what prices;

(5) the closing balance of share options, including the number of share options at each different strike price;

(1) to (5) above may be presented in tabular form;

(x) any shares issued and allotted in terms of a share

purchase/option scheme for employees (or other scheme/structure effected outside of the issuer which achieves substantially the same objectives as a share purchase/option scheme), usually held as a pledge against an outstanding loan to an employee in a share purchase scheme trust, which have not been fully paid for, including the number so issued and allotted, the price of issue and allotment, the release periods applicable to such shares and any other relevant information;

(xi) without derogating from the generality of 8.63 (l) (i) to (x) above, the directors emoluments disclosed in accordance with 8.63 (l) (i) to (x) above must include disclosure of all emoluments received or receivable from the following entities:

- (1) the issuer's holding company;**
- (2) the issuer's subsidiaries and fellow subsidiaries;**
- (3) associates of 8.63 (l) (xi) (1) and (2) above;**
- (4) joint ventures of the issuer or of 8.63 (l) (xi) (1) to (3) above; and**
- (5) entities that provide management or advisory services to the company or any of 8.63 (l) (xi) (1) to (4) above.**

(m) Mineral Resources and Mineral Reserves

(i) Scope

- (1) 8.63(m) applies to Mineral Companies (comprising Exploration Companies – being companies whose principal activity is that of exploration and Mining Companies – whose principal activity is that of mining) only.**
- (2) Mineral Companies (which for purposes of this listings requirement, includes subsidiaries, joint ventures, associates and investments), are required to disclose the details contained in 8.63(m) on an attributable beneficial interest basis (ie beneficial “see through” basis).**
- (3) Mineral Companies may report on an aggregated attributable beneficial interest basis (“total basis”) where the required disclosure details in 8.63(m) have been previously disclosed and published by separately listed Mineral Companies in compliance with this listing requirement. If disclosure is made on a total basis, then the attributable beneficial interest percentage must also be clearly stated.**
- (4) Mineral Companies' disclosure in accordance with 8.63(m) where applicable, must be compliant with the relevant paragraphs in 12.8, 12.9, 12.13 and 12.14(a). The applicable relevant Section 12 paragraphs are referred to throughout this requirement as follows – [refer to 12.X(a)]. Where the disclosure is not in accordance with a specific Section 12 paragraph, or incorporates a number of such paragraphs, it will be referred to as follows – [stand alone].**
- (5) Mineral Companies must disclose the full name, address, professional qualifications and relevant experience of the Competent Person authorising publication of the**

information disclosed in terms of 8.63(m) [refer to 12.9(a)].

- (6) Mineral Companies must include a statement that they have written confirmation from the Competent Person(s) that the information disclosed in terms of 8.63(m) is compliant with the applicable paragraphs in 12.8, 12.9, 12.13 and 12.14(a) and that it may be published in the form and context in which it was intended [stand alone].

(ii) Disclosure compliance

- (1) Where individual operations, projects or exploration activities are material to:
- (a) Mining Companies, then 8.63(m)(iii) must be complied with in full (if any sub paragraph(s) is/are not applicable, an appropriate statement(s) must be made); or
 - (b) Exploration Companies, then 8.63(m)(iii) and 8.63(m)(iv) must be complied with in full (if any sub paragraph(s) is/are not applicable, an appropriate statement(s) must be made).
- (2) Where individual operations, projects or exploration activities are not material to Mineral Companies, then only 8.63(m)(iii)(6) and 8.63(m)(iii)(8) require compliance disclosure.

(iii) Mining Companies annual disclosure requirements

Mining Companies must disclose the following information, where applicable, for the financial year/period under review as part of their annual reports:

- (1) a brief description of any exploration activities, exploration expenditures, exploration results and feasibility studies undertaken [stand alone but refer to 12.10(a) for guidance];
- (2) a brief description of the geological setting [refer to 12.10(a)(xi) and 12.10(b)(i)] and geological modelling [refer to 12.10(b)(vi)(2)];
- (3) a brief description of the type of mining and mining activities, including a brief history of the workings or operations [refer to 12.10(i) and 12.14(a)(ix)];
- (4) production figures [refer to 12.14(a)(v)], including a comparison with the previous financial year/period [stand alone];
- (5) a statement that the company has the legal entitlement to the minerals being reported upon [refer to 12.12(d) and 12.10(e)] together with any known impediments [stand alone];
- (6) the estimated Mineral Resources and Mineral Reserves (“Mineral Resource and Reserve Statement”) [refer to 12.14(a)(ii)];
- (7) description of the methods and the key assumptions and parameters by which the Mineral Resources [refer to

12.10(b)(vi)(8)1 and Mineral Reserves [refer to 12.14(a)(xiv) were calculated and classified;

- (8) a comparison of the Mineral Reserve and Mineral Resource estimates with the previous financial year/period's estimates together with explanations of material differences [stand alone];**
- (9) whether or not the Inferred Mineral Resource category has been included in feasibility studies, and if so the impact of such inclusion [refer to 12.14(a)(ii)1;**
- (10) any material risk factors that could impact on the Mineral Resource [refer to 12.10(b)(vi)(8)1 and Reserve [refer to 12.14(a)(xii)1 Statement;**
- (11) a statement by the directors on any legal proceedings or other material conditions that may impact on the company's ability to continue mining or exploration activities, or an appropriate negative statement [refer to 12.10(g)1;**
- (12) appropriate locality maps and plans [refer to 12.10(d)1; and**
- (13) a summary of environmental management and funding [refer to 12.10(c) and 12.14(a)(i)1.**

(iv) Exploration Companies – annual disclosure requirements

In addition to the disclosure requirements in 8.63(m)(iii), Exploration Companies must disclose the following information as a part of their annual report, where applicable:

- (1) summary information of previous exploration work done by other parties on the property [refer to 12.10(a)(x)1;**
- (2) summary information on the data density and distribution [refer to 12.10(a)(viii)1;**
- (3) exploration results not incorporated in the Mineral Resource and Reserve Statement including the following, where applicable, or a qualified negative statement:**
 - (a) the relationship between mineralization true widths and intercept lengths [refer to 12.10(a)(xiii)1;**
 - (b) data and grade compositing methods and the basis for mineral equivalent calculations [refer to 12.10(a)(xiii)1;**
 - (c) for poly-metallic mineralisation or multi-commodity projects, separate identification of the individual components;**
 - (d) the representivity of reported results [refer to 12.10(a)(xiv);**
 - (e) other substantive exploration data and results [refer to 12.10(a)(xv)1;**
 - (f) comment on future exploration work [refer to 12.10(a)(xvi)1;**
 - (g) the basic tonnage/volume, grade/quality and economic parameters for the exploration target [refer to 12.10(b)(v)1; and**

(h) sample and assay laboratory quality assurance and quality control procedures [refer to 12.10(f)];

(n) for a property entity the information set out in paragraph 13.37.

8.64 The issuer's auditor shall modify the auditors report as considered appropriate in cases of non-compliance with any of the requirements set out in paragraphs 8.63(b) to (l) and (n).

GAAP Monitoring Panel

8.65 The LuSE and ZICA have formed a panel to be known as the GAAP Monitoring Panel ("GMP") to investigate complaints and advise the LuSE in relation to compliance by issuers with IFRS, the LuSE's required accounting practices (in terms of the Listings Requirements) and the accounting practices required by the Companies Act. If, after receiving advice from the GMP, the LuSE is satisfied that an issuer has not complied with any of the above, the LuSE will be able, in its sole discretion:

(a) to censure such issuer in accordance with the provisions contained in Section 1 of the Listings Requirements; and

(b) instruct such issuer to publish or re-issue any information the LuSE deems appropriate.

8.66 In addition, the LuSE will refer any such non compliance to ZICA or any other professional or relevant body.

Section 9

Transactions

Scope of section

This section deals with transactions, principally acquisitions and disposals, by issuers and their subsidiaries. It describes how they are categorised, what the requirements are for announcements and circulars, and whether or not shareholder approval is required.

Requirements for reverse takeovers and for take-overs and mergers in terms of the Takeover and Mergers Rules are also detailed. This section should be read with Section 10 for transactions involving related parties.

The Appendix to this section sets out, in tabular form, certain requirements for the contents of Category 1 circulars.

The main headings of this section are:

- 9.1 General
- 9.3 Categorisation and explanation of terms
- 9.15 Category 2 requirements
- 9.20 Category 1 requirements
- 9.23 Reverse take-over requirements
- 9.25 Contents of circulars
- 9.30 Take-overs and mergers
- 9.34 Rescue operations

Appendix to Section 9

Additional and alternative requirements relating to transactions are set out in Section 12 (Mineral Companies), Section 13 (Property Companies), Section 14 (Pyramid Companies), Section 15 and (Investment Entities), respectively.

General

- 9.1 References in this section to a transaction by a listed company:
 - (a) include a transaction by any subsidiary of the listed company;
 - (b) include the grant or acquisition of an option to acquire or dispose of assets as if the option had been exercised except that, where the right to exercise is solely at the issuer's discretion, the transaction will only be categorised on exercise of the option and only the premium/consideration (if any) for the grant will be used for categorisation purposes at the date of such grant. However, in such instance, the categorisation upon exercise will be required to be no less onerous than the classification determined at the date of grant;
 - (c) exclude an issue of securities (other than an issue in terms of paragraph 3.35, 3.36 or 4.11) or a transaction to raise finance that, in either case, does not involve the acquisition or disposal of any asset of the listed company or of its subsidiaries; and
 - (d) must be referred to the LuSE, at an early stage, if the transaction involves treasury shares (where applicable).
- 9.2 An issuer that is in any doubt as to the application of the Listings Requirements contained in this section must consult the LuSE at an early stage in order to

discuss the details of the transaction and, where necessary, to obtain a ruling from the LuSE.

Categorisation and explanation of terms

- 9.3 Any issuer considering a transaction must, at an early stage, consider the categorisation of the transaction.**
- 9.4 A transaction is categorised by assessing its size relative to that of the issuer proposing to make it and the listed holding company of such issuer, if applicable.**
- 9.5 The comparison of size is made by the use of the percentage ratios set out in paragraph 9.6. The different categories of transactions are:**
- (a) Category 2 – a transaction where any percentage ratio is 5% or more but each is less than 25%;**
 - (b) Category 1 – a transaction where any percentage ratio is 25% or more or if the total consideration is not subject to any maximum; and**
 - (c) Reverse take-over – an acquisition by a listed company of a business, an unlisted company or assets where any percentage ratio is 100% or more, or which would result in a fundamental change in the business, or in a change in board or voting control (refer to definitions of “control” and “controlling shareholder”) of the listed company, in which case this will be considered a new listing.**

Percentage ratios

- 9.6 The percentage ratios are the figures, expressed as a percentage, resulting from each of the following calculations:**
- (a) consideration to market capitalisation, being:**
the consideration divided by the aggregate market value of all the listed equity securities, excluding treasury securities (where applicable) and shares held in terms of schedule 14.13, of the listed company; or
 - (b) dilution, being:**
the number of listed equity securities issued by a listed company as consideration for an acquisition compared to those in issue, excluding treasury securities held in terms of the Act and shares held in terms of schedule 14.13, prior to the transaction; or
 - (c) transactions to be settled partly in cash and partly in shares:**
the category size for such transaction is to be calculated by first assessing the cash to market capitalisation percentage and then adding this percentage to the dilution percentage.

***The calculation showing all categorisation workings, including the exclusion of treasury securities and shares held in terms of schedule 14.13, must be supplied to the LuSE at the time of submission of the announcement and circular.**
- 9.7 In circumstances where:**
- (a) either of the above calculations produces an anomalous result; and/or**
 - (b) the LuSE believes that any of the transaction components are not included at fair value (taking account of the particular circumstances of the transaction); and/or**

- (c) the categorisation calculations are inappropriate to the sphere of activity of the issuer; the LuSE reserves the right to request a fairness opinion on transaction values, take into account other ratios or use any other relevant indicators of size to determine the categorisation.

Consideration

9.8 When calculating the consideration:

- (a) where all or part of the consideration is in the form of securities to be listed, the consideration attributable to those securities means the aggregate market value of those securities at the time the terms of the transaction are announced;
- (b) the consideration is the amount paid to the vendors but the LuSE may require the inclusion of further amounts (for instance where the purchaser agrees to discharge any liabilities, whether actual or contingent, of the vendors as part of the terms of the transaction);
- (c) if deferred consideration is or may be payable in the future, the consideration is the maximum possible total consideration. If the total consideration is not subject to any maximum the transaction will be treated as a Category 1; and
- (d) in respect of a new class of securities for which an application for listing will be made, the consideration will be the issue price of such securities or, if no price is attributable thereto, the expected aggregate market value of all those securities, determined by the LuSE in the absence of evidence of same provided by the listed company.

Figures used for categorisation

9.9 Figures used for categorisation purposes must be the aggregate market value of all those listed equity securities before the announcement of the terms, or such announcement determined by the LuSE to contain sufficient information to be used for the purposes of categorisation.

Indemnities and similar arrangements

9.10 Any agreement or arrangement with a party, not being a member of the listed company's group:

- (a) under which a listed company agrees to discharge any liabilities, costs, expenses, commissions or losses incurred by that party, whether or not on a contingent basis;
- (b) which would be exceptional; and
- (c) under which the maximum liability is unlimited:

will be treated as a Category 1 transaction. For the purpose of this paragraph, indemnities such as those customarily given in connection with sale and purchase agreements, and indemnities given to advisers against liabilities to third parties arising out of providing advisory services are not "exceptional". In cases of doubt, the LuSE must be consulted at an early stage in order to discuss the details of the transaction and, where necessary, to obtain a ruling from the LuSE.

Aggregation of transactions

9.11 The LuSE will require transactions completed during either the 12 months prior to the date of the latest transaction or the period since the date on which the most

recent published audited balance sheet was prepared, or the period since the publication of the latest pre-listing statement or circular, whichever is shorter, to be aggregated with the latest transaction for the purpose of determining the categorisation to apply to the latest transaction. In cases of doubt, the LuSE must be consulted at an early stage in order to discuss the details of the transaction and, where necessary, to obtain a ruling from the LuSE.

- 9.12 Where acquisitions are entered into during a period of 12 months that cumulatively exceed 100% of either of the percentage ratios, the provisions relating to a reverse take-over will apply.
- 9.13 Without prejudice to the generality of paragraphs 9.11 and 9.12, transactions will normally only be aggregated in accordance with those paragraphs if they:
- (a) are entered into by the company with the same party or associates thereof;
 - (b) involve the acquisition or disposal of securities or an interest in one particular company or asset; or
 - (c) together lead to substantial involvement in a business activity that did not previously form a part of the company's/group's principal activities.
- 9.14 Where the aggregation performed under paragraph 9.11 results in a Category 1 transaction, then the requirement for shareholder approval is in respect of the last transaction only. The LuSE is to be consulted regarding the necessary approval from shareholders.

Category 2 requirements

- 9.15 In the case of a Category 2 transaction, the issuer must publish an announcement containing the following details of such transaction immediately after the terms have been agreed. Notwithstanding the fact that it may not be possible to include all the details required (such as the financial effects) and that there may be outstanding conditions precedent, this should not prevent issuers from immediately publishing the announcement as required:
- (a) particulars of the transaction, including the names or details of:
 - (i) any company or business, the subject of the transaction;
 - (ii) if an acquisition, the vendors;
 - (iii) if a disposal, the purchasers;
 - (iv) the effective date;
 - (v) the conditions precedent; and
 - (vi) any other significant terms of the agreement;
 - (b) a description of the business carried on by the subject of the transaction;
 - (c) the consideration, and how it was/is to be satisfied, including the terms of any arrangements for deferred consideration;
 - (d) the value of the net assets that are the subject of the transaction, and the pro forma effect on the net assets and net tangible assets per share of the company, if significant. For the purpose of this paragraph the LuSE will regard 3% as being significant;
 - (e) the profits attributable to the net assets, the subject of the transaction, and the pro forma effect on the historical earnings and headline earnings per share of the company, if significant, including, if applicable, diluted earnings and headline earnings per share. For the purposes of this paragraph, the LuSE will regard 3% as being significant;

- (f) with regard to paragraphs 9.15 (d) and (e) above, such pro forma financial information must comply with the requirements of paragraph 8.15;
- (g) the rationale;
- (h) in the case of a disposal, the application of the sale proceeds;
- (i) in the case of a disposal, if the securities formed part of the consideration received, a statement whether such securities are to be sold or retained; and
- (j) in the case of a property entity the information required by paragraph 13.11.

Where it is not possible to include all of the above details, issuers must include a cautionary/further cautionary in the announcement together with the stated intention to announce these missing details at a later stage once they have been established.

- 9.16 In addition, if securities have been acquired in a company that, as a result becomes a subsidiary company as defined in the Act, the listed company must confirm, in writing, to the LuSE that the articles of association of such subsidiary company, will be amended to conform to Schedule 10. Such confirmation must also be included in the announcement in terms of paragraph 9.15.

Supplementary notification

- 9.17 The LuSE must be consulted and a supplementary announcement made without delay if, at any time after the announcement referred to in paragraph 9.15 has been made, the issuer becomes aware that:
- (a) there has been a significant change affecting any matter contained in that earlier announcement; or
 - (b) a significant new matter has arisen that would have been required to be mentioned in that earlier announcement if it had arisen at the time of the preparation of that announcement.
- 9.18 In paragraph 9.17, “significant” means a change of 3% or more for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, cash flow and prospects of the listed company and the rights attaching to any securities forming part of the consideration. It will also include a change in the terms of the transaction such that the percentage ratios are affected and the transaction requires re-categorisation into a higher category.
- 9.19 The supplementary announcement must provide details of the change or new matter and also contain a statement that, save as disclosed, there has been no significant change affecting any matter contained in the earlier announcement and no other significant new matter has arisen that would have been required to be mentioned in that earlier announcement if it had arisen at the time of the preparation of that announcement.

Category 1 requirements

- 9.20 Upon the terms of a Category 1 transaction being agreed, the issuer must:
- (a) immediately comply with the requirements for a Category 2 transaction and state within the announcement that the transaction is subject to shareholders approval and that a circular to shareholders will be issued in compliance with 9.20 (b); and
 - (b) within 28 days, dispatch a circular to shareholders containing a notice of general meeting to obtain their approval and any agreement effecting the

transaction must be conditional upon such approval being obtained. The LuSE may in its sole discretion extend this period provided there is sufficient justification.

- 9.21 The Category 1 circular must comply with the general requirements relating to circulars as set out in Section 11 and in addition must include:
- (a) the information required under a Category 2 transaction (refer to paragraph 9.15);
 - (b) details of any service contracts of proposed directors of the listed company;
 - (c) where goodwill is involved, a statement regarding the issuer's accounting policy towards goodwill, as well as the reasons for such goodwill payment;
 - (d) a statement giving the directors' opinion on the transaction;
 - (e) the information required by the Appendix to this section in relation to Category 1 circulars (refer to paragraph 9.25);
 - (f) in the case of a transaction involving immovable freehold or leasehold property, the applicable information required by Section 13; and
 - (g) a statement giving the directors' recommendation as to how shareholders should vote at the general meeting to approve the transaction and an indication as to how the directors intend to vote their shares, if applicable, at the general meeting.
- 9.22 In addition, 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 3 months, would increase the securities issued by more than 25%, then the issuer must include in the Category 1 circular the information required to be disclosed for a pre-listing statement.

Reverse take-over requirements

- 9.23 The issuer, as enlarged by the acquisition, must be suitable for listing as if it was a new applicant and satisfies the conditions for listing as set out in Section 4.
- 9.24 The announcement of a reverse take-over must contain adequate warning as to the uncertainty of whether or not the LuSE will allow the listing to continue following the acquisition. The issuer must prepare a Category 1 circular and listing particulars as though the issuer were a new applicant. If such Category 1 circular and listing particulars are not provided to shareholders within 28 days of the announcement, the LuSE may suspend the listing of the issuer's securities. The Category 1 circular must clearly advise shareholders whether or not the LuSE will continue to grant a listing to the issuer if shareholders approve the acquisition.

Contents of circulars

- 9.25 In addition to the requirements of paragraphs 9.20 to 9.24, a Category 1 circular must include the information required by the table set out in the Appendix to this section. Where the circular is accompanied by, or forms part of, a pre-listing statement that itself contains the information required, such information need not be repeated.
- 9.26 The working capital statement and, where relevant, information on group prospects and any profit forecast must be on the basis of the enlarged group in the case of an acquisition and on the basis that the disposal has taken place in the case of a disposal.

- 9.27 Where the issuer is issuing securities for which listing is sought, the information regarding major interests in securities and directors' interests in securities must be given in relation to the share capital both as existing and the share capital as enlarged by the securities for which listing is sought.
- 9.28 Where a circular is required by this section, and a pre-listing statement is required by Section 6, a single document may be issued that includes listings particulars except when it is a reverse listing in which case the circular and pre-listing statement must be two distinct parts of the document.
- 9.29 If securities are being issued as consideration for an acquisition and a Category 1 circular is required, then listing will not be granted for those securities until shareholders' approval has been obtained, and any required registration of a special resolution(s) has been effected.

Take-overs and mergers

- 9.30 Where an announcement or a cautionary announcement concerning a possible take-over or merger transaction is submitted to the LuSE, a copy of the announcement must simultaneously be sent to the Commission for approval thereof; and vice versa.
- 9.31 A copy of all draft documentation that is sent to the CCPC for approval must be submitted to the LuSE together with a letter confirming that the relevant documentation has been submitted to the Commission.
- 9.32 The LuSE must receive written notification immediately upon approval being granted by the Commission in respect of any documentation that is to be circulated to shareholders.
- 9.33 A Copy of the actual approved documentation must be sent to the LuSE together with the letter referred to in paragraph 9.32 above.

Rescue operations

- 9.34 Issuers that are in severe financial difficulty must refer to Schedule 13 dealing with rescue operations.

Appendix to Section 9

The following table identifies the information required to be included in a Category 1 circular (in addition to that required by paragraph 9.20 to 9.33) in respect of the issuer and the undertaking, the subject of the transaction, by reference to certain paragraphs of Sections 7 and 8. Information denoted by an * is required.

Paragraph	Description	Issuer	Undertaking the subject of the transaction
7.A.1	Name, address and incorporation	*	*
7.A.15	Details of material loans	*	*
7.A.27	Major shareholders	*	
7.B.7	Directors' emoluments	*	
7.B.17	Preliminary expenses and issue expenses	*	*
7.B.20	Directors' interests in securities	*	
7.B.21	Directors' interests in transactions	*	
7.B.22	Responsibility statement	*	
7.B.23	Responsibility of directors, managers and advisors	*	
7.D.5	Group prospects	*	*
7.D.8	History of change	*	
7.D.11	Litigation	*	*
7.E.2	Accountant's report		*
7.E.3	Report of historical financial information		*
7.E.7 to 7.E.9	Statement as to working capital	*	
7.E.10	Material change	*	*
7.E.11	Profit forecasts	*	*
7.E.12	Pro-forma balance sheet and pro-forma income statement	*	
7.F.1	Material contracts	*	*
7.F.3	Directors' service contracts	*	
7.F.7	Experts' consents	*	
7.G.1	Documents and consents to be available for inspection	*	
7.H	Vendors		*

Section 10

Transactions with Related Parties

Scope of section

This section provides certain safeguards against those shareholders, directors and/or other persons related to an issuer taking advantage of their position. Transactions with parties related to an issuer are known as related party transactions. Reference should also be made to the Listings Requirements regarding transactions set out in Section 9.

Where any transaction is proposed between an issuer, or any of its subsidiaries, and a related party, a circular to shareholders and the approval of shareholders of the issuer in general meeting will normally be required.

Any circular sent to shareholders in connection with a related party transaction must provide sufficient information to enable any recipient of the circular to evaluate the effects of the transaction on the listed company.

The main headings of this section are:

- 10.1 Definitions
- 10.2 Consultation with the LuSE
- 10.4 Usual requirements for a related party transaction
- 10.6 Transactions not regarded as related party transactions
- 10.7 Small related party transactions
- 10.8 Aggregation
- 10.9 Contents of circular

Definitions

10.1 For the purposes of this section, the following definitions apply:

- (a) a “related party transaction” means a transaction, as contemplated in Section 9, or any variation or novation of an existing agreement, between an issuer, or any of its subsidiaries, and a related party;
- (b) “related party” means:
 - (i) a material shareholder;
 - (ii) any person that is, or within the 12 months preceding the date of the transaction, was a director of the issuer or of any subsidiary or its holding company or any subsidiary of its holding company. For the purpose of this definition, a director includes a person that is, or within the 12 months preceding the date of the transaction, was not a director, but in accordance with whose directions or instructions the directors are or were accustomed to act;
 - (iii) any advisor to the issuer that has, or within the 12 months preceding the date of the transaction had, a beneficial interest, whether direct or indirect, in the listed company or any of its associates;
 - (iv) any person that is, or within the 12 months preceding the date of the transaction was, a principal executive officer of the issuer, by whatever position he may be, or may have been, designated and whether or not he is, or was, a director;

- (v) the asset manager or management company of a property entity including anyone whose assets they manage or administer;
- (vi) the controlling shareholder of the persons in paragraph 10.1 (b) (v);
- (vii) an associate of the persons in paragraph 10.1 (b) (i) to (vi) above.

Notwithstanding the above definitions, the LuSE may, in its sole discretion, determine that a transaction is a related party transaction if extra-ordinary conditions exist.

Consultation with the LuSE

- 10.2 When an issuer is contemplating a transaction which will result in any unusual, vested or other interest(s) or rights being created for any of the parties in paragraph 10.1 (b) (i) to (vii) above, the issuer must discuss the transaction with the LuSE at an early stage in order for the LuSE to determine whether they will exercise their discretion and classify the transaction as a related party transaction and any parties as related parties in terms of the transaction concerned.
- 10.3 The LuSE may, in its sole discretion, require the listed company to provide it with a declaration that, to the best of the knowledge and belief of the directors, any nominee shareholders do not include any person who may be acting in concert with any other person in relation to the related party transaction.

Usual requirements for a related party transaction

- 10.4 If an issuer, or any of its subsidiaries, proposes to enter into a related party transaction, or if the LuSE determines that a transaction is a related party transaction, the issuer must:
- (a) make an announcement containing:
 - (i) the information specified in paragraph 9.15;
 - (ii) the name of the related party concerned; and
 - (iii) details of the nature and extent of the interest of the related party in the transaction;
 - (b) the agreement must be furnished to the LuSE;
 - (c) send a circular to its shareholders containing the information required by paragraph 10.9;
 - (d) obtain the approval, by resolution, of its shareholders either prior to the transaction being entered into or, if it is expressed to be conditional on such approval, prior to completion of the transaction;
 - (e) include in the special or ordinary resolution to approve or give effect to the transaction, a condition that the validity, for the purposes of the Listings Requirements, of the resolution will be subject to a simple majority of the votes of shareholders, other than the related party and its associates, being cast in favour of the resolution; and
 - (f) include a statement by the board of directors confirming whether the transaction is fair insofar as the shareholders of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to the LuSE. The board of directors must obtain a fairness opinion (which must be included in the circular) prepared in accordance with Schedule 5 before making this statement unless the subject matter of a related party transaction is one of the following in which case the consideration should be compared to the valuation:

- (i) property and a valuation report has been prepared in accordance with paragraphs 13.20 to 13.31; or
- (ii) mineral assets and a competent person's report has been prepared in accordance with Section 12 by an independent competent person and such report contains a valuation.

10.5 Where a general/annual general meeting of the issuer has been called to approve a transaction and, after the date of the notice of meeting but prior to the meeting itself, the transaction becomes a related party transaction, the LuSE may require that the issuer either:

- (a) take immediate steps to amend the relevant resolution by including the condition referred to in paragraph 10.4(e) and give notice of the amendment to shareholders by way of a circular. Such circular must also contain any information required by paragraph 10.9 that was not contained in the original circular accompanying the notice of general/annual general meeting; or
- (b) withdraw the notice of the general/annual general meeting and convene a fresh general/annual general meeting complying with paragraph 10.4.

Transactions not regarded as related party transactions

10.6 A transaction will not be regarded as a related party transaction if any of the following situations apply:

- (a) the issuer does not have any equity securities listed;
- (b) the issuer is an external company with a secondary listing on the LuSE;
- (c) the transaction is one where both of the percentage ratios referred to in paragraph 9.6 are equal to or less than 0.25%.

Small related party transactions

10.7 In the case of a transaction with a related party where one or both of the percentage ratios referred to in paragraph 9.6 are less than or equal to 5%, but exceed 0.25%, the usual requirements for a transaction with a related party set out in paragraph 10.4 do not apply and, instead, the issuer must, prior to completing the transaction:

- (a) inform the LuSE in writing of the details of the proposed transaction;**
- (b) provide the LuSE with written confirmation from an independent professional expert acceptable to the LuSE that the terms of the proposed transaction with the related party are fair as far as the shareholders of the issuer are concerned;**
- (c) publish details of the proposed transaction in accordance with paragraph 9.15 including a statement that paragraph 10.7 (b) has been complied with, that the transaction has been declared to be fair, and that the fairness opinion will lie for inspection at the issuer's registered office for a period of 28 days from the date of announcement; and**
- (d) comply with the usual requirements regarding transactions with related parties as per paragraph 10.4, if the independent professional expert states that the transaction is not fair.**

Aggregation

- 10.8 The LuSE will require all transactions to be aggregated that are entered into by the issuer, or any of its subsidiaries, with the same related party, and/or any of its associates, in any twelve month period which have not been approved by shareholders or announced in terms of paragraph 10.7.

Contents of circular

- 10.9 A circular in respect of a related party transaction must comply with the general requirements relating to circulars set out in Section 11, and must also include:

- (a) a responsibility statement in accordance with paragraph 7.B.22;
- (b) in all cases, the information required by the following paragraphs of Section 7 in relation to the issuer:

Paragraph	
7.A.1	Name, address and incorporation
7.A.27	Major shareholders
7.B.17	Preliminary expenses and issue expenses
7.E.10	Material change
7.F.1	Material contracts
7.F.7	Experts' consents
7.G.1	Documents and consents to be available for inspection

- (c) in the case of a transaction where the related party is a director, or an associate of a director, of the company (or its holding company or any of its subsidiaries or fellow subsidiaries) the information specified by the following paragraphs:

Paragraph	
7.B.20	Directors' interests in securities
7.B.21	Directors' interests in transactions
7.F.3	Directors' service contracts

- (d) full particulars of the transaction, including the name of the related party concerned, a description of the relationship between the issuer and the related party, the nature and extent of the interest of such party in the transaction, and all details required in terms of paragraph 9.15;
- (e) the fairness statement by the board of directors and the fairness opinion or valuation upon which the directors' statement is based as required in terms of paragraph 10.4(f);
- (f) a statement that the related party and its associates will be taken into account in determining a quorum at the general/annual general meeting, but that their votes will not be taken into account in determining the results of the voting at such meeting in relation to any resolution in connection with the related party transaction;
- (g) if the transaction also falls within Category 1, the information required to be included in Category 1 (refer to Section 9) circular; and
- (h) in the case of a transaction involving immovable freehold or leasehold property, the applicable information required by Section 13.

Section 11

Circulars, Pre-listing Statements/Prospectuses and Announcements

Scope of section

This section sets out the requirements that apply to all circulars, pre-listing statements and announcements published by issuers; and

Where the circular, pre-listing statement or announcement, or the transaction or matter to which it relates, has unusual features or where it is not possible to comply with the relevant requirements set out in this section, the LuSE must be consulted at an early stage in order to discuss the details of the transaction and, where necessary, to obtain a ruling from the LuSE.

When a new applicant or existing issuer issues a prospectus the presumption is made that, apart from compliance with the Act, such prospectus will also comply with and contain all necessary disclosures as if it were a pre-listing statement subject to compliance with the Listings Requirements. For the purposes of this section and its appendix any reference to a pre-listing statement includes reference to a prospectus, and vice versa.

Sections 9 and 10 detail the information to be included in announcements and circulars relating to transactions and related party transactions.

The main headings of this section are:

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Contents of all circulars and pre-listing statements

11.1 Circulars and pre-listing statements must:

- (a) provide a clear and adequate explanation of the subject matter;
- (b) if voting or other action is required:
 - (i) contain all information necessary to allow the holders of the securities to make a properly informed decision; and
 - (ii) contain a heading drawing attention to the importance of the document and advising holders of securities that are in any doubt as to what action to take, to consult appropriate independent advisers;
- (c) state in which other official languages, if any, the circular or pre-listing statement is also available and where copies of such circular or pre-listing statement and translations thereof may be obtained;
- (d) include all the information published, or to be published simultaneously with the circular or pre-listing statement, in any announcement issued in connection with the transaction to which the circular or pre-listing statement relates;
- (e) where new securities are being issued in substitution for existing securities, explain what will happen to existing documents of title;
- (f) **provide clear guidance in respect of any event requiring action by certificated and dematerialised shareholders as follows:**
 - (i) **wherever reference is made to shareholders or members of a company the procedures for certificated, dematerialised own name and dematerialised shareholders must be separately detailed;**
 - (ii) **the surrender of share certificates will only apply to certificated shareholders and the surrender forms must state this;**
 - (iii) **in the case of dematerialised shareholders the broker will automatically action the surrender of ownership title in accordance with the corporate action or after having received an election instruction;**
 - (iv) **election forms only apply to certificated shareholders and the election forms must state this. The document concerned must state that dematerialised shareholders elections should be provided to their appointed broker in the form stipulated in the custody agreement entered into between the shareholder and the broker;**
 - (v) **the form of proxy included in the circular should state that it is for completion by certificated shareholders and own name dematerialised shareholders only. The circular must state that dematerialised shareholders must inform their broker of their intention to attend any general meeting in order for such broker to be able to issue them with the necessary authorisation to enable them to attend such meeting, or, alternately, should they not wish to attend the meeting, they should provide their broker with their voting instruction;**
 - (vi) **the salient dates should include all the dates in the declaration data and finalisation information. The definitions for these dates should be included in the “Definitions” section of the document; and**

- (vii) **if new securities are to be issued, shareholders or members should be given the option to receive such new securities in certificated or dematerialised form.**

Approval

- 11.2 (a) All announcements that are required to be made in terms of the Listings Requirements must be approved by the LuSE in terms of the Listings Requirements and Schedule 24 (announcements which contain corporate action timetables may therefore not be released until they are approved by the LuSE. The LuSE may require the publication of additional information if it determines that the required minimum information has not been disclosed.
- (b) Circulars, pre-listing statements/prospectuses and notices of general or annual general meetings relating to paragraph 16.2(a) to (cc) may not be distributed to shareholders or placed on any website unless they have been approved by the LuSE.
- (c) The LuSE may review circulars and notices of general or annual general meetings after they have been distributed to shareholders to ensure that the minimum information (as required in terms of the Listings Requirements) has been disclosed. The LuSE may require the publication/distribution of additional information if it determines that the required minimum information has not been disclosed.

Introductions

- 11.3 Applicants seeking a listing by way of an introduction are required to publish an announcement complying with paragraph 11.4 and distribute a pre-listing statement complying with paragraph 11.5 in accordance with Schedule 24.
- 11.4 The announcement referred to in paragraph 11.3 must either contain the full pre-listing statement, as set out in paragraph 11.5, or an abridged pre-listing statement containing the following information:
 - (a) the number and description of the securities concerned;
 - (b) the name, date of registration and registration number of the applicant;
 - (c) the general nature of the main business or proposed main business actually carried on or to be carried on by the applicant and its subsidiaries;
 - (d) the names and addresses of the directors of the applicant;
 - (e) the places at and times during which copies of the pre-listing statement may be obtained, and if the press announcement is not a full pre-listing statement, a statement of such; and
 - (f) the address at which the pre-listing statement is available.
- 11.5 The pre-listing statement must:
 - (a) in addition to the requirements of paragraph 6.8 (b), state on the front page the following:

“This pre-listing statement is not an invitation to the public to subscribe for securities, but is issued in compliance with the Listings Requirements of the LuSE Limited, for the purpose of providing information to the public with regard to the company.”;
 - (b) if a pre-listing statement is required as a result of a rights issue, the wording on the front page should state the following:

“This rights issue circular incorporates listing particulars and is issued in

compliance with the Listings Requirements of the LuSE Limited, for the purpose of providing information to the public with regard to the company.”; and

- (c) contain the information described in Section 6.

Placings

- 11.6 Applicants seeking a listing by way of a placing are required to publish an announcement complying with paragraph 11.4 or 11.8 and distribute a pre-listing statement complying with paragraph 11.5(a) and (c) or a prospectus complying with paragraph 11.9 in accordance with Schedule 24.

Offers for sale or subscription

- 11.7 Applicants seeking a listing by way of an offer for sale or subscription are required to publish an announcement complying with paragraph 11.8 and a prospectus complying with paragraph 11.9 in accordance with Schedule 24.
- 11.8 The announcement referred to in paragraph 11.7 must either contain the full prospectus, as set out in paragraph 11.9, or an abridged prospectus containing the following information:
 - (a) the number and description of the securities concerned;
 - (b) the name and date of registration of the applicant;
 - (c) the general nature of the main business or proposed main business actually carried on or to be carried on by the applicant and its subsidiaries;
 - (d) the names and addresses of the directors of the applicant;
 - (e) the places at, and times during which, copies of the prospectus may be obtained;
 - (f) where all the securities that are the subject of an offer are intended to be offered only to the members of a company or debenture holders, as the case may be, with or without the right to renounce in favour of other persons:
 - (i) the issue price of such securities;
 - (ii) the ratio in which such securities will be offered to the members or debenture holders entitled to accept the offer; and
 - (iii) the last day to trade to ensure registration on record date; and
 - (g) the last day for subscribing.
- 11.9 An offer for sale or subscription must take the form of a prospectus and, apart from complying with the Act, must also comply with Section 6 (Pre-Listing Statements).

Renounceable offers

- 11.10 The applicant and the issuer in a renounceable offer are required to comply with the actions in the relevant timetable in Schedule 24, including the production and publication of all announcements and documents detailed therein. All documents must be submitted to and approved by the LuSE.

Rights offers and claw-back offers

- 11.11 Issuers seeking a listing for securities issued by way of a rights offer or claw-back offer are required to comply with the actions in the relevant timetable in

Schedule 24.

- 11.12 If a pre-listing statement is required to be issued it must contain the information set out in Section 6.
- 11.13 If a pre-listing statement is not required in terms of Section 6, a circular should be sent to shareholders containing the information required by the following paragraphs of Section 7:

Paragraph	Nature of statement
7.A.1	Name, address and incorporation
7.A.4 or 7.A.5	Share capital of the company
7.B.1	Directors and management
7.B.9	Directors remuneration
7.B.17	Preliminary expenses and issue expenses
7.B.20	Directors' interests in securities
7.B.21	Directors' interests in transactions
7.B.22	Responsibility statement
7.B.23	Responsibility of directors, managers and advisors
7.C.14	Market value of securities
7.C.16	Rights offers
7.D.2	Description of business
7.D.5	Prospects
7.D.11	Litigation

Paragraph	Nature of statement
7.E.3 (assuming paragraph 8.2 (d) is applicable)	Report of historical financial information
7.E.11	Profit forecasts
7.E.12	Pro-forma statements
7.F.5 and 7.F.6	LuSE Code on Corporate Governance
7.G.1	Documents and consents to be available for inspection

Notes:

1. The pro forma statements should include a pro forma balance sheet, a pro forma income statement, the effect on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share.
2. In certain instances Section 8 may prohibit the issuer from showing income attributable to the rights issue/issue of shares for cash. If it would be misleading to show no income attributable to the rights issue/issue of shares for cash, subject to the approval of the LuSE, dispensation will be granted from showing the income statement effects. In this instance the issuer must provide a detailed note setting out the proposed application of the funds.

LAs

11.14 The following information must be included, inter alia, on the LA:

- (a) the salient details of the corporate action must be printed on the front page of the LA;
- (b) the instructions in respect of acceptance and payment, sale and renunciation and registration; and
- (c) where excess securities are made available, the application form must be

printed in a different colour to the LA.

- 11.15 In addition, the circular should contain details of all Category 2 transactions, as described in paragraph 9.15, not previously notified to shareholders by way of a circular.

Capitalisation issues and scrip dividends

- 11.16 Issuers seeking a listing for securities issued by way of a capitalisation of reserves and/or an application of share premium or capital redemption reserve fund are required to comply with the actions in the relevant timetable in Schedule 24.
- 11.17 A circular should be sent to shareholders containing the information set out in paragraph 7.C.15 and complying with the requirements of paragraphs 5.44 to 5.49 in the case of scrip dividends, and an announcement must be published complying with paragraphs 5.39 to 5.43 in the case of capitalisation issues.

Transactions (acquisitions and disposals)

- 11.18 The requirements for the contents of announcements and circulars relating to Category 1 and 2 transactions are detailed in Section 9.

Issues for cash

Specific issue for cash

- 11.19 Issuers seeking a listing for securities issued in terms of a specific issue of shares for cash that requires shareholders approval must send shareholders a circular within 28 days of publication of the announcement containing the following:
- (a) the notice of general meeting;
 - (b) full disclosure of the detailed effects of the proposed issue including the effects on the net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share (please also refer to note 2 in paragraph 11.13);
 - (c) the disclosure referred to in paragraph 5.51(b) to (g);
 - (d) if paragraph 5.51(f) or 5.53(b) is applicable, include a statement by the board of directors confirming whether the issue is fair insofar as the shareholders of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to the LuSE. The board of directors must obtain a fairness opinion (which must be included in the circular) prepared in accordance with Schedule 5 before making this statement; and
 - (e) the paragraphs of Section 7 described in paragraph 11.13 above other than paragraph 7.C.16, except where a pre-listing statement is required in terms of Section 6, in which case the pre-listing statement should contain the information set out in that section.
- 11.20 In the case of a specific issue for cash the issuer, after it has agreed the terms, must immediately publish an announcement containing full details of the issue, including:
- (a) the number and price of the securities issued;
 - (b) if applicable, the average discount to the weighted average traded price of the equity securities over the 30 business days prior to the date that the

issue is agreed in writing between the issuer and the party subscribing for the securities;

- (c) the name of the party/ies subscribing for the securities; and
- (d) the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share (please also refer to note 2 in paragraph 11.13).

General issue for cash

11.21 If an issuer is seeking a general authority for issues for cash, a circular must be sent to securities holders including the following:

- (a) the notice of general/annual general meeting; and
- (b) the disclosure referred to in paragraph 5.52 (b) to (e).

11.22 After an issuer has issued equity securities in terms of an approved general issue for cash representing, on a cumulative basis within a financial year, 5% or more of the number of equity securities in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including:

- (a) the number of securities issued;
- (b) the average discount to the weighted average traded price of the equity securities over the 30 business days prior to the date that the issue is agreed in writing between the issuer and the party/ies subscribing for the securities; and
- (c) the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share (please also refer to note 2 in paragraph 11.13).

Repurchase of securities

Specific repurchases

11.23 The circular must be sent to shareholders within 28 days of publication of the announcement and must comply with and/or contain the following information:

- (a) **contents of all circulars (refer to paragraph 11.1);**
- (b) **general information including:**
 - (i) **Directors and management (7.B.1);**
 - (ii) **Major shareholders (7.A.27);**
 - (iii) **Material change (7.E.10);**
 - (iv) **Directors' interests in securities (7.B.20);**
 - (v) **Share capital of the company (7.A.4 or 7.A.5);**
 - (vi) **Preliminary expenses and issue expenses (7.B.17);**
 - (vii) **Responsibility (7.B.22 and 7.B.23); and**
 - (viii) **Litigation (7.D.11);**
- (c) **the reason for, and method by which a company intends to repurchase its securities including the number of securities to be repurchased and the price to be paid;**

- (d) in the case of a repurchase from a specific shareholder or shareholders, the name of such shareholder(s) and the current shareholding(s) of such shareholder(s) and, the names and details of the parties excluded from voting in terms of paragraph 5.69 (b);
- (e) in the case of a pro rata offer, a statement that a shareholder may tender more securities than their pro rata entitlement. Shareholders who tender securities in addition to the offer, must be treated on an equitable basis in accordance with the principle detailed in paragraph 5.33;
- (f) the effect on earnings per share, headline earnings per share, net asset value per share, net tangible asset value per share and, if applicable, diluted earnings and headline earnings per share, of the proposed repurchase;
- (g) a statement by the directors that after considering the effect of such repurchase the:
 - (i) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the approval of the circular;
 - (ii) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the approval of the circular. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;
 - (iii) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the circular (refer to paragraph 7.E.7); and
 - (iv) working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the circular (refer to paragraph 7.E.7).
- (h) a statement as to the source of funds to be utilised; and
- (i) if applicable in terms of paragraph 5.69, a statement by the board of directors confirming whether the repurchase is fair insofar as the shareholders of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to the LuSE. The board of directors must obtain a fairness opinion (which must be included in the circular) prepared in accordance with Schedule 5 before making this statement.

11.24 In the case of a pro rata offer, announcements must be made in accordance with relevant timetable contained in Schedule 24.

11.25 In the case of a specific repurchase, the issuer after it has agreed the terms must immediately publish an announcement containing full details, including:

- (a) terms of the repurchase;
- (b) date of the general meeting at which the specific authority will be sought;
- (c) from whom the specific repurchase is to be made. If paragraph 5.69(e) is applicable, a statement must be included that the repurchase shall be subject to inclusion of a statement by the board of directors in the circular confirming whether the repurchase is fair insofar as the shareholders (excluding the related party/ies if it/they are equity

securities holders) of the issuer are concerned and that the board of directors have been so advised by an independent expert acceptable to the LuSE. The board of directors must obtain a fairness opinion prepared in accordance with Schedule 5 before making this statement;

- (d) the date on which the repurchase is to be made and the date on which the securities will be cancelled and the listing terminated, if applicable;
- (e) the effect on earnings per share, headline earnings per share, net asset value per share, net tangible asset value per share and, if applicable, diluted earnings and headline earnings per share; and
- (f) a statement that a circular containing details of the above will be dispatched to shareholders.

General repurchases

11.26 If a company is seeking a general authority to purchase its own securities, a circular must be sent to securities holders, including a notice of annual general/general meeting, including the following:

- (a) contents of all circulars (refer to paragraph 11.1);
- (b) general information including:
 - (i) Directors and management (7.B.1);
 - (ii) Major shareholders (7.A.27);
 - (iii) Material change (7.E.10);
 - (iv) Directors' interests in securities (7.B.20);
 - (v) Share capital of the company (7.A.4 or 7.A.5);
 - (vi) Responsibility statement (7.B.22); and
 - (vii) Litigation (7.D.11);
- (c) a statement of the board of directors' intention regarding the utilisation of the authority sought;
- (d) a statement by the directors that after considering the effect of such maximum repurchase the:
 - (i) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the annual general/general meeting;
 - (ii) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the notice of the annual general/general meeting. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
 - (iii) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general/general meeting (7.E.7); and
 - (iv) working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general/general meeting

(refer to paragraph 7.E.7); and

- (e) a statement in the resolution that such authority is limited to paragraph 5.72(a), (c), (d), 5.68 and 5.84(a) (when derivatives are used).

11.27 When a company has cumulatively repurchased 3% of the initial number (the number of that class of shares in issue at the time that general authority from shareholders is granted) of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement must be made. Such announcement must be made as soon as possible and in any event by not later than 0830hours on the second business day following the day on which the relevant threshold is reached or exceeded, and must contain the following information:

- (a) the date(s) of repurchase(s) of securities;
- (b) the highest and lowest prices paid for securities so repurchased;
- (c) the number and value of securities repurchased;
- (d) the extent of the authority outstanding by number and percentage (calculated using the number of shares in issue before any repurchases were effected);
- (e) a statement as to the source of funds utilised;
- (f) a statement by the directors that after considering the effect of such repurchase the:
 - (i) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the announcement;
 - (ii) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the announcement. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited group annual financial statements;
 - (iii) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the announcement (refer to paragraph 7.E.7); and
 - (iv) working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the announcement (refer to paragraph 7.E.7);
- (g) a statement confirming that paragraph 5.72 (a) has been complied with;
- (h) the effect on earnings per share, headline earnings per share, net asset value per share, net tangible asset value per share and, if applicable, diluted earnings and headline earnings per share; and
- (i) the date on which the securities will be cancelled and the listing terminated, if applicable.

Payments to securities holders

Specific payments (as defined in Section 5)

11.28 The circular must be sent to shareholders within 28 days of publication of the announcement and must contain the following information:

- (a) contents of all circulars (refer to paragraph 11.1);
- (b) general information including:
 - (i) Directors and management (7.B.1);
 - (ii) Major shareholders (7.A.27);
 - (iii) Material change (7.E.10);
 - (iv) Directors' interests in securities (7.B.20);
 - (v) Share capital of the company (7.A.4 or 7.A.5);
 - (vi) Preliminary expenses and issue expenses (7.B.17);
 - (vii) Responsibility (7.B.22 and 7.B.23); and
 - (viii) Litigation (7.D.11);
- (c) the reason for, and method by which the company intends to make the payment;
- (d) the effect on earnings per share, headline earnings per share, net asset value per share, net tangible asset value per share and, if applicable, diluted earnings and headline earnings per share;
- (e) a statement by the directors that after considering the effect of such payment the:
 - (i) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the approval of the circular;
 - (ii) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the approval of the circular. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
 - (iii) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the circular (refer to paragraph 7.E.7); and
 - (iv) working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the circular (refer to paragraph 7.E.7);
- (f) the detailed terms of the payment; and
- (g) the circular should include a statement giving the directors' opinions on the payment, a recommendation as to how securities holders should vote and an indication as to how the directors intend to vote their shares.

11.29 In the case of a specific payment, an announcement must be published in accordance with Schedule 24 and in addition it must contain the following information:

- (a) the terms of the payment;
- (b) the date of the general meeting at which the specific authority will be

sought;

- (c) the date on which the payment is to be made;
- (d) the effect on earnings per share, headline earnings per share, net asset value per share, net tangible asset value per share and, if applicable, diluted earnings and headline earnings per share; and
- (e) that a circular containing details of the above will be sent to securities holders.

General payments (as defined in paragraph 5.85 (b))

11.30 If a company is seeking a general authority to make payments to securities holders, a circular must be sent to securities holders, including a notice of annual general/general meeting, including the following:

- (a) the contents of all circulars (refer to paragraph 11.1);
- (b) general information including:
 - (i) Directors and management (7.B.1);
 - (ii) Major shareholders (7.A.27);
 - (iii) Material change (7.E.10);
 - (iv) Directors' interests in securities (7.B.20);
 - (v) Share capital of the company (7.A.4 or 7.A.5);
 - (vi) Responsibility statement (7.B.22); and
 - (vii) Litigation (7.D.11);
- (c) a statement of the board of directors' intention regarding the utilisation of the authority sought; and
- (d) A statement by the directors that after considering the effect of such maximum payment the:
 - (i) company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the annual general/general meeting;
 - (ii) assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the notice of the annual general/general meeting. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
 - (iii) share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general/general meeting (refer to paragraph 7.E.7); and
 - (iv) working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general/general meeting (refer to paragraph 7.E.7).

11.31 In the case of a general payment, an announcement must be published in accordance with Schedule 24 and in addition it must contain the following information:

- (a) the terms of the payment;

- (b) the date of the general meeting at which the general authority was obtained;
- (c) the date on which the payment is to be made; and
- (d) the effect on earnings per share, headline earnings per share, net asset value per share, net tangible asset value per share and, if applicable, diluted earnings and headline earnings per share.

Voluntary liquidation

11.32 An issuer proposing to enter into voluntary liquidation must comply with the relevant timetable in Schedule 24 and distribute a circular to shareholders, including a notice of general meeting, containing the following:

- (a) a summary of the mechanics of the liquidation distribution and the payment procedure to be adopted;
- (b) any exchange control rulings/procedural guidelines;
- (c) the taxation implications of the distribution;
- (d) a pro forma balance sheet (refer to paragraphs 8.15 to 8.33) if the issuer intends making more than one distribution to securities;
- (e) the effect on net asset value, net tangible asset value, earnings and headline earnings per share to the shareholder;
- (f) the information required by paragraph 7.C.14; and
- (g) the information required by paragraph 7.E.3 (assuming paragraph 8.2 (d) is applicable).

11.33 Should shareholders approve the voluntary liquidation, a written application must be submitted for the termination of the listing on a stated date.

Redemption of securities other than listed redeemable securities

11.34 An issuer proposing to redeem securities must distribute a circular to shareholders, including a notice of general meeting, containing the following:

- (a) a summary of the salient features, dates, rationale and action required;
- (b) detail as to compliance with applicable Reserve Bank approval required at the time;
- (c) the taxation implications of the redemption;
- (d) the effect on net asset value, net tangible asset value, earnings and headline earnings per share to the shareholder; and
- (e) the information required by paragraph 7.C.14.

11.35 The requirements of paragraph 11.34 may be waived by the LuSE, where such redemption does not contain any options, and must be redeemed on specific terms and at specific times.

Change of name

11.36 An issuer proposing to change its name must comply with the relevant timetable in schedule 24 and distribute a circular to shareholders, and a

notice of general meeting, including details of the special resolution shareholders will be asked to approve in order to effect the proposed change of name.

Subdivision/consolidation of securities

11.37 A listed company proposing to subdivide or consolidate its securities must comply with the relevant timetable in Schedule 24 and distribute a circular to shareholders, including a notice of general meeting, containing the following:

- (a) details of the resolutions shareholders will be asked to approve in order to effect the subdivision or consolidation;
- (b) the reasons for the subdivision/consolidation;
- (c) the ratio of the subdivision/consolidation;
- (d) a statement that the LuSE has granted approval for the amendment of the issuer's listing; and
- (e) the procedure to be adopted by certificated and dematerialised shareholders with respect to their documents of title.

Redemption of listed redeemable securities

11.38 The following must be complied with in regard to the redemption of listed securities:

- (a) the redemption must be effected in compliance with any Listings Requirements applicable, such as the relevant timetable in Schedule 24, as well as any other regulatory requirements such as a redemption of listed redeemable preference shares in terms of Section 98 of the Act, and must be authorised and effected in accordance with the listed company's memorandum and articles of association;
- (b) a circular must be sent to holders of the redeemable securities containing the information set out in paragraph 11.34, unless waived in terms of paragraph 11.35; and
- (c) written application for removal from the List of the securities to be redeemed, as from a specified time and date, must be submitted to, and approval obtained from, the LuSE.

Change of transfer office

11.39 The following procedures are required when there is a change in the transfer office of an issuer:

- (a) a notice advising beneficial owners of the issuer's change of transfer office, together with the relevant details, must be sent to all registered members;
- (b) an announcement detailing the changes must be published at least two weeks before the due date of change; and
- (c) the issuer must advise the LuSE, in writing, of the change and must include details in respect of the issuer's new transfer office.

Cautionary announcements

- 11.40 Cautionary announcements must contain disclosure of all available details regarding the information that is the subject of the cautionary announcement, and contain a warning to shareholders that they are advised to exercise caution when dealing in their securities, until full details regarding such information has been announced. However, when a company is unable to provide details on the subject of the cautionary announcement, it should be substantially in the form of paragraph 20.1 of Schedule 20 (“First cautionary announcement”).
- 11.41 After an issuer has issued a cautionary announcement, it must issue a progress report by way of a further cautionary announcement at least every six weeks thereafter, unless the LuSE allows otherwise, until full details on the subject of the cautionary announcement have been announced. Such announcement must contain all available details on the matter. However, where a company is unable to provide such details, the announcement should be substantially in the form of paragraph 20.2 of Schedule 20 (“Renewal of existing cautionary announcement”).
- 11.42 Where a company decides to withdraw a cautionary announcement, it must make an announcement to this effect, which announcement should be substantially in the form of paragraph 20.3 of Schedule 20 (“Withdrawal of cautionary announcement”).

Embargo placed on company announcements/circulars

- 11.43 A draft announcement or price sensitive information may not be released to any third party under a time embargo before it is released in terms of paragraph 3.5, and circulars may not be released to a third party under a time embargo prior to it being approved by the LuSE and sent to shareholders.

Name and logo of a sponsoring broker

- 11.44 The name of the sponsor must appear in any announcement or document issued by or on behalf of any issuer.

Other classes of security

- 11.45 If a circular, pre-listing statement/listing particulars or press announcement is dispatched to the beneficial owners of any particular class of security, the issuer must dispatch a copy or summary of such document to the beneficial owners of all other classes of securities in such issuer, unless the contents of such document are irrelevant to them.

Dissemination of information

- 11.47 Where copies of annual financial statements, abridged annual financial statements, provisional reports, interim reports, pre-listing statements/listing particulars, circulars, proxy forms and dividend or interest notices are required to be distributed to shareholders, it is the responsibility of the issuer to ensure that such distribution is made to all certificated holders and to those dematerialised beneficial holders of its securities who have elected to receive such documents at the cost of the issuer.

Odd lot offers

- 11.48 An issuer making an odd lot offer to securities holders must comply with the relevant timetable in Schedule 24 and distribute a circular to securities holders,

including a notice of general meeting, containing the following:

- (a) details of the resolutions shareholders will be asked to approve in order to effect the odd lot offer;
- (b) the reasons for the odd lot offer;
- (c) the election alternatives referred to in paragraph 5.124 (a); and
- (d) the procedure to be adopted by certificated and dematerialised shareholders with respect to their documents of title.

Appendix to Section 11

Guidelines on the publication of information

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

Reference (section paragraph unless otherwise stated)	Information	No. of copies for LuSE	Distribute to each shareholder	Publish in press in compliance with paragraphs 3.46 to 3.48 Note 4	Publish through SENS in compliance with paragraph 3.45
3.19	Annual financial	200	Yes	No	No
3.21	Abridged annual financial statements (Abridged	3	No	No	Yes Note 1
3.22	Preliminary annual financial information (Preliminary report)	3 Note 3	No Note 3	No	Yes
3.16	Provisional annual financial statements (Provisional reports)	200	Yes	Yes	Yes
3.15	Interim Reports	200	Yes	Yes	Yes
3.15	Quarterly Reports	3 Note 3	No Note 3	No	Yes
3.11	Dividend announcement	3	No	No	Yes
3.19(a)	Notices of annual general meetings	3	Yes	No	Yes Note 1
3.49	Circulars	200	Yes	No	No
3.49 – 3.50	Pre-listing statements and prospectuses	200	Yes	Yes Note 2	Yes Note 2
3.46 – 3.48	All announcements except those	3	No	Yes	Yes

	specifically detailed in this appendix				
3.59	Changes to the boards of directors	0	No	No	Yes
3.63	Directors dealings in securities	0	No	No	Yes
11.2	Voluntary price sensitive announcements	0	No	No	Yes
3.4(b)	Trading updates	0	No	No	Yes
3.78	Change of auditors	0	No	No	Yes

Notes:

1. Details concerning the date, time and venue of the annual general meeting must be included in the abridged report.
2. Alternatively, an abridged version of the pre-listing statement/prospectus can be published through SENS and in the press.
3. If the applicant issuer elects to distribute to shareholders, then it must ensure that the LuSE also receives 20 copies.
4. If an applicant issuer makes a voluntary publication in the press, there is no minimum information required but the applicant issuer must ensure that the information is not misleading.

Section 12

Mineral Companies

Scope of section

This section sets out the criteria for the listing of, and the additional disclosure requirements for, Mineral Companies, which are defined as Exploration companies and/or Mining Companies.

The main headings of this section are:

- 12.1 Definitions
- 12.2 Guiding Principles
- 12.4 General

Exploration Companies

- 12.7 Criteria for listing
- 12.8 Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by Exploration Companies
- 12.9 Competent Person's Report
- 12.11 Announcements **Mining**

Companies

- 12.12 Criteria for listing
- 12.13 Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by Mining Companies
- 12.14 Competent Person's Report
- 12.15 Announcements

Definitions

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

Term	Meaning
Competent Person	<p>a person that is registered with a professional body relating to engineering and or land survey</p> <p>A Competent Person should have a minimum of five years experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that the person is undertaking. If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the Competent Person is estimating, or supervising the estimation of Mineral Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Mineral Reserves;</p>
Competent Person's Report or CPR	<p>the report prepared and signed by one or more competent person(s) and which complies with paragraphs 12.9 and 12.10 in the case of Exploration Companies, and with paragraph 12.14 in the case of Mining Companies;</p>

EIZ	the Engineering Institute of Zambia
exploration	the intentional searching or prospecting for any mineral, but not including mining;
Exploration Company	a company whose principal activity is that of exploration;
exploration results	the disclosure of exploration results compiled by a Competent Person. When referring to mineralisation not classified as a Mineral Resource or Mineral Reserve, estimates of tonnages and grades must not be reported;
Indicated Mineral Resource	is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed;
Inferred Mineral Resource	is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability;
Measured Mineral Resource	is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity;
Mineral Company	an Exploration Company and/or Mining Company;
Mineral Reserve	is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justifiable. Mineral Reserves are subdivided in order of increasing confidence into Probable Mineral Reserves and Proved Mineral Reserves;
Mineral Resource	is a concentration or occurrence of material of economic interest in or on the earth's crust in such form and quantity that there are reasonable and realistic prospects for eventual economic extraction.

	The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured Resources;
Minerals Act	The Mines and Minerals Development Act as amended, or any law that may replace it in part or wholly;
mining	any excavation of the earth, including the portion under the sea or under other water or in any tailings, as well as any borehole, made for the purpose of winning a mineral or the exploitation of any mineral deposit in any other manner;
Mining Company	a company whose principal activity is that of mining;
Probable Mineral Reserve	is the mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified;
Proved Mineral Reserve	is the economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified;

Guiding Principles

- 12.2 For the purpose of ensuring that the process of reporting for Mineral Companies is consistent with internationally accepted principles, the LuSE has made the following guiding principles
- 12.3 (a) Competent Persons reporting in terms of this section must ensure that the information that is presented is of such standard that they should be clearly satisfied in their own minds that they could face their peers and demonstrate competence in the commodity, type of deposit and situation under consideration.
- (b) Competent Persons should also be satisfied that their reporting has ensured full disclosure by the issuer of all material information that might prejudice the integrity and accuracy of the information that is being reported upon. No information should be disclosed that could mislead the readers of the report with respect to the commercial prospects of the projects being reported upon.

- (c) Competent Persons should also be satisfied in their own minds that their work has not been unfairly influenced by the issuer as a result of unfair pressure over fees, time or future rewards.
- (d) A Competent Person that places reliance on information provided to it/them by a third party and includes or uses such information in a Competent Person's Report in whole or in part must perform all necessary validation and verification procedures that it/they deem appropriate in the circumstances in order to satisfy themselves that they are able to place reliance on such information. Reference to such reliance and details of the information relied upon must be disclosed in the Competent Person's Report.

General

- 12.4 The Listings Requirements apply to mineral companies except as modified by this section. The provisions of paragraphs 12.7 to 12.11 read with any applicable law apply exclusively to Exploration Companies. The provisions of paragraphs 12.12 to 12.15 read with any applicable law apply exclusively to Mining Companies. To the extent that a Mineral Company is both an Exploration Company and a Mining Company, all of these provisions will apply.
- 12.5 If information required to be disclosed under this section is confidential for legal and/or other reasons and the directors of a Mineral Company can prove to the satisfaction of the LuSE that the Mineral Company's legitimate interests might be prejudiced if the information were to be disclosed, then the LuSE may grant a dispensation from the requirement to make the information public.
- 12.6 A compliance checklist must be submitted to the LuSE with every Competent Person's Report cross referencing every Listings Requirement paragraph in this section to the relevant part of the Competent Person's Report.

Exploration Companies

Criteria for listing

- 12.7 The LuSE may admit to listing on the Main Board the securities of an applicant notwithstanding that the requirements of paragraph 4.28 (c) are not satisfied, provided that:
 - (a) the provisions of paragraphs 4.28 (a), (b), (d), (e) and (f) are satisfied;
 - (b) the applicant undertakes or proposes to undertake exploration;
 - (c) the applicant demonstrates to the satisfaction of the LuSE that the applicant's management have satisfactory experience in exploration; and
 - (d) the applicant demonstrates to the satisfaction of the LuSE that the applicant is entitled to explore for the relevant minerals.

Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by Exploration Companies

- 12.8 In addition to the relevant Listings Requirements applicable to pre-listings statements/listings particulars/prospectuses (as per Section 6) or Category 1 circulars (as per Section 9), the following information/documentation must be included in such documents where they are required to be prepared by Exploration Companies:
 - (a) a Competent Person's Report, complying with paragraphs 12.9 and 12.10;
 - (b) details of all management and service agreements;

- (c) the names of the issuer's directors;
- (d) details of any direct or indirect beneficial interest, which each director (and his/her associates), Competent Person and related party, as defined in Section 10, has or, within two years of the date of the pre-listing statement, had:
 - (i) in any asset (including any right to explore for minerals) which has been acquired or disposed of by, or leased to or by, the issuer, including any interest in the consideration passing to or from the issuer;
 - (ii) in the share capital of the issuer; and
 - (iii) in the promotion of the issuer;
- (e) a statement by the directors of any legal proceedings that may have an influence on the rights to explore for minerals, or an appropriate negative statement.

Competent Person's Report

12.9 A Competent Person's Report must:

- (a) state the full name, address, professional qualifications and relevant experience of the Competent Person;
- (b) be dated less than six months prior to the date of publication of the pre-listing statement, listing particulars, prospectus or circular;
- (c) be updated prior to publication of the pre-listing statement, listing particulars, prospectus or circular if further data becomes available, unless the pre-listing statement, listing particulars, prospectus or circular sets out and explains the effect of such further data; and
- (d) if the Competent Person is not independent of the issuer, clearly disclose the nature of the relationship or interest;
- (e) show the particular Listings Requirements paragraph complied with in the margin of Competent Persons Report; and
- (f) contain a paragraph stating that all requirements of this section have been complied with, or that certain paragraphs were not applicable and provide a list of such paragraphs.

An issuer may appoint more than one Competent Person.

12.10 The Competent Person's Report must comply with well as the following information:

- (a) a statement detailing exploration results to date including the names of the organisation(s) that carried out the interpretations and investigation, providing, inter alia, details concerning the following, where applicable, or an appropriate negative statement:
 - (i) with respect to drilling techniques: the drill type used (e.g. reverse circulation, rotary air blast, diamond drilling, etc) and details (e.g. core diameter) must be included. The measures taken to maximise sample recovery and ensure the representative nature of the samples must also be described;
 - (ii) with respect to logging: a statement must be inserted as to whether samples have been logged to a level of detail to support appropriate Mineral Resources estimation, mining and metallurgical studies. The nature of the logging should also be outlined, i.e. whether qualitative or quantitative in nature;

- (iii) with respect to drill sample recovery: whether sample recoveries have been properly recorded and results assessed should be noted, in particular whether a relationship exists between sample recovery and grade and sample bias (e.g. preferential loss/gain of fine/course material);
- (iv) with respect to other sampling techniques: the nature and type of sampling (e.g. cut channels, random chips, etc.) should be outlined including measures taken to ensure sample representivity. The precise location and unique numbering of each sample must be described;
- (v) with respect to sub-sampling techniques and sample preparation: it should be stated whether the core was cut or sawn and whether quarter, half or all the core was taken for assay purposes. If non-core samples were taken, whether they were riffled, tube sampled, rotary split etc. and whether they were sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique must be indicated, including quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected must be explained and a view expressed whether the sample sizes are appropriate to the grain size of the material being sampled;
- (vi) with respect to verification of results: the verification of selected intersections by either independent or alternative personnel must be made. The use of twinned holes, deflections or duplicate samples must be included;
- (vii) with respect to data location: the accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation must be stated. The quality and adequacy of topographic control should be discussed. Locality plans, should be included where appropriate;
- (viii) with respect to data density and distribution: the data density for reporting of exploration results should be described including whether the data density and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and/or Mineral Reserve estimation procedure and classification applied. Sample compositing, when applied, should be mentioned;
- (ix) with respect to audits or reviews: the results of any audits or reviews of sampling techniques and data should be outlined;
- (x) with respect to exploration work done by other parties: acknowledgement and detailed appraisal of exploration by other parties must be included;
- (xi) with respect to geology: a description of the nature, detail, and reliability of geological information (rock types, structure, alteration, mineralisation, and relation to known mineralised zones) must be given. This should include all geophysical and geochemical data. Reliable geological maps and cross sections should be provided to support interpretations;
- (xii) with respect to data compositing (aggregation) methods: in reporting exploration results, weighted averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off

grades are usually material and should be clearly explained. Where composite intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such compositing should be stated and some typical examples of such composites should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated;

- (xiii) with respect to the relationship between mineralisation widths and intercept lengths: if the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be fully reported. If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect e.g. 'down-hole length, true width not known';
 - (xiv) with respect to balanced reporting: where comprehensive reporting of all exploration results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of exploration results;
 - (xv) with respect to other substantive exploration data: other exploration data, if meaningful and material, should be detailed including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances; and
 - (xvi) with respect to further work: the nature and scale of planned further work (e.g. additional exploration) should be fully outlined;
- (b) with respect to the issuer's Mineral Resources and Reserves, a statement providing:
- (i) the geological features of the occurrence, the type of deposit and its dimensions;
 - (ii) an estimate of the volumes, tonnages and grades, as appropriate;
 - (iii) a general description of the methods by which the details under paragraph 12.10 (b) (ii) were estimated;
 - (iv) the anticipated mining tonnages, grades or volumes;
 - (v) the planned processing tonnages, grades or volumes, together with the other principal assumptions relating to any forecast revenues and operating costs; and
 - (vi) the estimation and reporting of Mineral Resources detailing the following, where applicable:
 - (1) with respect to the database integrity: the measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors between its initial collection and its use for Mineral Resource estimation purposes. The data validation procedures used must also be noted;
 - (2) with respect to geological interpretation: description of the geological model used and inferences made from this model. Discussion is required of sufficiency of data density to assure continuity of mineralisation and to provide an adequate database for the estimation procedure used;
 - (3) with respect to estimation and modelling techniques: the nature and appropriateness of the estimation techniques

applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units (e.g. non-linear kriging). The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available. Detailed description of the method used and the assumptions made to estimate tonnages and grades (section, polygon, inverse distance, geostatistical, or other method). Description of how the geological interpretation was used to control the Mineral Resource estimates. Discussion of basis for using or not using grade cutting or capping. If a computer method was chosen, description of programs and parameters used. Geostatistical methods are extremely varied and should be described in detail. The method chosen should be justified. The geostatistical parameters, including the variogram and their compatibility with the geological interpretation should be discussed. Experience gained in applying geostatistics to similar deposits should be taken into account;

- (4) with respect to cut-off grades or parameters: the basis of the cut-off grades or quality parameters applied, including the basis, if appropriate, of equivalent metal formulae;
- (5) with respect to mining factors or assumptions: the assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It may not always be possible to make assumptions regarding mining methods and parameters when estimating Mineral Resources. Where no assumptions have been made, this should be stated;
- (6) with respect to metallurgical factors or assumptions: the basis for assumptions or predictions regarding metallurgical amenability. It may not always be possible to make assumptions regarding metallurgical treatment processes and parameters when reporting Mineral Resources. Where no assumptions have been made, this should be stated;
- (7) with respect to tonnage factors (in situ bulk densities): whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, the frequency of the measurements, the nature, size and representativeness of the samples;
- (8) with respect to classification: the basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors, i.e. relative confidence in tonnage/grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data. Whether the result appropriately reflects the Competent Person's view of the deposit; and

- (9) with respect to reviews or audits: the results of any audits or reviews of Mineral Resource estimates;
- (c) a statement must be provided to the effect that an environmental management programme as required by Section 39(1) of the Minerals Act has been approved by the Regional Director concerned, the cost of such programme and a summary of anticipated future environmental liabilities and their planned funding;
- (d) in respect of each property, diagrams, maps and plans should be supplied demonstrating its location, the nature and extent of workings thereon and all principal geological features;
- (e) a list of mineral and surface rights must be detailed, which have had the legal ownerships verified by the Competent Person including a description of:
 - (i) the nature of the issuer's rights of exploration and the right to use the surface of the properties to which these rights relate; and
 - (ii) the principal terms and conditions of all agreements, concessions, consents, permission, permits or authorisations that have been obtained, and details of those still to be obtained;
- (f) with respect to assaying:
 - (i) state the laboratory used for assaying. Should the laboratory not be accredited yet, its application for accreditation is not to be older than one year from the date of publication of the report. Accreditation to, application for accreditation to and/or rejection for accreditation from international standards, such as ISO 9000, must be disclosed; and
 - (ii) the nature, quality and appropriateness of the assaying and laboratory procedures used must be outlined and whether the technique is considered partial or total should be explained. The nature of quality control procedures adopted must be highlighted (e.g. standards, blanks, duplicates, external laboratory checks) including whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established;
- (g) a statement of any legal proceedings that may have an influence on the rights to explore for minerals, or an appropriate negative statement;
- (h) a detailed estimate/statement must be included of:
 - (i) the exploration funding requirements for at least two years following publication of the Competent Person's Report;
 - (ii) the exploration expenditure incurred to date and/or budgeted for;
 - (iii) the projected adequacy of capital raised for exploration purposes;
- (i) the past history of the operations and/or exploration workings should be described as a background to the current exploration, taking account of previous successes and/or failures;
- (j) if possible, historical statistics should be presented to indicate historical trends. The discretion of the Competent Person should prevail when determining which statistics should be presented; and
- (k) a glossary of the terms used in the Competent Person's Report.

Announcements

12.11 In addition to other requirements under the Listings Requirements,

announcements by Exploration Companies must comply with the SAMREC Code where applicable and insofar as they relate or refer to a Competent Person's report must:

- (a) be approved in writing in advance of publication by the relevant Competent Person; and
- (b) if the Competent Person is not, in the opinion of the LuSE, independent of the issuer, clearly disclose the nature of the relationship or interest.

Mining Companies

Criteria for listing

12.12 The LuSE may admit to listing on the Main Board the securities of an applicant, notwithstanding that the requirements of paragraph 4.28 (c) are not satisfied, provided that:

- (a) the provisions of paragraph 4.28 (a), (b), (d), (e) and (f) are satisfied; and
- (b) the applicant undertakes or proposes to undertake mining.
- (c) the applicant demonstrates to the satisfaction of the LuSE that the applicant's management have satisfactory experience in mining; and
- (d) the applicant demonstrates to the satisfaction of the LuSE that the applicant is entitled to mine the relevant minerals.

Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by Mining Companies

12.13 The provisions of paragraph 12.8 shall, mutatis mutandis, apply to Mining Companies, save that the Competent Person's Report must also comply with paragraph 12.14.

Competent Person's Report

12.14 The provisions of paragraphs 12.9 and 12.10 shall, mutatis mutandis, apply in respect of the content of a Competent Person's Report for Mining Companies, save that the terms "exploration" shall be substituted with that of "mining". In addition, the Competent Person's Report must include:

- (a) information as follows:
 - (i) the status of environmental or rehabilitation matters that may impact on valuation. Where environmental restoration liabilities have been identified the financial impact must be disclosed;
 - (ii) with respect to Mineral Resource estimates for conversion to Mineral Reserves: the description of the Mineral Resource estimate used as a basis for the conversion to a Mineral Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Mineral Reserves. Confidence in the estimate for an Inferred Mineral Resource is usually not sufficient to allow the appropriate application of technical and economic parameters or to enable an evaluation of economic viability, i.e. inclusion in a mining valuation model. Caution should be exercised if this category is considered in economic studies and, if included, full disclosure and the effect on the results of the economic studies must be stated. A comparison between the two scenarios, the one with inclusion and the one without inclusion, must be fully explained in such a way as not to mislead the investors;

- (iii) with respect to cut-off grades or parameters: the basis of the cut-off grades or quality parameters applied, including the basis, if appropriate, of equivalent metal formulae. The cut-off grade parameter may be economic value per block rather than grade;
- (iv) with respect to mining factors or assumptions: the method and assumptions used to convert the Mineral Resources to Mineral Reserves (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice of, the nature and the appropriateness of the selected mining methods and other mining parameters including associated design issues such as pre-strip, access. The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes), grade control and pre-production drilling. The major assumptions made and Mineral Resource model used for pit optimisation (if appropriate). The mining dilution factors, mining recovery factors, and minimum mining widths used and the infrastructure requirements of the selected mining methods. Historic reliability of the performance parameters. Diagrams should clearly indicate the spatial relationship of the mining infrastructure, Mineral Reserves and Mineral Resources together with planned mining production capacities. The date on which mining commenced or is expected to commence;
- (v) with respect to volume and capacity estimates for processing: the production volumes and capacities should be clearly indicated in diagrammatic and tabular form. Where production is sourced from multiple sections sufficient detail should be provided to indicate the effects of different mining parameters on grades and costs. Where waste mining and other dilution issues are relevant these should also be presented for the different source areas;
- (vi) with respect to a mass balance plan and description: a mass balance should be presented in schematic form that links the mining production information to the metallurgical plant feed and then to final saleable products and wastes. This is particularly important for multi-product operations where the saleable materials are priced for different chemical and physical characteristics;
- (vii) with respect to metallurgical factors or assumptions: the metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken and the metallurgical recovery factors used. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples or pilot test work is representative of the ore body as a whole and/or the full scale metallurgical process as envisaged for mining. The tonnages and grades reported for Mineral Reserves must state clearly whether these are in respect of material to the plant or after recovery;
- (viii) with respect to cost, revenue and funding: the derivation of, or assumptions made, regarding projected capital and operating costs. The assumptions made regarding revenue including head grade, metal or commodity prices, exchange rates, transportation and treatment charges, penalties, etc. The allowances made for royalties payable, both governmental and private. Basic cash flow inputs and funding requirements must be disclosed. These include forecasts of inflation, currency types, product sales prices, escalations, discount rates and any other economic parameters that would otherwise influence the

cash flow;

- (ix) with respect to historical information of interest about the mine: the past history of the operations should be described as a background to the current operation. Previous success or failure should be referred to on an open basis with reasons why the new works should be commercially viable;
 - (x) with respect to historic verification of the performance parameters: if possible historical performance statistics should be presented to indicate historical trends. The discretion of the Competent Person should prevail when determining which statistics should be presented;
 - (xi) with respect to market assessments: the demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts;
 - (xii) with respect to other modifying factors: the effect, if any, of natural risk, infrastructure, environmental, legal, marketing, social or governmental factors on the likely viability of a project and/or on the estimation and classification of the Mineral Reserves. The status of titles and approvals critical to the viability of the project, such as mining leases, discharge permits, government and statutory approvals;
 - (xiii) with respect to comparative values: the Competent Person should not indicate any project values without reference to other transactions or operations' of a similar nature. Similarly, no values should be presented without reference to appropriate market-related discount rates. At all times, the reports of value should not present an unrealistic expectation as to the operations profit potential;
 - (xiv) with respect to classification: the basis for the classification of the Mineral Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Proved and Probable Mineral Reserves, that have been derived from Measured and Indicated Mineral Resources (if any);
 - (xv) with respect to audits or reviews: the results of any audits or reviews of Mineral Reserve estimates;
 - (xvi) the qualifications and experience of key technical staff being, or to be, employed;
 - (xvii) the date on which mining commenced, or is expected to commence, on the issuer's major properties;
 - (xviii) commentary on the reasonableness of any mining, technical and economic forecasts made by the directors;
 - (xix) assessment of the value, ownership, type, extent and condition of plant and equipment that is significant to the issuer's operations and is currently in use on the issuer's major properties; and
 - (xx) information and value of significant additional plant and equipment that will be required to achieve the forecast rates of mining.
- (b) Notwithstanding disclosures made in terms of paragraph 12.14(a), the Competent Person's Report must include annualised forecast free cash

flow mining valuation numbers and all key criteria and assumptions made in arriving at such valuation, which shall include in tabular form, without limiting the generality thereof, that portion of the life of the mine, stated in years, as determined by the Competent Person for valuation purposes (for which there are reasonable prospects that the Mineral Reserves and Mineral Resources can sustain the relevant life of mine cash flows), and for each such life-of-mine year, the following:

- (i) expected run-of-mine tonnage (to be defined) and grade to be mined;
- (ii) a reconciliation of the grade and tonnage (to be defined) of the Mineral Reserves (fully diluted to plant) back to in situ Mineral Reserves;
- (iii) recovery of factors showing final grade recoveries reconciled back to Mineral Reserves delivered to plant;
- (iv) revenue receivable per final defined product unit sold and in total (for the year);
- (v) mining, beneficiating, smelting, refining, marketing, environmental and any other cost categories per defined unit (eg run of mine tonne, reef tonne, recovered unit) and in total (for the year);
- (vi) capital expenditure, differentiating between initial, new and ongoing capital expenditure;
- (vii) expected salvage value of assets less liabilities including environmental liabilities at the end of the cash flow valuation;
- (viii) taxation, royalties and other similar charges (providing pertinent descriptive details where relevant);
- (ix) unredeemed capital expenditure balances, capital gains tax profits and losses and balances carried forward and assessed losses;
- (x) expected interest and finance costs;
- (xi) changes in working capital and consequent cash flow implications;
- (xii) an estimate of all funding requirements and funding movements, differentiating between debt, equity and internal resources;
- (xiii) repayment of long-term loans and debt;
- (xiv) final net free cash (for each year);
- (xv) range of real or nominal discount rates used to discount the free cash flow per annum and consequent net present values;
- (xvi) the net present value per share or unit used for final valuation purposes;
- (xvii) economic assumptions such as exchange rates, interest rates, inflation rates, escalation and de-escalation rates and any other relevant factors; and
- (xviii) the specific terms of any forward sale or hedging contracts entered into.

Announcements

- 12.15 The provisions of paragraph 12.11 shall, mutatis mutandis, apply to Mining Companies, save that the term “exploration” shall be substituted with that of “mining”.

Section 13

Property Entities

Scope of section

Listed companies that carry out property related transactions are subject to additional requirements, principally relating to valuations. Property entities are subject to additional requirements (principally relating to valuations and disclosure of the property portfolio) and different requirements with respect to financial information.

The main headings of this section are:

13.1 Definitions

13.2 Introduction

13.3 Criteria for listing

Listing particulars and transactions

13.4 Pre-listing statement/prospectus/listing particulars

13.6 Category 1 transactions

13.9 Related party transactions

13.11 Transaction announcements

Financial information

13.12 Forecasts

13.16 Pro forma balance sheet

Additional information

13.17 Relationship information

13.18 Property portfolio information

13.19 Property specific information

13.20 Valuation reports

13.32 Collective investment schemes in property

13.35 Continuing obligations

Other matters

13.40 Asset manager/management company

13.41 Acceptability of the independent registered valuer

Appendix to Section 13

Definitions

13.1 For the purposes of Section 13, the following definitions apply:

- (a) **“Asset manager” or “management company” is the entity or individual who provides strategic management services. They are responsible for making recommendations and/or taking decisions regarding the strategy of the property entity including inter alia the structure of the property entity, further acquisitions and disposals and new property developments. They may also provide ancillary services relating to investment opportunities;**
- (b) **“CISIP” is a collective investment scheme in property;**

- (c) **“CISIP investor” is the holder of a participatory interest in a CISIP;**
- (d) **“CISIP manager” is the person authorised in terms of the Act to administer the CISIP;**
- (e) **“external property” is a property situated outside of the Republic of Zambia;**
- (f) **“independent registered valuer” is a independent registered valuer, where independence is to be justified based on the disclosure to the LuSE in terms of Appendix 13A;**
- (g) **“market value” is the amount, as determined by the external valuer, that a property would realise if sold on the date of valuation in the open market by a willing seller to a willing buyer;**
- (h) **“material expenditure item” is a category of expenditure included in the income statement that accounts for 10% or more of the total expenditure;**
- (i) **“operational net income” is the annual rental income less any expenses directly attributable to that building (including property management fees) but before interest, head office costs, any general management fees or taxation;**
- (j) **“promoter” means any person who is:**
 - (i) **involved in the facilitation and/or formation of a property portfolio to be listed or acquired by an existing issuer and who earns a fee therefrom, in cash or otherwise, other than a person acting in an advisory capacity; or**
 - (ii) **a material shareholder in the property entity prior to the listing date; or**
 - (iii) **about to or has already acquired securities in the property entity to be listed, at a discount of 10% or more to the price at which the property entity has issued securities to any other party; or**
 - (iv) **deemed to be a promoter by the LuSE;**
- (k) **“property” includes immovable property;**
- (l) **“property entity” is a company or CISIP who is primarily engaged, directly or indirectly, in property activities including:**
 - (i) **the holding of properties and development of properties for letting and retention as investments; or**
 - (ii) **the purchase and resale or purchase, development and resale of properties; or**
 - (iii) **the purchase of land for development of properties for retention as investments;**
- (m) **“property manager” the party responsible for the administration of individual properties, which duties include inter alia ensuring the properties are well maintained, collecting rentals and filling vacancies;**
- (n) **“property yield“ is the operational net income divided by the purchase/disposal price of the property, for the 12 months commencing on the acquisition/listing date or prior to the disposal;**
- (o) **“registered valuer” is property valuer, registered as a professional valuer or a professional associated valuer in terms of written law;**
- (p) **“Rentable area” is the rentable area as determined in line with the**

guidelines set out by the Surveyors Association of Zambia; and

- (q) **“revenue” is the revenue (determined in accordance with IFRS) disclosed in the forecast or historical income statement, depending on which income statement the property entity is obliged to present in terms of this Section 13.**

Introduction

- 13.2 (a) A listed property entity, or a property entity seeking a listing, must comply with the requirements contained in this section in addition to all other applicable Listings Requirements; and
- (b) Other issuers who own property or who conclude property transactions must comply with the valuation requirements set out in paragraphs 13.20 to 13.31. If a valuation report must be prepared, an issuer will not be required to obtain a Schedule 5 fairness opinion on a related party transaction involving property.

Criteria for listing

- 13.3 A property entity seeking a listing, must comply with all applicable Listings Requirements in order to qualify for a listing. A new applicant that is a property entity that holds and develops properties for letting and retention as investments, is however exempt from complying with the requirements of paragraph 4.28(c) and must instead comply with the following:
- (a) the profit forecast prepared in terms of paragraphs 13.12 to 13.14, as supported by the special property forecast accountant’s report (prepared in terms of paragraph 13.15), must indicate that there will be a forecast of
K 8 million profit before taxation, after taking account of the headline earnings adjustment on a pre-tax basis and before any distributions to security holders/CISIP investors; and
- (b) the property entity must satisfy the LuSE that the asset manager/management company and/or the executive directors responsible for managing the property portfolio have adequate, appropriate and satisfactory experience in the management of investments of the type in which the property entity proposes to invest.

Listing particulars and transactions

Pre-listing statement/prospectus/listing particulars

- 13.4 A property entity’s pre-listing statement/prospectus/listing particulars must include the information required by Section 6, other than the requirements regarding historical and pro forma financial information, which requirements are replaced with those set out below:
- (a) in the case of a new listing:
- (i) a forecast income statement presented in accordance with paragraphs 13.12 to 13.15;
 - (ii) an aggregated pro forma balance sheet, prepared in accordance with paragraph 13.16, showing the effects of any acquisitions and/or capital raising; and
 - (iii) in respect of the property entity to be listed, the audited historical financial information in accordance with paragraphs 8.2(a) and 8.3(b)(e)(f)(h) for the most recent financial period ended only, which

historical financial information must comply with paragraphs 8.4 to 8.8 and paragraphs 8.11 to 8.14;

- (b) in the case of revised listing particulars for a reverse takeover:
 - (i) a forecast income statement presented in accordance with paragraphs 13.12 to 13.15;
 - (ii) an aggregated pro forma balance sheet, prepared in accordance with paragraph 13.16, showing the effects of any acquisitions and/or capital raising; and
 - (iii) in respect of the issuer, the historical financial information in accordance with paragraphs 8.2 (d) and 8.3, which historical financial information must comply with paragraphs 8.3 to 8.14;
- (c) in the case of revised listing particulars for an existing issuer:
 - (i) in respect of the issuer, the historical financial information in accordance with paragraphs 8.2 (d) and 8.3, which historical financial information must comply with paragraphs 8.3 to 8.14; and
 - (ii) an aggregated pro forma balance sheet, prepared in accordance with paragraph 13.16, showing the effects of any acquisitions and/or capital raising; and
- (d) the historical and/or forecast financial information is the responsibility of the directors or the CISIP manager of the new applicant/issuer, and this fact is to be stated.

13.5 A property entity's pre-listing statement/prospectus/listing particulars must include the following additional information:

- (a) the relationship information required in terms of paragraph 13.17;
- (b) the property portfolio information required in terms of paragraph 13.18 which will be based on the forecast income statement information;
- (c) the property specific information required in terms of paragraph 13.19; and
- (d) a valuation report in accordance with paragraphs 13.20 to 13.31 on the entire property portfolio, in the case of a new listing or reverse takeover.

Category 1 transactions

13.6 A property entity's circular issued as a result of a Category 1 transaction must include all of the information required by Section 9 other than in the case an acquisition where the requirements regarding historical and pro forma financial information are replaced with those set out in 13.7 below.

13.7 A Category 1 acquisition circular must include:

- (a) a forecast income statement on the subject matter of the acquisition in accordance with paragraphs 13.12 to 13.15; and**
- (b) a pro forma balance sheet of the issuer, prepared in accordance with paragraph 13.16, showing the effects of the acquisition.**

13.8 A property entity's circular issued as a result of a Category 1 transaction must include the following additional information:

- (a) the relationship information required in terms of paragraph 13.17;**
- (b) the property portfolio information required in terms of paragraph 13.18 on the subject matter of the transaction;**
- (c) the property specific information required in terms of paragraph 13.19 on the subject matter of the transaction; and**

- (d) a valuation report in accordance with paragraphs 13.20 to 13.31 on the subject matter of the transaction.

Related party transactions

- 13.9 A property entity's circular issued as a result of a related party transaction must include all of the information required by Section 10, and must include the additional information set out in 13.8 above.
- 13.10 An issuer is exempt from providing a fairness opinion where the related party transaction involves property the subject of a valuation report prepared in accordance with paragraphs 13.20 to 13.31.

Transaction announcements

- 13.11 In addition to complying with the requirements set out in Section 9 and 10 the announcement of a transaction by a property entity must comply with the following:
- (a) The property specific information required in terms of paragraph 13.19 must be prepared on the subject matter of an acquisition or disposal, for inclusion in any announcement of a transaction required in terms of Section 9 or 10 of the Listings Requirements. As a forecast might not be available at this stage, the information can be based on the subject matter's historical income statement; and
 - (b) A property entity is exempt from the requirements (in terms of Section 9 or Section 10) to present the pro forma income statement financial effects of an acquisition, provided that they have prepared a forecast income statement in compliance with paragraphs 13.12 to 13.15. In the relevant announcement, the property entity must:
 - (i) disclose the forecast revenue, operational net income, net profit after tax and earnings available for distribution calculated in accordance with the specific property entities trust deed;
 - (ii) comply with the disclosure requirements of paragraphs relating to assumptions made for the rental income as set out in paragraphs 13.14(d) and (e); and
 - (iii) include a statement that the forecast financial information has not been reviewed or reported on by the accountant in terms of Section 8 of the Listings Requirements.

Financial information

Forecasts

- 13.12 A forecast income statement is required on;
- (a) a property entity the subject of a new listing or reverse takeover; and
 - (b) the subject matter of a Category 1 acquisition.
- 13.13 The forecast financial information is the responsibility of the directors or the CISIP manager of the new applicant/issuer, and this fact is to be stated in the circular.
- 13.14 The forecast income statement must;
- (a) be prepared in full compliance with the issuer's future IFRS accounting policies;

- (b) be prepared for the current financial year and for a period of 12 months after the current financial year;
- (c) be prepared on an aggregated basis for the property portfolio;
- (d) be, as far as possible, based on signed lease agreements and, with respect to the uncontracted rental income, must provide disclosure of the assumptions made regarding renewals and new leases;
- (e) include the percentage uncontracted rental income for each period;
- (f) disclose separately each material expenditure item;
- (g) contain full details and an explanation (or contain a negative statement) for any change of 15% or more between the historical and forecast expenditure for each material expenditure item; and
- (h) include the amount of forecast distribution, with a reconciliation to attributable earnings.

13.15 A special property forecast accountant's report on the forecast income statement detailed in paragraphs 13.12 to 13.14:

- (a) must be prepared by the accountant appointed in terms of paragraph 8.46;
- (b) this accountant must, in preparing such report, have, inter alia:
 - (i) conducted an inspection of the signed leases accounting for at least 70% of the contracted revenue;
 - (iii) made an assessment of the reasonableness of the information presented in terms of paragraphs 13.18(d) and (e), based on the inspection of an appropriate number of the signed leases;
 - (iv) made an assessment of the reasonableness of the information presented in terms of paragraphs 13.14(d) and (e);
- (c) must be performed in accordance with the International Standard on Assurance Engagements relating to the examination of prospective financial information; and
- (d) must comply with paragraphs 8.51 to 8.56.

Pro forma balance sheet

13.16 Pro forma financial information prepared in terms of paragraphs 13.4 and 13.7, must be prepared on the following basis:

- (a) the adjustment column of the pro forma balance sheet must be extracted from the underlying results of the subject matter (which should be audited if this is applicable taking into account the nature and purpose of the report) read in conjunction with the acquisition agreement and the figures must then be adjusted to their fair values in terms of IFRS;
- (b) properties acquired from the same vendor can be aggregated;
- (c) if applicable the notes to the pro forma balance sheet must provide details of the auditors of the underlying entities financial statements together with the details of any modifications contained in their audit report/s of those entities;
- (d) the pro forma financial information must comply with the requirements of paragraphs 8.15 to 8.33;
- (e) the accountant must issue a review opinion regarding the value and

existence of the assets and/ or liabilities being acquired, as reflected in the adjustment column of the pro forma balance sheet, and the review opinion must indicate that the accountant has no reason to believe that that assets and liabilities are not prepared in all material respects in accordance with the accounting policies adopted by the issuer and the recognition and measurement criteria of IFRS; and

- (f) the accountant's report on the historical financial information and pro forma financial information, must be prepared in compliance with the requirements of paragraphs 8.48 to 8.56.

Additional information

Relationship information

13.17 A property entity's pre-listing statement/prospectus/ listing particulars/ transaction circular must include the following additional information:

- (a) the following details in respect of each of the promoters, asset managers, CISIP manager, trustees/custodians and directors of the applicant, management company, or its subsidiary or holding company:
 - (i) any beneficial interest, whether direct or indirect, of those persons, in relation to any property held by the applicant or to be acquired by the applicant issuer, including, but not limited to, where any of those persons is, or has contracted to become, a tenant of any part of the property; and
 - (ii) any relationship between any of those persons and another person, where a duty in relation to that other person conflicts or may conflict, with a duty to the applicant (this often relates to relationships between those parties at a level above the issuer);
- (b) in the case of any property or property portfolio managed by an asset manager details of their name, legal form, shareholders, directors, business address, terms of contract and remuneration, relevant experience, appointments to other listed property entities and professional qualifications;
- (c) details of any property manager, including its directors and shareholders, a brief description of the function they perform and, even though the contract may be in the ordinary course of business, a statement their contract will be open for inspection in terms of paragraph 7G1;
- (d) the total number of securities/participatory interests to be issued, the issue price per security/participatory interest, the number to be subscribed for to finance the property portfolio and other relevant details regarding, inter alia, the number of securities/participatory interests to:
 - (i) be acquired by the asset manager/management company; and
 - (ii) be issued to the vendors of any property acquired, or to be acquired;
- (e) in cases where directors of the issuer or the directors of the asset manager/management company or CISIP manager (in the case of CISIPs) or the promoters have been beneficially interested, whether directly or indirectly, in any acquisition or disposal of any of the

properties during the two years preceding the date of the valuation, contain details of the nature and extent of such interests and the date of the transactions and the prices paid or received or other terms on which the transactions were effected; and

- (f) If required in terms of Section 6 or 9, an issuer must provide the information as required in terms of paragraphs 7B18 to 7B21 in respect of any entity and its directors that performs the function of the asset manager of the property portfolio and/or the activities of the issuer.

Property portfolio information

13.18 A property entity's pre-listing statement/prospectus/listing particulars/transaction circular must include the following additional information on the property portfolio as a whole:

- (a) a geographical profile, by rentable area and by revenue;
- (b) a sectoral profile (showing existing use) by rentable area and by revenue;
- (c) a tenant profile, based on existing leases, graded as:
 - “A”: large national tenants, large listed tenants, government and major franchisees;
 - “B”: national tenants, listed tenants, franchisees, medium to large professional firms; and
 - “C”: other;and should include a definition of: what the issuer regards as large and major for category A; medium to large in category B; and should quantify the number of tenants included in category C;
- (d) a vacancy profile, by sector by rentable area;
- (e) a lease expiry profile, based on existing leases, by revenue and by rentable area per sector;
- (f) the weighted average rental per square metre by rentable area per sector;
- (g) a weighted average rental escalation profile, based on existing leases, by sector and by rentable area; and
- (h) the average annualised property yield.

Property specific information

13.19 A property entity's pre-listing statement/prospectus/listing particulars/transaction circular/announcement must include the following additional information for each specific property in the portfolio:

- (a) its location;
- (b) the rentable area of the property, by sector;
- (c) the weighted average rental per square metre for the rentable area. In the case of single-tenant buildings, the issuer may present this figure as the weighted average rental per square metre for the total rentable area, for all of the single tenant buildings;
- (d) the purchase price (unless it is not possible to determine the price paid for each property, in which case the total purchase price for an

acquisition can be shown) and any other expenditure incurred by the company in connection with the acquisition thereof, such as agent's commission and transfer costs;

- (e) the effective date of the acquisition; and
- (f) the value attributed to that property by a valuer, the effective date of the valuation, the name of the valuer and,
 - (i) in the instance of a valuation report prepared in terms of paragraph 13.20, a statement that the valuer is an external valuer as defined by Section 13; or
 - (ii) in any other instance a statement as to whether or not the valuer is independent and whether or not he/she is registered as a professional valuer, or professional associate valuer, in terms of the Property Valuers Profession Act, No 47 of 2000.

Valuation reports

- 13.20 A valuation report prepared by an independent registered valuer must be obtained by:
- (a) a new applicant, if it is a property entity;
 - (b) an issuer that is the subject of a reverse listing into the property sector;
 - (c) an issuer, on the subject of any property transaction that is either a Category 1 or 2 transaction, as defined in Section 9; or
 - (d) an issuer, on the subject of any related party transaction involving property, which transaction requires a circular to be prepared in terms of Section 10.
- 13.21 An analysis should be provided between the value included in the valuer's report and the purchase/disposal consideration. This analysis should include a brief explanation for the reconciling amounts.
- 13.22 Where a valuation report has been prepared, then any related pre-listing statement/prospectus or circular must contain a summary of the valuation report in accordance with paragraph 13.23.
- 13.23 The summary of the valuation report to be included in the pre-listing statement/prospectus or circular must:
- (a) state the following details (or include an appropriate negative statement) in respect of each property:
 - (i) the market valuation, as determined by the independent registered valuer;
 - (ii) the address and registered description;
 - (iii) the date of the independent registered valuer's physical inspection, which must not be older than 6 months prior to signature of the valuation report;
 - (iv) a description (e.g. land or buildings, site and floor areas);
 - (v) the existing use (e.g. shops, offices, factories, residential);
 - (vi) the relevant town planning restrictions and conditions;
 - (vii) any material contravention of statutory requirements, including town planning and title deed conditions and conditions of establishment;
 - (viii) the tenure (i.e. freehold or leasehold, giving the term);

- (ix) a high level summary of actual tenants' leases or sub leases;
 - (x) the approximate age of the buildings;
 - (xi) the terms of any intra-group lease on property occupied by the group (identifying the property);
 - (xii) any other matters that could materially affect the value (including any assumptions and any information on contamination, if any); and
 - (xiii) the sources of information and verification thereof;
- (b) state the name and address of the independent registered valuer and, in respect of their registration in terms of the Property Valuers Profession Act , No 47 of 2000, the registration category, the registration number and the applicable restrictions, if any;
 - (c) be dated the day on which the circular is submitted for formal approval and state the effective date at which each property was valued. The latter must not, unless otherwise agreed by the LuSE, be more than 6 months prior to the date of publication of the pre-listing statement/prospectus or circular, and must contain a statement confirming that there have been no material changes in circumstances that would affect the valuation. If this statement cannot be made, the valuation must be updated;
 - (d) state the method of valuation used in its preparation and the reason for adopting the particular valuation methodology, which valuation methodology must be one of the following: a comparable sales approach, discounted cash flow or capitalisation of net income, provided that in the case of a property in the course of development, a suitable alternative approach may be adopted and the reason for such adoption must be fully substantiated;
 - (e) where it is necessary to qualify the valuation, state the reasons for any such qualification;
 - (f) state any assumptions underlying the valuation including, inter alia:
 - (i) vacancy levels;
 - (ii) income lost due to time delays to complete refurbishments for existing or new tenants; and
 - (iii) a summary of the adjustments made to future rental streams where the current rentals are materially different to the market rentals of that area (including full disclosure of what that differential is), or a negative statement, where there is no differential;
 - (g) where the directors have required a valuation of the benefit or detriment of contractual arrangements in respect of property, or where there is thought to be a benefit in any options held, show such valuations separately and include a reconciliation of the costs and values; and
 - (h) indicate whether or not there is any option for any party to purchase the property and, if so, how any pricing included in such an option has been taken into account by the independent registered valuer.

Valuations of property in the process of development

13.24 Where the valuation is in respect of land currently being developed, the following additional information should be given in the summary valuation report:

- (a) whether planning consent has been obtained and, if so, the date of such consent and whether there are any material or onerous conditions attached to such consent;
- (b) the date on which the development is expected to be completed and any estimate of letting or occupation dates;
- (c) the estimated total cost of carrying out the development including, without limitation, the cost of financial carrying charges, letting commissions or, where part of the development has already been carried out, the estimated cost of completing the development similarly;
- (d) the market value of the land and buildings in their existing state, at the date of valuation; and
- (e) the estimated values, at current prices and on the basis of current market conditions:
 - (i) after development has been completed; and
 - (ii) after completion and letting of the property.

13.25 Where property in the course of development is being developed in phases over a period of time by the erection of a number of buildings, each of which is intended to be sold soon after completion of construction, the requirements of paragraph 13.24 (c) and (e) may be satisfied by the provision of information for each phase or for groups of phases. For this purpose, property in the course of development includes any phase where, at the date of valuation, work is in progress and any other phase where construction is imminent, all appropriate consents have been obtained and a building contract has been entered into. Later phases, where construction at the date of valuation has not yet started, or where all appropriate consents have not been obtained or a building contract has not been entered into, may be treated as properties held for development (see paragraph 13.26).

Properties held for development

- 13.26 Where property is held for future development, the summary valuation report must contain the following additional information, so far as it is known and relevant at the valuation date:
- (a) whether or not planning permission has been applied for, whether such application has been granted or refused and the date of such grant or refusal;
 - (b) the nature, and a brief description, of the proposed development;
 - (c) an indication of when it is reasonable to expect development to commence;
 - (d) the expected development duration; and
 - (e) the estimated total costs of the development, including, without limitation, the cost of financial carrying charges, letting commissions and other ancillary costs.

Alternative use for a property

13.27 A property, other than a property occupied by the property entity for its own use, should be valued at its existing use (for example, as an industry property). Where the market value for an alternative use (for example, conversion to a retail shopping complex) significantly exceeds this basis, the alternative use value must also be stated in the valuation report, together with the directors'

estimate of the costs of cessation and removal of the business. Where the alternative use value is significantly lower than the existing use value and the existing use value is no longer appropriate, the alternative use valuation must also be stated in the valuation report.

External property

- 13.28 Where a valuation report is required in terms of paragraph 13.20 and any of the properties in respect of which it is to be prepared are external properties, then that property must be stated separately, and its basis of valuation must be clearly identified.

Rentals used in valuations

- 13.29 In respect of each property that is rented out by the property entity, the current annual rental and the estimated future annual rental/s at a specified date/s and for a specified period/s (where this differs materially) must be included in the detailed valuation report and a statement to that effect must be included in the summary of the valuation report.

Other general matters

- 13.30 Where a valuation is referred to in a pre-listing statement/prospectus, a Category 1 or 2 circular or a circular relating to a transaction with a related party, a copy of the full valuation report must be made available for inspection in terms of paragraph 7G1.

Summary of valuations

- 13.31 The valuation report must include a summary of the number of properties and the aggregate of their values and must be split to show separate totals for the aggregate freehold and leasehold properties. Negative values must be shown separately and not aggregated with the other valuations. Separate totals should be given for any external properties.

Collective investment schemes in property

- 13.32 Collective investment schemes in property are regulated by the CISCA and notices issued thereunder, a Deed (including any supplemental deeds) approved by the Commission and must comply with the Listings Requirements.
- 13.33 A CISIP is restricted to investment in property shares, directly in immovable property or in such other assets as determined by the CIS Registrar from time to time. After its initial issue of participatory interests, a CISIP may only issue further participatory interests by way of a rights issue to existing CISIP investors, as an issue of participatory interests for cash (in terms of Section 5) or in consideration for the acquisition of a property investment, subject to the Listings Requirements.

Additional information on listing

- 13.34 In their pre-listing statement/prospectus, a CISIP must also include:
- (a) evidence of registration from the CIS Registrar; and
 - (b) salient provisions of the deed.

Continuing obligations

Dealings in securities

13.35 The requirements of paragraphs 3.63 to 3.71 apply equally to any entity, or its directors, that performs the function of the asset manager of the property portfolio and/or the activities of the issuer.

Interim, preliminary and provisional results

13.36 In any interim and preliminary/provisional results announcement for which a forecast has been published on the issuer or an acquisition in terms of paragraph 13.12 to 13.15, the issuer must:

- (a) confirm that the forecast has been materially achieved; or
- (b) provide details of, and an explanation for, any material deviation; and
- (c) include details of how the issuer has calculated the pro-rata forecast for an interim reporting period.

Annual financial statements

13.37 The information required in terms of paragraphs 13.18 and 13.19(a) to (c) must be prepared on the entire property portfolio, for inclusion in the annual financial statements. The issuer's auditor shall modify the auditors report as considered appropriate in cases of non-compliance with the disclosure requirements of this paragraph.

Annual valuation for financial reporting purposes

13.38 Even if a property entity has not adopted the fair value model for its property in terms of IFRS, it must obtain a valuation from a registered valuer (in terms of this Section 13) for its property portfolio.

13.39 Any valuation report prepared for the purposes of IFRS or paragraph 13.38 must be prepared:

- (a) by a registered valuer;
- (b) on the entire portfolio on a rolling basis every 3 years and the directors must confirm in the annual report that there have been no material changes to the information used and assumptions applied by the registered valuer; or
- (c) annually if the information used and assumptions applied by the registered valuer has changed materially.

Other matters

Asset manager/management company

13.40 **Whenever a property entity (which is listed or intends applying for a listing), other than a CISIP, enters into, or is renewing the terms of a contract/arrangement in terms of which a party performs the function of being the asset manager of the property portfolio and/or the activities of the issuer, the issuer and/or its directors cannot so enter into, or renew, such a contract:**

- (a) without the approval of the majority of security holders (excluding any parties or their associates who are party to or have an interest in the contract); and

- (b) without providing therein for the right for security holders, in a general meeting called by them or held by the property entity, to cancel the contract at any time before its expiry date, subject to the approval of such cancellation by a majority of the security holders (excluding any parties or their associates who are party to or have an interest in the contract).

Acceptability of the independent registered valuer

13.41 The LuSE wishes to provide sponsoring brokers and issuers with certainty, at an early stage of the process, as to the acceptability or otherwise to the LuSE of a nominated independent registered valuer who will issue a valuation report. As the issue of independence will be unique to every transaction, the information in Appendix 13 provides guidance rather than specific rules.

13.42 A valuation report must:

- (a) be prepared by an independent registered valuer, acceptable to the LuSE, who has no material interest either in the transaction or in the success or failure of the transaction;
- (b) make appropriate disclosure where the independent registered valuer has any existing or continuing relationship with the issuer and/or any other parties involved in the transaction; and
- (c) comply fully with the requirements of Section 13.

13.43 At an early stage in a contemplated transaction and preferably before engaging a party to prepare a valuation report, the sponsoring broker, on behalf of the issuer must submit to the LuSE:

- (a) a declaration of independence completed by the nominated independent registered valuer, in accordance with Appendix 13A; and
- (b) a declaration by the issuer, in accordance with Appendix 13B.

The above declarations must be submitted for every transaction.

13.44 The LuSE may, unless the issuer is able to provide additional information to satisfy the LuSE, require the issuer to appoint a different independent registered valuer to prepare the valuation report if (based on the information received in terms of paragraph 13.43 above and the LuSE's investigation thereof) the LuSE is not satisfied as to:

- (a) the independence of the nominated independent registered valuer; and/or
- (b) any reasons given by the issuer for the appointment of the nominated independent registered valuer.

13.45 The LuSE undertakes to give the sponsoring broker its approval, or disapproval, of the appointment of the independent registered valuer within 72 hours (excluding weekends and public holidays) of receipt of the duly completed declarations required in paragraph 13.43 above. No documentation will be accepted for review by the LuSE until approval for the appointment has been given.

Appendix to Section 13

Appendix 13A

Independent registered valuer's confirmation of independence

[please delete any paragraphs which are not applicable and which are the subject of a matter choice between paragraphs]

To: The LuSE Secretariat,
LuSE Limited
3rd Floor, Exchange Building
Central Park, Cairo road
Lusaka

.....20.....

This declaration is completed with reference to:

-[insert name of listed company] (“the issuer”),
the holding company, subsidiary companies, associate companies and joint ventures of the issuer (“the issuer’s related parties”);
-[insert brief description of the transaction] (“the transaction”).

We acknowledge that this declaration has been requested by the LuSE for the purpose of confirming to the LuSE that we have no direct or indirect material interest in the transaction, or in the success or failure of the transaction, that may mitigate against our appointment as the independent property valuers for the transaction.

We further acknowledge that the independent property valuer may be an employee or director of:

- (a) a company or other entity that does not form part of a larger organisation;
- (b) a company or other entity within a larger organisation that can potentially offer a wide range of services to the issuer; or
- (c) a division within a company or other entity that falls into either of the two categories above.

This declaration is therefore made in the context that it relates to the individuals, the division and/or the company directly responsible for undertaking the work and issuing the valuation report, as well as any other parties within the larger organisation (if applicable) that are involved in issuing the valuation report or will directly benefit or profit from the transaction.

Full name of the independent property valuer:

..... (“the independent registered valuer”),

who is an employee or director of

..... (“the property valuer ”),

a division/associate/subsidiary of

I,[insert full names]

being a ..[insert relationship to property valuer e.g. director/partner]

and duly authorised on behalf of the property valuer to give this declaration, declare as follows:

1. Internal confidentiality procedures

- (a) The property valuer and, if applicable, the group of companies to which the property valuer belongs or any other organisation to which the property valuer belongs, have internal compliance procedures in place dealing with communication amongst their employees and contractors and amongst the

different companies and divisions so as to ensure that information is kept confidential when appropriate;

- (b) Through these procedures, information of a non public nature regarding the transaction is unknown to anyone outside of the property valuer and its larger organisation. In addition, the independent registered valuer and/or the property valuer cannot be influenced with regard to the procedures that they follow and the valuation report that they will express regarding the transaction;

These procedures are as follows[please provide full details].
 In addition, the property valuer has no objection to the holding discussions with our legal compliance department.

2. Shareholding by the independent registered valuer and directors/partners/employees etc of the property valuer

- (a) The persons who are directors, partners, officers, employees, consultants or contractors (“staff”) of the property valuer and who further have an interest in any class of share, debt or loan capital of the issuer, the asset manager or management company of the issuer, related parties to the issuer or any other party involved in the transaction or who may benefit from the transaction, are as follows:

Name of company	Nature of holding	Holding (number of shares and %)	Rand value of holding as at date of this letter	Name of registered holder and beneficial owner and relationship of beneficial owner to the external/property valuer

The independent registered valuer does not believe that the above holdings will compromise the independence of the independent registered valuer because [please provide full explanation per individual disclosure]

or

- (b) No persons who form part of the staff of the property valuer or who are otherwise directly or indirectly involved in the activities of the property valuer have any interest in any class of share, debt or loan capital of the issuer, the related parties to the issuer or any other party involved in the transaction or who may benefit from the transaction;

and

- (c) The information given in (a) and (b) above has not changed in the last 6 months;

or

- (d) The information given in (a) and (b) has changed to the extent of..... [please provide full details of all changes].

3. Shareholding of the property valuer

- (a) The property valuer and the following companies and funds under the management of the property valuer have an interest (being all such interests of which the property valuer or the compliance department is aware) in the following shares, debt (short term or long term) and loan capital of the issuer and/or the asset manager or management company of the issuer

and/or any other company which is one of the issuer's related parties and/or any other party involved in the transaction or who may benefit from the transaction;

Issuer or group company	Nature of holding	Holding (number of shares and %)	Rand value of holding as at date of this letter	Name of registered holder and beneficial owner and relationship of beneficial owner to the property valuer

The independent registered valuer does not believe that these holdings will compromise the independence of the independent registered valuer because

..... [please provide full explanation per individual disclosure]

or

- (b) Neither the property valuer nor any companies or funds under the management of the property valuer, has any interest (of which the property valuer or the compliance department is aware) in any class of share, debt (short term or long term) or loan capital of the issuer and/or the asset manager or management company of the issuer and/or any other company which is one of the issuer's related parties and/or any other party involved in the transaction or who may benefit from the transaction;

and

- (c) The information given in (a) and (b) above has not changed in the last 6 months;

or

- (d) The information given in (a) and (b) has changed to the extent of..... [please provide full details of all changes]

4. Directorships of the independent registered valuer and/or staff of the property valuer

- (a) The individuals named below, who form part of the staff of the property valuer, or any subsidiary or associate company of the property valuer, or the property valuer's holding company, or any company in the property valuer's holding company's group are directors of the issuer, or the asset manager or management company of the issuer or of a company which is one of the issuer's related parties or any other party involved in the transaction or who may benefit from the transaction:

Name	Employer	Company of which individual is a director	Nature of directorship (executive or non-executive and portfolio)

The property valuer confirms that the above individuals will take no part in the independent registered valuer's activities in relation to this transaction;

or

- (b) No staff of the property valuer, or any subsidiary or associate company of

the property valuer, or the property valuer's holding company, or any company in the property valuers holding company's group is a director of the issuer, or the asset manager or management company of the issuer or a company which is one of the issuer's related parties or any other party involved in the transaction or who may benefit from the transaction;

and

- (c) The information given in (a) and (b) above has not changed in the last 6 months;

or

- (d) The information given in (a) and (b) has changed to the extent of [please provide full details of all changes].

5. History of services provided to the issuer

- (a) The independent registered valuer and/or the property valuer (and all subsidiary, associate companies and related parties of the property valuer) has provided the issuer, and or the asset manager or management company of the issuer and/or the issuer's related parties an/or any other party involved in or who may benefit from the transaction (including the promoter), with the following services for the following fees, or other economic benefit during the last 24 months commencing from the date of the last financial year end of the issuer or six months after the last financial year end, whichever is the later:

External/ property valuer or company in the property valuer's group	Nature of service provided	Date service provided	Fees (or economic benefit) as % of total fees for the external/property valuer for that financial period (see Note 1)

(Note 1: disclosure has been made where this percentage is equal to or greater than 10%, in the case of the independent registered valuer and/or the property valuer itself or any subsidiary, associate company or related party of the property valuer).

or

- (b) The independent registered valuer and/or the property valuer (and all subsidiary, associate companies and related parties of the property valuer) has not provided the issuer and/or the asset manager or management company of the issuer and/or the issuer's related parties with services during the last 24 months;

and

- (c) The information given in (a) and (b) above has not changed in the last 6 months;

or

- (d) The information given in (a) and (b) has changed to the extent of [please provide full details of all changes].

- (e) The issuer, the asset manager or management company of the issuer and the promoter is not a material client of the property valuer's holding

company or any company in the property valuer's holding company's group.

6. Shareholding by the staff of the issuer and the asset manager or management company of the issuer:

- (a) The issuer (and all subsidiary, associate companies and related parties of the issuer), the issuer's holding company's (and any company in the issuer's holding company's group), the asset manager or management company of the issuer and the staff of the issuer, who beneficially, directly or indirectly hold 5% or more in the share capital of the property valuer and/or the property valuers holding company, are as follows:

Name of person	Nature of holding	Holding (number of shares and %)	Name of registered holder and beneficial owner and relationship of beneficial owner to the issuer

The property valuer does not believe that the above holdings will compromise the independence of the property valuer because.....

[please provide full explanation per individual disclosure]

or

- (b) Neither the issuer (and all subsidiary, associate companies and related parties of the issuer), the issuer's holding company's (and any company in the property valuer's holding company's group), the asset manager or management company of the issuer nor the staff of the issuer hold 5% or more in the share capital of the property valuer and/or the property valuer's holding company, either beneficially, directly or indirectly.

7. Directorships of the staff of the issuer and the asset manager or management company of the issuer:

- (a) The individuals named below, who form part of the staff of the issuer or any subsidiary or associate company of the issuer or the issuer's holding company or any company in the issuer's holding company's group or the asset manager or management company of the issuer, are directors of the property valuer or any related parties of the property valuer or any other party involved in the transaction or who may benefit from the transaction:

Name	Employer	Company of which individual is a director	Nature of directorship (executive or non-executive and portfolio)

The property valuer confirms that the above individuals will not be involved in the independent registered valuer's activities in relation to this transaction;

or

- (b) No staff of the issuer, or any subsidiary or associate company of the issuer, or the issuer's holding company, or any company in the issuer's holding company's group is a director of the property valuer or the asset manager

or management company of the issuer any related parties of the property valuer or any other party involved in the transaction or who may benefit from the transaction.

8. Other

[please delete any paragraphs that are not applicable]

(a) The following matters are ones that the independent registered valuer and/or the property valuer or our compliance department is aware of which may affect the independent registered valuer's independence from the issuer or the transaction;

or

(b) There are no other matters of which the independent registered valuer and/or property valuer or our compliance department is aware may affect our independence from the issuer or the transaction.

9. Fees to be paid for providing the valuation report:

(a) Neither the fees (or other benefit) to be paid for providing the valuation report nor any other fees (or other benefit) receivable from the issuer, the asset manager or management company of the issuer or the issuer's related parties or any other party, are contingent upon the outcome of the transaction;

(b) the fee to be paid for providing the valuation report, expressed as a percentage of the fees:

(i) is less than 10% of the gross fees received by the independent registered valuer and/or the property valuer for the last financial year of the property valuer; and

(ii) the total of all fees receivable from the issuer is not more than 5% of the budgeted fees of the independent registered valuer and/or the property valuer for the current financial year.

If the independent registered valuer and/or property valuer is unable to provide a positive confirmation to (i) and/or (ii) they should provide the details of the fees, expressed as a percentage of the gross fees received by the property valuer for the last financial year and as expressed as a percentage of the budgeted fees for the property valuer for the current financial year;

(c) the fees payable for the valuation report are to be paid in securities/participatory interests of the issuer or are linked to the ability to be issued as securities/ participatory interests , and the percentage holding which will be held by the independent registered valuer and/or the property valuer in the issuer after the transaction will be (percentage) of the total shares in issue. This shareholding neither renders the independent registered valuer and/or the property valuer a material shareholder of the issuer nor is the shareholding material to the independent registered valuer and/or the property valuer in the context of the independent registered valuer and/or the property valuer's investments, as reflected in the independent registered valuer and/or the property valuer's balance sheet;

or

(d) the fees for providing the valuation report are to be received in cash and are in no way linked to the ability to convert those fees into shares.

10. General

(a) The independent registered valuer and/or the property valuer will inform the LuSE immediately of any changes to the information given in this declaration that come to the attention of the independent registered valuer and/or the property valuer between the date of this declaration and the date of issue of the valuation report;

and

(b) the contents of this declaration have been discussed with the compliance officer of the property valuer and all other relevant directors and employees of the property valuer who maintain the information provided in terms of this declaration;

and

(c) based on the fact that the independent registered valuer and/or the property valuer has made all reasonable enquiries in order to complete this declaration, the information disclosed in this declaration is accurate and complete.

SIGNED BY [insert full names of the independent registered valuer]

.....
[signature]

SIGNED BY [insert full names]

For and on behalf of

.....
[insert name of property valuer]

.....
[signature]

APPENDIX 13B

Declaration by the issuer

[please delete any paragraphs which are not applicable and which are the subject of a matter choice between paragraphs]

To: LuSE Limited
3rd Floor, Exchange Building
Central Park, Cairo road
Lusaka.

.....20.....

Full name of the issuer:

I, [insert full names], being a [insert relationship to issuer e.g. director] and duly authorised on behalf of the issuer to give this declaration, declare as follows:

1. I understand that an independent valuation report is required in terms of section of the Listings Requirements of the LuSE Limited (“the LuSE”) with regard to [insert brief description of the transaction] (“the transaction”).

2. I have briefed [insert name of property valuer] (“the independent registered valuer”), on the transaction and as to the nature of this assignment.
3. Due to their involvement in the transaction, (please insert the names of any directors of the issuer who may have a conflict of interest), are not in any way involved in the process of obtaining the independent valuation report.
4. The issuer has provided the independent registered valuer with all the information requested that is relevant for the purpose of issuing the valuation report on the transaction and will continue to provide all such further information as the property valuer may request.
5. The issuer did not approach the independent property valuer in order to agree a value that the independent property valuer would place on the properties and/or transaction.
- 6 (a) The issuer approached the following parties formally or informally with a view to their possibly issuing the valuation report but this was not done in order to find the most favourable view from a number of potential independent property valuers. Rather, we did/did not retain their services for the reasons given below:

Name of person's approached and contact details	Reason for appointing/ not appointing them

or

- (b) the independent registered valuer was the only party approached with a view to obtaining a valuation report in relation to the transaction;
- and
- (c) all parties approached were required to sign confidentiality agreements which bind them until such time as the transaction is announced and also in the event that the transaction does not proceed and is thus not announced.
- 7 The issuer believes that the independent registered valuer is sufficiently independent and has the necessary competency to execute this assignment.
- 8 The issuer confirms that it will pay the independent registered valuer their agreed upon fee within 30 days of the submission of the completed, signed valuation report to the LuSE for formal approval.
- 9 The issuer will inform the Issuer Services Division of any changes to the information given in this declaration between the date of this declaration and the date that the valuation report is issued.
- 10 The issuer consents to the LuSE contacting the parties set out in 6 above and waives, in favour of the LuSE, its right to confidentiality in respect of its dealings with such parties, in order for the LuSE to verify the reasons for the appointment or non-appointment of such parties.

SIGNED BY [insert full names]

For and on behalf of

.....
[insert name of issuer]

Full name of the issuer's sponsoring broker:.....

I,[insert full names], being a[insert relationship to sponsoring broker e.g. director] and duly authorised on behalf of the sponsoring broker to give this declaration, declare that the sponsoring broker:

- (a) has ensured that the issuer understands the declaration that it has signed;**
- (b) has made sufficient enquires to ensure that this declaration has been completed accurately by the issuer and after due consideration;**
- (c) has ensured that the issuer and the independent registered valuer have received a full explanation of what is expected from them with regard to the issue of a valuation report; and**
- (d) has undertaken to inform the LuSE immediately if it becomes aware that any information given by the issuer, the independent registered valuer or the property valuer in the appendix 13A and 13B declarations has changed between the date of this declaration and the date of issue of the valuation report.**

SIGNED BY [insert full names]

For and on behalf of

.....
[insert name of sponsoring broker]

Section 14

Pyramid Companies

Scope of section

This section contains additional Listings Requirements pertaining to Pyramid Companies.

The main headings of this section are:

- 14.1 General
- 14.2 Pyramid companies

General

- 14.1 The requirements contained within the Listings Requirements apply to Pyramid Companies contained within this section, except where specifically overruled by the requirements of this section.

Pyramid companies

- 14.2 The LuSE considers that any situation involving a proliferation into more than one listed company of the same basic assets requires its careful control. Accordingly, the following guidelines and requirements should be considered in pyramid company situations.

Classification as pyramid companies

- 14.3 Any new applicant must make full disclosure to the LuSE of any factors that could render it a pyramid company, and any existing listed company shall consult the LuSE before entering into any commitment, arrangement or agreement that could render it a pyramid company in relation to another listed company.
- 14.4 The LuSE will classify a listed company as a pyramid company where it:
 - (a) may exercise, or cause the exercise, of 50% or more of the total voting rights of the equity securities of a listed company (“listed controlled company”); and
 - (b) derives 75% or more of its total attributable income before tax from such listed controlled company, **or** the value of its shareholding in the listed controlled company represents 50% or more of its gross assets, with both measured, as far as possible, at fair value.
- 14.5 The LuSE may declassify a company as a pyramid company when it no longer meets the thresholds upon which its classification as a pyramid company was based.

Listing of pyramid companies

- 14.6 The listing of pyramid companies is prohibited by the LuSE, unless such pyramid company is the result of an unbundling or partial unbundling transaction. Where the listing of a pyramid company is the result of a partial unbundling, such pyramid company will be given 6 months from the date of the unbundling to introduce alternative assets that satisfy the criteria for listing in Section 4. Failure to meet this requirement may result in the suspension and ultimate termination of the listing of such pyramid company. Furthermore, the

LuSE will not grant a listing to a pyramid company, forming part of an unbundling transaction, nor maintain the listing of a company that is to become a pyramid company as a result of an unbundling transaction:

- (a) which is or will become a second-stage pyramid company, being the pyramid company of another listed pyramid company. In such event the second stage pyramid company will be given 6 months from the date of unbundling to introduce alternative assets which satisfy the criteria for listing in Section 4. Failure to meet this requirement may result in the suspension and ultimate termination of the listing of the second stage pyramid;
- (b) unless, either:
 - (i) the minority holders of equity securities in the listed controlled company are offered equity securities on the same terms as applicable to the controlling shareholders, as defined in the Code, of such listed controlled company, in proportion to their holdings in the listed controlled company; or
 - (ii) the controlling shareholders of the pyramid company give irrevocable written undertakings to the LuSE that they will not enter into any affected transaction, as defined by the Code, in relation to the pyramid company, unless the other party to such affected transaction undertakes to the LuSE to make a comparable offer to the holders, excluding the pyramid company, of the equity securities in the listed controlled company in accordance with the provisions of the Code;
- (c) unless the listed controlled company has either been listed for more than two years or it satisfies each of the following criteria:
 - (i) 50% or more of the listed controlled company's gross assets or 50% or more of its total attributable income before tax is derived from operations that have been listed for at least 12 months;
 - (ii) the listed controlled company is not classified by the LuSE as a pyramid company;
 - (iii) the body of management that manages the listed controlled company has held such position, with only non material changes to such body of management, for a continuous period of at least 12 months prior to the listing of the pyramid company;
 - (iv) the management of both the listed controlled company and the proposed pyramid company must have been predominantly the same for the period referred to in paragraph 14.6 (c) (iii); and
 - (v) the listed controlled company has issued audited financial statements covering the period referred to in paragraph 14.6 (c) (iii), that have not been qualified by the listed controlled company's auditors;
- (c) in respect of a listed controlled company that is listed on the LuSE Alternative Tier
- (e) unless the cover of the circular relating to the creation of a pyramid company contains a warning that it will reduce the effective voting influence of shareholders in the listed controlled company.

14.7 The LuSE may delist a listed pyramid company that ceases to meet the

percentages referred to in paragraph 14.4.

Section 15

Investment Entities

Scope of section

An investment entity is defined as including investment companies, private equity companies, active private equity funds, investment trusts and unit trusts whose principal activity is the investment in securities that, for the purpose of this section, include private companies.

This section sets out the Listings Requirements for investment entities.

The main headings of this section are:

- 15.1 General
- 15.3 Criteria for listing
- 15.5 Contents of pre-listing statements/prospectuses
- 15.6 Annual financial statements
- 15.7 Investment policy

General

- 15.1 The Listings Requirements apply to investment entities except as modified by paragraphs 15.2 to 15.7.
- 15.2 In evaluating a listing of an investment entity, the LuSE will have regard to the following fundamental principles:
 - (a) the persons responsible for managing the investments must have adequate experience;
 - (b) there must be an adequate spread of portfolio risk; and
 - (c) the applicant must not, to a significant extent, speculate in securities.

Criteria for listing

- 15.3 The LuSE may admit to listing the securities of an applicant as an investment entity notwithstanding that such entities do not comply with the main board listings criteria in Section 4, subject to them having a subscribed permanent capital of at least such amount as may be approved by the LuSE in particular cases
- 15.4 If paragraph 15.3 applies, the applicant must satisfy the following criteria:
 - (a) the applicant must comply with the criteria set out in paragraph 4.28 except that, if it is not able to satisfy fully the criteria set out in paragraph 4.28 (c) (three years' audited profit history), it must satisfy the LuSE that its managers have sufficient and satisfactory experience in the management of the types of investment in which the investment entity proposes to invest;
 - (b) the applicant must express an intention that its income will be derived wholly or mainly from shares or other securities, and neither the investment entity, nor any of its subsidiaries, may conduct any trading activity that is material to the group as a whole;
 - (c) if the investment entity invests in other companies or funds, which in turn invest in a portfolio of investments, it must ensure that the policies and

objectives of the investee conform with the principal objective(s) of the investment entity;

- (d) the board of directors, or any equivalent body, of the investment entity must be able to demonstrate that it will act independently of any investment managers of the investment entity, and a majority must not be employees of or professional advisors to the investment managers or any other company in the same group as the investment entity;
- (e) the management company must at all times have an investment in the capital of the applicant equal to at least 10%, unless the LuSE in its sole discretion, after taking account of the relevant experience of the management company, otherwise decides; and
- (f) the applicant must disclose its portfolio to shareholders on a quarterly basis until such time as at least 50% of the portfolio has been established in investments other than cash or short dated securities.

Contents of pre-listing statements/prospectuses

15.5 The requirements of Section 6 apply and in addition, the following information must be provided, if applicable:

- (a) a description of the investment policy to be followed;
- (b) if it is intended to invest in less than 10 investments a statement of that fact;
- (c) an analysis of the investment portfolio, or proposed investment portfolio, by:
 - (i) broad industrial or commercial sector; and
 - (ii) listed and unlisted investments;
- (d) an analysis of funds not invested in shares or securities;
- (e) an analysis of income between dividends, interest and other forms of income;
- (f) a list of all investments with a value of greater than 5% of the fund, and at least the 10 largest investments stating:
 - (i) a brief description of the business;
 - (ii) whether the securities held by the investment entity are listed and, if so, the name of the stock exchange;
 - (iii) the proportion of share capital owned;
 - (iv) the cost of the investment;
 - (v) the market value of the investment, or if the investment is not listed a valuation by the directors of the investment entity stating the date of such valuation;
 - (vi) the income received during the year (highlighting any abnormal income);
 - (vii) any extraordinary items; and
 - (viii) the proportionate underlying net assets attributable to the investment;
- (g) an analysis of any provision for diminution in value of investments, naming the investments against which provision has been made and stating for each such investment:

- (i) its cost;
 - (ii) its book value;
 - (iii) the provision made; and
 - (iv) the reason for the provision;
- (h) an analysis of any unrealised profits stating separately those between listed and unlisted investments;
- (i) details must be given of the name of the group or company which manages the investments, together with an indication of the terms and duration of their appointment, the basis for their remuneration and details of their investment experience; and
- (j) the net asset value per share and tangible net asset value per share.

Annual financial statements

- 15.6 In addition to the information specified in Section 8, an investment entity must report the information required in paragraph 15.5 in its annual financial statements.

Investment policy

- 15.7 The investment policy must be stated in the pre-listing statement/prospectus and thereafter all material changes to such policy must be approved by shareholders in general meeting.

Section 16

Documents to be Submitted to the LuSE

Scope of section

This section details the documents required to be submitted to the LuSE when corporate actions are undertaken.

In addition, the schedules to the Listings Requirements set out the prescribed contents of documents that are referred to in this section.

The main headings of this section are:

- 16.1 General
 - 16.2 Documents to be submitted through a sponsoring broker
 - 16.3 Procedure for approval
 - 16.5 Documents requiring approval
 - 16.9 Documents to be submitted by new applicants
 - 16.14 Offers for sale and subscription
 - 16.15 Rights offers, claw-back offers and renounceable offers
 - 16.16 Capitalisation issues and scrip dividends
 - 16.17 Issues for cash
 - 16.18 Acquisitions and disposals
 - 16.19 Periodical returns
 - 16.22 Extension of listed options
 - 16.23 Expiry of listed options or other conversion rights
 - 16.25 Exchange control approval
 - 16.27 Change of name of a listed company
 - 16.31 Share incentive schemes
 - 16.32 Repurchase of securities
 - 16.33 Payments to securities holders
 - 16.34 Subdivision/consolidation of securities
 - 16.35 Odd lot offers
- Appendix to Section 16

General

- 16.1 For the guidance and information of applicant issuers, it should be noted that:
- (a) all documents submitted by applicant issuers to the LuSE will become the property of the LuSE and are not returnable;
 - (b) any documentation including proposed amendments to documentation by applicant issuers must be submitted to the LuSE for approval before being published;
 - (c) if an application for listing is not made within nine months of the examination of the articles of association, the articles of association will then have to be re-submitted for examination for which a further fee will be payable; and
 - (d) drafts of documents to be sent to shareholders that have been approved by the LuSE will not be regarded as final documents until notification is received by the LuSE that a document dispatched to shareholders was

identical, other than in minor respects, to the draft approved by the LuSE.

Documents to be submitted through a sponsoring broker

- 16.2 All documentation relating to the following must be submitted to the LuSE through the medium of a sponsoring broker:
- (a) new listings and/or reverse take-overs;
 - (b) liquidation and receiverships;
 - (c) rights, claw-back and renounceable offers;
 - (d) capitalisation issues;
 - (e) scrip dividend and cash dividend elections;
 - (f) specific issues for cash;
 - (g) options and convertible securities granted/issued for cash
 - (h) vendor consideration placing;
 - (i) specific repurchase of securities;
 - (j) derivative transactions relating to the repurchase of securities;
 - (k) specific payments to securities holders;
 - (l) pre-issue trading;
 - (m) odd-lot offers;
 - (n) transactions as contemplated in terms of Section 9 and 10;
 - (o) delistings;
 - (p) redemption of securities;
 - (q) change of name;
 - (r) subdivision/consolidation of securities;
 - (s) transfer of sector or board;
 - (t) conversion of securities;
 - (u) unbundling;
 - (v) all offers regulated in terms of the Takeover and Mergers Rules;
 - (w) voluntary offers;
 - (x) explanatory statements;
 - (y) memorandum and articles of association/amendments;
 - (z) share incentive/option schemes/amendments;
 - (aa) any other corporate action requiring shareholder approval;
 - (bb) all announcements required in terms of the Listings Requirements;
 - (cc) interim and quarterly reports;
 - (dd) provisional reports;
 - (ee) general mandate to issue shares for cash,
 - (ff) general mandate to repurchase securities;
 - (gg) general mandate to make payments to securities holders.

Announcements relating to the above will not be released through SENS until

confirmation has been received from the sponsoring broker confirming that the sponsoring broker has approved such announcement. All announcements must follow the procedural requirements of SENS as detailed in Schedule 19.

Procedure for approval

16.3 The procedure for approval of documentation is as follows:

Informal comment

- (a) a copy of the documentation required to be approved in terms of the Listing Requirements (“documents”) should be submitted to the LuSE as early as possible for informal comment, together with payment of the appropriate inspection fee set out in Section 17 together with the signed checklist provided in the Appendix to Section 16 (“the first submission”);
- (b) if documents are received by the LuSE on or before 10 00 hours on a business day, they will be deemed to have been lodged at 10 00 hours on such business day; and if they are received after 10 00 hours on a business day, they will be deemed to have been lodged at 10 00 hours on the following business day (“the deemed lodgement time”);
- (c) within 120 hours of the deemed lodgement time of the first submission, the LuSE will provide the relevant sponsoring broker with informal comment. The LuSE may insist on a further informal comment submission where additional corporate actions or transactions are inserted after the initial lodgement of the documentation;

Informal approval

- (d) once the informal comment amendments have been incorporated into the documents by the applicant issuer, such amended documents may be submitted to the LuSE for informal approval;
- (e) within 72 hours of the deemed lodgement time for informal approval, the LuSE may:
 - (i) grant informal approval, if the documents are found to be in accordance with the Listings Requirements; or
 - (ii) refuse informal approval and return the documents to the relevant sponsoring broker with comments (if they are found not to be in accordance with the Listings Requirements) or without comment (if an incomplete set of documents was submitted or the inspection fee was not paid) (“omission”);
- (f) in the event of 16.3 (e) (ii), the sponsoring broker may re-submit the documents after incorporating the LuSE’s comments or rectifying the omission, whereupon 16.3 (d) and (e) will again apply;
- (g) the procedures under 16.3 (d) to (f) will apply until the LuSE grants informal approval, provided that if the documents are returned to the sponsoring broker after a third submission, the LuSE will charge an additional inspection fee equal to 100% of the original inspection fee for every subsequent submission;

Formal approval

- (h) once informal approval has been granted by the LuSE, five copies of the final documents must be submitted to the LuSE for formal approval;
- (i) upon submission for formal approval, the LuSE may:

- (i) within 48 hours of the deemed lodgement time for formal approval, grant formal approval (if necessary, subject to conditions); or
- (ii) within 48 hours of the deemed lodgement time for formal approval, refuse formal approval (with comment, if the documents are capable of repair);
- (j) in the event of 16.3 (i) (ii), the sponsoring broker may re-submit the documents after incorporating the LuSE's comments or after repairing the documents, whereupon 16.3 (h) and (i) will again apply; and
- (k) the procedures under 16.3 (h) to (j) will apply until the LuSE grants formal approval, provided that if the documents are returned to the sponsoring broker after a third submission, the LuSE will charge an additional inspection fee equal to 100% of the original inspection fee for every subsequent submission.

It is the responsibility of sponsoring brokers and applicant issuers to ensure that the above procedure regarding the approval of documents can be accommodated within the timetables set out in the Listings Requirements. In addition, sponsoring brokers and applicant issuers are advised to structure their timetables relating to extremely complex or voluminous submissions, in order to allow the LuSE, upon notification to the sponsoring broker and applicant issuer, an additional 48 hours, per submission (informal or formal submissions), to consider the relevant documents.

Applicant issuers and sponsoring brokers must not assume approval of any aspect of a transaction, including documentation relating thereto, until formal approval has been verbally or formally granted by the LuSE.

Annotation of drafts

- 16.4 All submissions up to, and including, the submission for informal approval must be annotated in the margin to indicate which specific paragraph numbers of the Listings Requirements have been complied with. All submissions subsequent to the first submission must be marked up to reflect changes from the previous submission. Draft documentation may be submitted by physical delivery, by facsimile transmission or by e-mail; in the latter two instances the sponsoring broker must ensure that the relevant recipient at the LuSE has actually received the draft documentation.

Documents requiring approval

- 16.5 (a) All announcements that are required to be made in terms of the Listings Requirements must be approved by the issuer's sponsoring broker before they are released over SENS and published in the press. The LuSE will only approve those sections of an announcement which contain a corporate action timetable as required in terms of Schedule 24 (announcements which contain corporate action timetables may therefore not be released until they are approved by the LuSE). The LuSE may review announcements after they have been published to ensure that the minimum information (as required in terms of the Listings Requirements) has been disclosed. The LuSE may require the publication of additional information if it determines that the required minimum information has not been disclosed.
- (b) Circulars, pre-listing statements/prospectuses and notices of general or annual general meetings relating to paragraph 16.2(a) to (cc) may not be distributed to shareholders or placed on any website unless they have been approved by the LuSE.
- (c) Circulars and notices of general or annual general meetings relating to

paragraph 16.2(hh) to (jj) may not be distributed to shareholders or placed on any website until they have been approved by the issuer's sponsoring broker. The LuSE may review circulars and notices of general or annual general meetings after they have been distributed to shareholders to ensure that the minimum information (as required in terms of the Listings Requirements) has been disclosed. The LuSE may require the publication/distribution of additional information if it determines that the required minimum information has not been disclosed.

- 16.6 The documents referred to in paragraph 16.2(a) to (cc) will be scrutinised by the LuSE in order to ensure that by the informal approval submission stage, as far as possible in the circumstances, all relevant and material facts are adequately disclosed in the clearest manner possible.
- 16.7 Unless otherwise specified, five copies of the documents referred to in paragraph 16.2(a) to (cc), together with a copy of the applicable exchange control approval (see paragraph 16.25), must be submitted for formal approval by the LuSE.
- 16.8 Approval of documents by the LuSE will not in any way reflect the LuSE's views as to whether the underlying transactions, that are the subject of such documents, are fair. Neither does such approval constitute a guarantee by the LuSE or its officials of the accuracy of the contents of such documents.

Documents to be submitted by new applicants

- 16.9 New applicants are required to submit the documents described in paragraphs 16.10 to 16.12 below for review by the LuSE, according to the relevant timetable in Schedule 24.

Part I documents

- 16.10 The following documents are classified as Part I documents and must be submitted to the LuSE before formal approval will be granted:
- (a) the formal application for listing complying with Schedule 1;
 - (b) an explanation of how the required spread of shareholders (refer to paragraphs 4.28(e) and (f), 4.29(f)(iv) and (v) and 4.30(c) (iv) and (v)) is to be achieved;
 - (c) the proposed pre-listing statement/prospectus dated and signed by the directors of the company including their respective alternates, or under power of attorney, together with a statement of the proposed date and details relating to its publication, in full or abridged form, in the press and/or on SENS;
 - (d) if the document is a prospectus, complying with Section 6, a certificate from the company's attorneys stating that the requirements of schedule 3 of the Act have been complied with;
 - (e) if the pre-listing statement/prospectus contains an accountant's report(s), a statement from the accountant that the contents of the pre-listing statement/prospectus are not contradictory to the information contained in the accountant's report(s);
 - (f) where an offer is not being made in conjunction with the application for listing, the following information must be submitted:
 - (i) a list of shareholders;
 - (ii) an analysis of shareholders, distinguishing between public shareholders and those detailed in paragraph 4.25 as confirmed in

writing by the sponsoring broker; and

- (iii) confirmation from the sponsoring broker and applicant issuer that the required spread of shareholders (refer to paragraphs 4.28 (e) and (f), 4.29(f) (iv) and (v) and 4.30(c) (iv) and (v)) has been achieved;
- (g) where applicable, the underwriting agreement and a statement containing the following:
- (i) that the underwriting agreement will become irrevocable not later than 16h30 on the day prior to the FD as determined from the relevant timetable in Schedule 24;
 - (ii) evidence that the underwriter is in a position, at the date of signing the underwriting agreement, to meet the commitments in terms of the underwriting agreement in conjunction with any other underwriting or similar agreements running concurrently with the present commitment;
 - (iii) the number of securities offered to the public and the number of securities offered other than to the public;
 - (iv) the number of securities offered as a preferential right to any other persons. A brief summary of such offer to be given;
 - (v) the minimum subscription (if any) in terms of the pre-listing statement/prospectus; and
 - (vi) confirmation that the underwriting agreement provides that the underwriting consideration will not be paid until the underwriting commitments have been met;
- (h) the debenture trust deed, if debentures are to be listed;
- (i) confirmation in writing from the company that it has been included in the Strate Relationship Register;
- (j) a statement whether the company's securities are listed on any exchange outside the Republic of Zambia and particulars of that listing. In the event of any application for listing on any stock exchange having been refused or deferred, details are to be stated;
- (k) a list of other companies of which the applicant issuers directors are also directors or have been directors during the past five years, and the nature of business conducted by such companies;
- (l) all details concerning any planned price stabilisation exercise;
- (m) a notarially certified copy of the memorandum and articles of association of the applicant embodying any amendments required by the LuSE;
- (n) a notarially certified copy of certificate of registration, and certificate to commence business, if the company was registered within the last two years. Where a company is registered outside of the Republic of South Africa it must furnish a notarial copy of the certificate of registration as an external company;
- (o) for certification purposes, a specimen (cancelled by mutilation) of the share or debenture certificates or other security in which it is proposed to deal. The share certificate should comply with Schedule 11;
- (p) the general undertaking by the company in the form of a resolution of the board of directors, certified by the chairman complying with Schedule 7;
- (q) original copies of any experts' consents (refer to paragraph 7.F.7) appearing in the pre-listing statement/prospectus;

- (r) a statement by the applicant issuer's secretary stating:
- (i) the registered address and post office box number;
 - (ii) the address and post office box number of the transfer office;
 - (iii) the name of the official authorised to deal with all matters relating to the company's listing;
 - (iv) the date on which the financial year ends;
 - (v) the approximate date on which the annual financial statements will be issued;
 - (vi) the approximate date on which the annual general meeting will be held;
 - (vii) the approximate date on which notices of the annual general meeting will be issued; and
 - (viii) regarding dividends, the approximate date of declarations and date of payment;
- (s) details relating to payment of the documentation and listing fee as set out in Section 17; and
- (t) a signed copy of Schedule 9 dealing with mechanical signatures on certificates of title.

16.11 Should amendments be required by the LuSE, the amended document must be submitted and approved, prior to issue.

Part II documents

- 16.12 The following documents are classified as Part II documents, and must be received by the LuSE no later than 48 hours before the date of listing unless the listing timetable, which has been approved by the LuSE, precludes such submission, in which case the relevant Part II documents must be submitted to the LuSE at such time that is acceptable to the LuSE:
- (a) a certificate by the company's sponsoring brokers certifying that the information in the pre-listing statement/prospectus published (in full or abridged form) was materially the same as that contained in the signed pre-listing statement/prospectus approved by the LuSE or, if not, then in what material respects did it differ;
 - (b) a notarially certified copy of any prospectus or pre-listing statement to be published in connection with the issue, dated and signed by the directors of the company, or in their absence, by their respective alternates, or person(s) making the offer;
 - (c) where an offer is being made in conjunction with the application for listing, the following information must be submitted:
 - (i) a list of shareholders;
 - (ii) an analysis of shareholders, distinguishing between public shareholders and those detailed in paragraph 4.25 as supported in writing by the sponsoring broker;
 - (iii) the number of securities allotted and the basis of allotment and
 - (iv) confirmation from the sponsoring broker and applicant issuer that the required spread of shareholders (refer to paragraphs 4.28(e) and (f), 4.29(f) (iv) and (v) and 4.30(c)(iv) and (v)) has been achieved;

- (d) two hundred copies of the pre-listing statement/prospectus or circular published are required for circulation to members;
- (e) the statutory declaration complying with Schedule 8; and
- (f) 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 if no annual financial statements have yet been issued, have been fully subscribed for, and if applicable, deposited, for the company's account, with the company's bankers.

16.13 Where any of the documents listed in Part II are available at the date of submission of the Part I documents, they should be submitted to the LuSE together with the Part I documents.

Offers for sale and subscription

16.14 The following information is required to be submitted to and approved by the LuSE before listing/transaction approval will be granted:

- (a) the circular or pre-listing statement/prospectus;
- (b) an original copy of the signed accountant's report(s) and relevant consent letters;
- (c) the information with respect to any underwriting described in paragraph 16.10 (g);
- (d) the application for listing complying with Schedule 1;
- (e) original copies of any exchange control (refer to paragraph 16.25) approvals required;
- (f) original copies of any experts' consents (refer to paragraph 7.F.7) appearing in the circular or pre-listing statement;
- (g) the appropriate documentation and listing fee as per Section 17;
- (h) the director's declaration for each director of the applicant as set out in Schedule 21;
- (i) all details concerning any planned price stabilisation exercise; and
- (j) the detailed valuation reports prepared in terms of Section 13.

Rights offers, claw-back offers and renounceable offers

16.15 The following information is required to be submitted to and approved by the LuSE before listing/transaction approval will be granted:

- (a) the circular or pre-listing statement;
- (b) the information with respect to any underwriting described in paragraph 16.10 (g);
- (c) the application for listing complying with Schedule 2;
- (d) the provisional LAs;
- (e) original copies of any exchange control (refer to paragraph 16.25) approvals required;
- (f) original copies of any experts' consents (refer to paragraph 7.F.7) appearing in the circular or pre-listing statement; and
- (g) the appropriate documentation and listing fee as per Section 17.

Capitalisation issues and scrip dividends

- 16.16 The following information is required to be submitted to and approved by the LuSE before listing/transaction approval will be granted:
- (a) the circular;
 - (b) the application for listing complying with Schedule 3;
 - (c) the form of election, which must contain at least:
 - (i) a statement that the election may be made in respect of all or part of the shares held or deemed to be held at the close of business on the record date (fractions will be paid out in cash); and
 - (ii) the ratio of application;
 - (d) original copies of any exchange control (refer to paragraph 16.25) approvals required;
 - (e) original copies of any experts' consents (refer to paragraph 7.F.7) appearing in the circular; and
 - (f) the appropriate documentation and listing fee as per Section

17. Issues for cash

- 16.17 The following information is required to be submitted to and approved by the LuSE before approval (where applicable) will be granted for an issue for cash, as contemplated in paragraphs 5.50 to 5.57:
- (a) the circular;
 - (b) the application for listing complying with Schedule 6;
 - (c) a statement detailing all issues of securities in the previous three years;
 - (d) original copies of any exchange control (refer to paragraph 16.25) approvals required;
 - (e) original copies of any experts' consents (refer to paragraph 7.F.7) appearing in the circular; and
 - (f) the appropriate documentation and listing fee as per Section

17. Acquisitions and disposals

- 16.18 The following information is required to be submitted to, and approved by, the LuSE before listing/transaction approval will be granted:
- (a) the circular or pre-listing statement;
 - (b) the acquisition or disposal agreement;
 - (c) any vendor placing document;
 - (d) articles of association of the company being acquired;
 - (e) the application for listing, if applicable, complying with Schedule 4;
 - (f) original copies of any exchange control (refer to paragraph 16.25) approvals required;
 - (g) original copies of any experts' consents (refer to paragraph 7.F.7) appearing in the circular or pre-listing statement;
 - (h) the appropriate documentation and listing fee as per Section 17; and
 - (i) the detailed valuation reports prepared in terms of Section 13.

Periodical returns

- 16.19 Company secretaries are requested to diarise all periodical information and documents required by the LuSE as set out in paragraphs 16.20 and 16.21. It is essential, in the interests of registered, unregistered and future shareholders, that the information and documents be sent to the LuSE in order that accurate information concerning the company can be promptly disseminated.
- 16.20 The LuSE must be advised in writing of:
- (a) all corporate actions and that the applicant issuer is proceeding in accordance with the relevant timetable in Schedule 24;
 - (b) any non-declaration of preference or ordinary dividends;
 - (c) changes in directorate;
 - (d) change of company secretary;
 - (e) change of address of registered or transfer offices;
 - (f) “stops” placed against transfer of securities; and
 - (g) any change in sponsoring broker.
- 16.21 The LuSE must be promptly furnished with the following:
- (a) 20 copies of:
 - (i) notices of annual general meetings;
 - (ii) the annual financial statements;
 - (iii) notices of general meetings;
 - (iv) all notices, pre-listing statements and circulars issued to shareholders or debenture holders;
 - (v) interim and provisional reports; and
 - (vi) quarterly reports, where applicable;
 - (b) a copy of the minutes of annual general meetings or general meetings should be furnished within 30 days of the holding of the said meeting. Should copies of these documents be sent to shareholders, a further 20 copies must be furnished to the LuSE;
 - (c) evidence that the Registrar of Companies, has registered special resolutions where special resolutions have been approved by shareholders;
 - (d) notifications of any announcements required by any other stock exchange on which the listed company, or any of its subsidiaries are listed; and
 - (e) three copies of all notices and announcements

issued. **Extensions of listed options**

- 16.22 With respect to listed options and their extension, the company must submit for approval to the LuSE:
- (a) a draft of the announcement announcing the extension of the exercise date and listing of listed options and the results of the shareholders’ meeting approving same. The announcement announcing such extension must be published at least six weeks prior to the options original expiry date;
 - (b) a draft of a circular to registered option holders and to shareholders. The circular should be in the form of a notice to shareholders to obtain their sanction or, if the power of extension has been delegated to the directors, a notification of the extension of the options and the authority under which

the extension was made. The circular must also state the procedure for recording the extension on the option certificates;

- (c) a copy of the proposed alteration and/or endorsement, to be used on the option certificate; and
- (d) a written application to the LuSE for the extension of the listing, stating:
 - (i) the number of options to which the extension applies;
 - (ii) the period of the extension;
 - (iii) the amounts of the nominal and issued capital and the number of the securities issued;
 - (iv) that all options issued have been included in the application for listing;
 - (v) a certified copy of the resolution extending the options;
 - (vi) a certified copy of the relevant resolution of shareholders, or if extended by the directors, a copy of the resolution empowering the directors to extend the option;
 - (vii) a copy of the circular, approved by the LuSE and issued to registered option holders and shareholders; and
 - (viii) 200 copies of the circular, which are to be sent to the LuSE for distribution to broking members.

Expiry of listed options or other conversion rights

- 16.23 Notice must be given to the LuSE at least 30 days before the expiry date of the option or conversion rights stating:
- (a) the date on which the options or conversion rights expire, and requesting the removal of the options from the list as and from the close of business on the date of expiry; and
 - (b) that all registered option holders or registered holders of the securities with conversion rights have been notified of the date on which the option or conversion rights expire and that, after that date, the option or conversion rights will have no value. This notification should be published at least six weeks prior to the expiry date.
- 16.24 Application must be made for the listing of securities issued on the exercise of options and conversion rights.

Exchange control approval

There are no exchange control regulations in Zambia.

Change of name of a listed company

- 16.27 Preliminary approval must be obtained from the LuSE for the proposed new name and the proposed new abbreviated name to be used on the LuSE trading system (the abbreviated name must not be more than nine letters in length).
- 16.28 An application must then be submitted to the LuSE together with the draft circular (refer to paragraph 11.36) for approval of:
- (a) acceptance of the new name; and
 - (b) consequent amendment of the listing.

- 16.29 The application is to embody an undertaking that, for a period of not less than one year, the former name of the company will be shown on the document of title in brackets under the new name of the company.
- 16.30 The application must be accompanied by:
- (a) a copy of the certificate from the Registrar of Companies giving approval to the new name. If this is not available at the time the application is made, the application should state that the name has been reserved or approved by the Registrar of Companies; and
 - (b) a specimen of the proposed new share certificates.

Share incentive schemes

- 16.31 The following documents pertaining to executive and staff share schemes (“schemes”) must be submitted to the LuSE for approval:
- (a) a draft copy of the scheme, which must comply with Schedule 14;
 - (b) the trust deed, if applicable; and
 - (c) a draft of the circular or notice relating to the adoption of or amendment(s) to the scheme.

Repurchase of securities

- 16.32 The following information is required to be submitted to and approved by the LuSE before approval (where applicable) will be granted for a repurchase of securities, as contemplated in paragraphs 5.67 to 5.84:**
- (a) **the circular;**
 - (b) **the application for de listing complying with Schedule 22;**
 - (c) **original copies of any exchange control (refer to paragraph 16.25) approvals required;**
 - (d) **original copies of any experts’ consents (refer to paragraph 7.F.7) appearing in the circular; and**
 - (e) **the appropriate documentation and listing fee as per Section 17.**

Payments to securities holders

- 16.33 The following information is required to be submitted to and approved by the LuSE before approval (where applicable) will be granted for a payment to securities holders, as contemplated in paragraphs 5.85 to 5.92, is required:
- (a) the circular;
 - (b) any application for listing, if applicable;
 - (c) original copies of any exchange control (refer to paragraph 16.25) approvals required;
 - (d) original copies of any experts’ consents (refer to paragraph 7.F.7) appearing in the circular; and
 - (e) the appropriate documentation and listing fee as per Section

17. Subdivision/consolidation of securities

- 16.34 **The following information is required to be submitted to and approved by the LuSE before approval will be granted for a subdivision/consolidation of securities:**

- (a) **the circular;**
- (b) **the application for listing detailing the amendments to the listing including:**
 - (i) **the new number of securities; and**
 - (ii) **accompanied by a new specimen share certificate;**
- (c) **original copies of any exchange control (refer to paragraph 16.25) approvals required; and**
- (d) **the appropriate documentation and listing fee as per Section 17.**

Odd lot offers

16.35 The following information is required to be submitted to and approved by the LuSE before approval will be granted for an odd lot offer to securities holders, as contemplated in paragraphs 5.123 to 5.126:

- (a) the circular;
- (b) the application for listing;
- (c) original copies of any exchange control (refer to paragraph 16.25) approvals required; and
- (d) the appropriate documentation and listing fee as per Section 17.

Appendix to Section 16

Checklist for First Submissions: (insert name of applicant issuer)

Particulars	N/a	Complied with
Signed copies of the agreements attached		
Timetable attached		
Circular/pre-listing statement attached		
Circular and accompanying documents annotated in terms of the Listings Requirements		
Report of historical financial information attached		
Reporting accountants' report on historical financial information attached		
Fairness opinion attached		
Reporting accountant's report on pro-forma financial information attached		
Accountant's report on profit forecast attached		
Valuation report (property entities) attached		
Competent Person's Report (mining companies) attached		
Listing / Documentation fee (cheque or proof of transfer) attached		
Signed copy of the working capital letter (in terms of paragraph 2.12) from sponsoring broker attached		
Articles of association of the company being acquired attached		
Draft application for transaction/listing of shares / amendment of list attached		
Signed sponsoring broker declaration – Schedule 17		

Have any rulings (verbally or in writing) been given on this transaction by the LuSE?

Yes / No

If yes, please provide details and the name of the person at the LuSE that provided the ruling.

I,..... an approved executive of
..... (name of sponsoring broker) hereby confirm that this
checklist is complete and that no other information which is required in terms of the
Listings Requirements has been omitted.

Signed by approved executive of sponsoring broker.

SIGNATURE

DATE

Section 17

Listing and other Fees

Scope of section

This section sets out the listing and other fees that are to be paid by listed companies, applicants applying for a listing of securities and sponsoring brokers.

17.1 The LuSE charges certain fees relating to the following:

- (a) listing fees;
- (b) annual listing fees;
- (c) documentation fees;
- (d) ruling fees; and
- (e) sponsoring broker fees

Details of these fees, the bases for calculating them and when they are payable are published on the LuSE's website "www.luse.co.za".

Section 18

Dual Listings and Listings by External Companies

Scope of section

The main headings are:

- 18.1 General
- 18.11 Dual Listed Companies structure

General

- 18.1** A company with or seeking a dual listing on the LuSE may decide where it intends to have its primary or secondary listing(s). Generally, the exchange on which the primary listing resides takes precedence in the enforcement of any listings requirements ahead of the exchange on which the secondary listing resides. However, where such primary listing is not on the LuSE, the LuSE reserves the right to instruct the issuer to comply with certain specific sections of, or in full with, the Listings Requirements, where it determines such requirements to be in the interest of shareholders. If a company with or seeking a dual listing is in any doubt as to whether or to what extent a specific section of the Listings Requirements applies to it, the LuSE must be consulted at an early stage.
- 18.2** The annual financial statements are to state where the primary and secondary listings of the issuer's securities are located.
- 18.3** An external company will not be allowed to apply for or list securities, which are not listed in the country of incorporation or in the country of primary listing, unless the LuSE is satisfied that the absence of such a listing is not due to any negative or problematic circumstances, events or regulatory issue.
- 18.4** When a dual listed company wishes to release any information on another exchange it must ensure that such information is also released on the LuSE and that such release takes place no later than the equivalent release on any other exchange, provided that if the LuSE is not open for business, it must ensure that such information is released through SENS at the commencement of business on the next business day.
- 18.5** Where the particular accounting practices of any company with or seeking a secondary listing on the LuSE have not been prepared in accordance with the requirements of Section 8, such company must consult the LuSE in order to obtain a ruling concerning what will constitute acceptable accounting practice and disclosure. All issuers with secondary listings on the LuSE must publish headline earning per share and diluted headline earnings per share.
- 18.6** An applicant issuer seeking a secondary listing on the LuSE must:
 - (a) confirm that it is in full compliance with all the requirements of the exchange on which it has its primary listing;
 - (b) confirm that it is in compliance with the requirements of any competent authority or equivalent regulatory body that regulates it; and

(c) state the number and classes of securities currently listed on the primary exchange.

- 18.7 An external company with a listing on the LuSE must appoint and maintain, whilst it remains listed on the LuSE, a person authorised to accept service of due process and notices on its behalf in Zambia, and must notify the LuSE of such appointment (or termination, providing that in the event of termination another person must be immediately appointed and their details provided in accordance with this paragraph), including:
- (a) the name of the person appointed (“person”) and the person’s address for services of due process and notices;
 - (b) if different, the person’s business and residential address;
 - (c) the person’s business and residential telephone number;
 - (d) the person’s facsimile number and e-mail address; and
 - (e) any change in the above particulars.
- 18.8 A company with a dual listing must notify the LuSE immediately of any suspension or termination of listing on any other exchange on which it has securities listed.
- 18.9 A 50% majority of the votes of all shareholders present or represented by proxy in general meeting, excluding any controlling shareholder, its associates and any party acting in concert, must be cast in favour of any resolution to primary list the securities of an applicant issuer on another stock exchange. A secondary dual listing onto another stock exchange only requires the issuer’s directors approval.
- 18.10 If an issuer has applied for and been granted permission for its securities to be listed on another stock exchange, it is required to ensure that the securities will be accepted for transfer, without delay, if presented in any of the centres in which its securities are listed.

Dual Listed Companies structure

- 18.11 A Dual Listed Companies (“DLC”) structure applies to an aggregated group with combined businesses accounted for under two separately listed companies, one housing the Zambia (ZA) based businesses (“the “ZA” listed company”), with its primary listing on the LuSE, and the second company housing the offshore business entities (“the overseas listed company”) with its primary listing on another exchange acceptable to the LuSE. If the primary listing of the overseas listed company is not on the LuSE, then it must have a secondary listing on the LuSE. The ZA listed company and the overseas listed company together comprise the DLC structure.
- 18.12 All the conditions for listing set out in Section 4 of the Listings Requirements must be complied with in respect of each company comprising the DLC structure to be listed on the LuSE.
- 18.13 The proportion that the each company comprising the DLC structure should represent of the combined business, should be discussed with the LuSE well in advance of implementing the DLC structure to obtain the necessary in principle consents and/or LuSE rulings.
- 18.14 The companies in the DLC structure must be able to demonstrate that they participate in the control of the combined business. This must be evidenced through a formal agreement, and or veto rights, and or such other mechanisms acceptable to the LuSE.

- 18.15** Each company comprising the DLC structure will be required to comply with all continuing obligations provided that in the event of a conflict in the requirements of the relevant exchanges the most stringent requirements must be complied with. This includes the Code of Corporate Practices and Conduct, which will apply to directors of any board or committee and relevant employees of the DLC structure, as well as the directors of each company comprising the DLC structure. Companies are encouraged, at an early stage, to discuss with the LuSE how compliance with continuing obligations will be achieved.
- 18.16** The related party transaction provisions set out in Section 10 of the Listings Requirements will apply to the companies comprising the DLC structure but not in respect of transactions necessary to constitute the DLC structure or transactions between the companies comprising the DLC structure and/or their respective groups.
- 18.17** Variations to any agreement governing the relationship between the companies comprising the DLC structure will be considered to fall within Section 10 of the Listings Requirements.
- 18.18** Transactions undertaken by the companies comprising the DLC structure will be subject to the transaction requirements set out in Section 9. The categorization tests will be calculated by comparing the whole of the target with the whole of the DLC structure.
- 18.19** Controlling shareholder provisions will apply to any controlling shareholder of either company comprising the DLC structure.
- 18.20** Common accounting policies should be used for the companies comprising the DLC structure.
- 18.21** Aggregated annual financial statements must be published in accordance with IFRS for the merged DLC structure. In the event that the annual financial statements published for the merged DLC structure are not in accordance with IFRS, a comprehensive reconciliation to IFRS must be published and presented in Kwacha. Annual financial Statements for the companies comprising the DLC structure may be published as supplementary information to the aggregated accounts of the DLC structure.
- 18.22** Interim financial information, on an equivalent basis to paragraph 18.21, on the merged DLC structure, and for the separate companies, respectively, must be published.
- 18.23** Where an announcement is required it must be released, in accordance with the relevant stock exchange requirements, simultaneously on the LuSE and the overseas listed company's stock exchange(s).
- 18.24** With respect to any calculations/categorisations/measurements in terms of the Listings Requirements applicable to either company comprising the DLC structure, the DLC will be regarded as one combined entity.
- 18.25** Where there is a conflict between the requirements of the relevant stock exchanges, the most stringent requirements must be complied with.

Section 19 Specialist Securities

Scope of section

This section sets out the Listings Requirements relating to specialist securities.

The main headings of this section are:

- 19.1 Warrants
- 19.19 Exchange Traded Funds

Warrants

Definitions

- 19.1 In these Listings Requirements for the listing of warrants, unless the contrary intention appears, the following terms shall have the meanings assigned to them below:**

“company” means a company whose securities are listed by the LuSE and in respect of which warrants are issued and which company complies with the requirements as set out in the Listings Requirements for these warrants;

“covered” means in relation to an issue of warrants, that the underlying securities are held for the duration of the warrant issue by an independent custodian in Zambia, acceptable to the LuSE, for the benefit of warrant holders, and “uncovered” means in relation to an issue of warrants that the underlying securities are not so held by a custodian;

“cover rate” or “strike ratio” means the ratio that determines the number of warrants required to be exercised in relation to the underlying security\ies provided that, in respect of call warrants, no warrant may on exercise thereof entitle the warrant holder to delivery of more than one underlying security and, in respect of put warrants, no warrant shall on exercise thereof oblige the warrant holder to deliver more than one underlying security;

“exercise price” or “strike price” means the price payable by the warrant holder in respect of each warrant on exercise of the warrant;

“expiry date” or “final exercise date” means the last day on which a warrant may be exercised;

“final exercise date” – see “expiry date”;

“guarantor” means a third party that complies with the requirements set out in these warrant Listings Requirements, and that provides an unconditional and irrevocable guarantee in favour of the warrant holders that the guarantor will honour the obligations of the issuer in the event that the issuer fails to fulfil its obligations in accordance with the terms of the issue of the warrants;

“sponsoring broker” means the sponsoring broker of the issuer of the warrants;

“strike price” – see “exercise price”; and

“strike ratio” – see “cover rate”.

General

- 19.2** Once application has been made to and approval granted by the LuSE, in relation to an issue of warrants, those warrants will be listed by the LuSE and traded on the LuSE trading system. The trading system will identify each issue of warrants that are listed, as well as the issuer and the salient terms of the warrant issue. Warrants will be traded in the same manner as any other securities on the LuSE trading system. If trading in a company's securities is suspended by the LuSE, the listing of the relevant warrants will also be suspended.
- 19.3** Warrant trades will be settled through CSD. Warrants must be freely transferable, and each warrant holder shall be required to appoint a broker or broker who will maintain an electronic record of ownership of the respective warrant.

Requirements for a company in respect of whose securities warrants are issued

- 19.4** Warrants may only be issued in respect of a company that complies with the following criteria:
- (a) the securities in respect of which the warrants are issued must be listed on the LuSE or on any other exchange that is acceptable to the LuSE;
 - (b) the company concerned must be listed on the LuSE and must be a constituent share of the Index;
 - (c) the company must comply with the Listings Requirements regarding shareholder spread at the time that approval is granted for the listing of the warrants.

Criteria for the applicant issuer

- 19.5** The applicant issuer is the entity that must make application to the LuSE for the listing of a warrant issue, and must meet the following criteria:
- (a) it must prove to the LuSE that it has the relevant expertise to issue warrants or has access to such expertise;
 - (b) it must satisfy the LuSE that it will establish a secondary market in warrants and endeavour to maintain it;
 - (c) prior to application being made to the LuSE, it must inform the company in respect of whose securities the warrants are to be issued of its intention to issue such warrants;
 - (d) the applicant issuer must disclose to the LuSE any material dealings, including those of a corporate finance nature, other than in the ordinary course of business, undertaken by it or its associates in the securities in respect of which warrants are to be issued during the six week period prior to the date of formal application for a listing of the warrants concerned;
 - (e) in the case of a covered warrant issue, it must provide the LuSE with proof:
 - (i) that the underlying securities are to be held by an independent custodian in Zambia, acceptable to the LuSE, for the benefit of warrant holders throughout the duration of the warrant issue; and

- (ii) that it has warranted to the custodian for the benefit of the warrant holders that the underlying securities are unencumbered and will remain so for the duration of the warrant issue; and
- (f) in the case of an uncovered warrant issue, it must either:
 - (i) satisfy the LuSE:
 - (1) that it has net tangible assets of not less than K2 billion in jurisdictions acceptable to the LuSE; and
 - (2) undertake that, throughout the duration of the warrant issue, it will maintain at least K2 billion of its assets in the above-mentioned jurisdictions; or
 - (ii) provide a guarantee in a form acceptable to the LuSE from a third party that is acceptable to the LuSE and complies with the provisions set out in paragraph 19.5 (g) (i) above. If the guarantor is not resident in Zambia, the guarantee must state that Zambian law governs the guarantee and that the guarantor accepts the non-exclusive jurisdiction of the Zambian courts.

Basic parameters for warrants

19.6 Warrants:

- (a) may not expire sooner than three months or later than eight years after the date of issue;
- (b) together with all other warrants issued in respect of a company, must not exceed 25% of the issued share capital of the company if the warrant issue is uncovered, or 10% of the issued share capital of the company if the warrant issue is covered;
- (c) issued in respect of a company may not exceed 5% of the issued share capital of such company;
- (d) must be scrip settled in accordance with the terms of the warrant issue, provided that the issuer may provide for a cash alternative;
- (e) must be issued in a strike ratio acceptable to the LuSE, but in any event not lower than 1 warrant : 1 share; and
- (f) may be “covered” or “uncovered”.

19.7 Index and Index Product Warrants:

- (a) must be issued over an index or index product acceptable to the LuSE;
- (b) index warrants must be cash settled upon exercise;
- (c) the contents of the warrant issue documentation for index and index product warrants must include:
 - (i) a description of the index, including the name of the publisher of the index, its date of establishment and how it is compiled;
 - (ii) a description of the constituent stocks (if applicable);
 - (iii) the identity of the party that sponsoring brokers and/or calculates the index;
 - (iv) an explanation of the computation of the index;
 - (v) the frequency with which the index is updated and published;
 - (vi) the provisions in the event of modification and discontinuance of the index;

- (vi) the historic highs and lows of the index for the last five years;
- (vii) the closing spot level or closing price at the last practicable date;
- (viii) whether the warrant will be cash or scrip settled upon exercise; and
- (ix) authority to use the index from the party that sponsoring brokers and/or calculates the index.

Basket Warrants

- 19.8** A basket warrant is a contract for the purchase or sale of equity market securities, which comprise a pre-defined group of securities where the component securities are individually delivered upon settlement, in proportion to their weighting in the group, and in terms of which:
- (a) the constituents in the basket must be constituent shares of the TOPI index;
 - (b) the suspension or termination of a security in the basket will not automatically lead to the suspension or termination of the warrant, but the calculation agent will make an adjustment to the warrant, subject to LuSE approval; and
 - (c) the applicant issuer of a basket warrant is exempt from the obligation of informing any of the companies whose securities form part of the basket that their securities form part of such basket.

Announcements

- 19.9** An applicant issuer must publish the following:
- (a) an announcement, which is to be made immediately after the LuSE has approved an application for listing, containing:
 - (i) the information referred to in paragraph 19.10 (a) (i) and (ii) in respect of the issuer and any guarantor (if the warrant is uncovered);
 - (ii) the period of marketing (if applicable) and the expected listing date;
 - (iii) the salient terms of the warrant issue, including, but not limited to, the expiry date, the strike price and the strike ratio;
 - (iv) a statement that LuSE approval for the listing has been granted;
 - (v) the code under which the warrants will trade and the ISIN;
 - (vi) a statement that warrants trades will be settled via Strate; and
 - (vii) places where copies of the warrant issue documentation can be obtained.
 - (b) an announcement, which is to be made at least 14 days prior to the expiry date, containing:
 - (i) the expiry date;
 - (ii) the date of payment for, and delivery of, the underlying security;
 - (iii) any special arrangements (e.g. cash payment or non-election);
 - (iv) a statement that the warrants will be settled via Strate; and

(v) such other information as the LuSE may deem appropriate.

Warrant issue documentation

19.10 The warrant issue documentation must include:

(a) in respect of the applicant issuer:

- (i) its full name;
- (ii) its place and date of incorporation;
- (iii) the full names and addresses of its directors;
- (iv) its audited income statements and balance sheets for the last two completed financial years. Where more than nine months have elapsed since the end of the financial year to which the last published annual financial statements relate, an interim report containing the income statement and balance sheet, covering at least the first six months following the end of that financial year, must be included in the documentation. If such an interim report is unaudited, that fact must be stated;
- (v) a description of any material changes in the financial or trading position of the applicant issuer since the end of the last financial period for which annual financial statements have been published, or an appropriate negative statement;
- (vi) information on any legal or arbitration proceedings, including any such proceedings that are pending or threatened of which the issuer is aware, that may have, or have had, a material effect on its financial position, or an appropriate negative statement;
- (vii) a description of any outstanding warrants issued or guaranteed by the applicant issuer;
- (viii) a credit rating granted by an agency independent of the applicant issuer; and a statement that it will submit a new credit rating on an annual basis or as and when it is amended (copies must at all times be available at the office of the sponsoring broker);
- (ix) a description of the rights of the warrant holders in the event of the liquidation of the applicant issuer;
- (x) a description of how the proceeds generated from the issuing of the warrant will be used by the applicant issuer;
- (xi) a statement that the LuSE's approval of the listing of the warrants is not to be taken in any way as an indication of the merits of the applicant issuer or of the warrants, that the LuSE has not verified the accuracy and truth of the contents of the warrant documentation and that to the extent permitted by law, the LuSE will not be liable for any claim of whatever kind;
- (xii) a statement that claims against the LuSE Guarantee Fund may only be made in respect of trading in warrants on the LuSE and in accordance with the terms of the rules of the Guarantee Fund, and can in no way relate to a default by the applicant issuer of its obligations in terms of the issue of warrants by the applicant issuer; and
- (xiii) any other details that the LuSE may deem appropriate;

(b) the names and addresses of the advisors and transfer secretaries to the issue;

- (c) in respect of any guarantor, the matters listed in 19.10 (a) (i) to (xiii);
- (d) details of the company in respect of which the warrants will be issued, including:
 - (i) any relevant recently published information relating to the company; and
 - (ii) any other information the LuSE may deem appropriate;
- (e) the terms of the warrant issue, including:
 - (i) the strike price and strike ratio;
 - (ii) the expiry date;
 - (iii) the procedure to be followed in the event of an exercise of a warrant;
 - (iv) the procedure in the event that a warrant holder fails to exercise the warrant holder's rights prior to the expiry date;
 - (v) in the event of the issuer providing for a cash payment where any one or more warrant holders fail to exercise their rights under the warrants prior to the expiry date, a statement that payment will be made through CSD on the PD;
 - (vi) the marketing period (if any), which may not exceed 10 business days after the date of approval by the LuSE, the expected listing date, the expiry date of the issue and the expected termination date of listing of the warrants, as well as the code under which the warrants will trade;
 - (vii) how corporate actions in the company or affecting the company (including its liquidation) will influence the rights of the warrant holders;
 - (viii) any tax implications;
 - (ix) whether or not the warrant holders will receive any dividends declared by the company;
 - (x) the effect of any corporate actions or restructuring by the applicant issuer; and
 - (xi) a statement that any change in the terms of the warrants must be approved by at least 75% of the warrant holders present, whether in person or by proxy, and voting, excluding the votes of the applicant issuer, any guarantor and their associates;
- (f) a statement detailing the risks of investing in warrants. This should include details of the trading risk as well as the risk of the applicant issuer not being able to fulfil its obligations, notwithstanding the fact that the applicant issuer will have been obliged to comply with these Listings Requirements. Every issue document will contain a similar risk statement on the front of the document:

“Prospective purchasers of any warrants should ensure that they understand fully the nature of the warrants and the extent of their exposure to risks, and that they consider the suitability of the warrants as an investment in the light of their own circumstances and financial position. Warrants involve a high degree of risk, including the risk of their expiring worthless. Potential investors should be prepared to sustain a total loss of their investment in warrants. The warrants represent general, unsecured, unsubordinated, contractual obligations of the issuer and rank pari passu in all respects with each other. Purchasers

are reminded that the warrants constitute obligations of the issuer only and of no other person. Therefore, potential purchasers should understand that they are relying on the credit worthiness of the issuer.”

Documentation to be submitted to the LuSE

- 19.11** The documentation to be submitted to the LuSE via a sponsoring broker (which may also be the applicant issuer) must include the following:
- (a) a draft of the announcement referred to in 19.9 (a) and the warrant issue documentation;
 - (b) a copy of the letter of advice to the company required under paragraph 19.5 (d);
 - (c) in the case of a covered warrant, the items referred to in paragraph 19.5 (f);
 - (d) in the case of an uncovered warrant, the items referred to in paragraph 19.5 (g); and
 - (e) such other information as may be requested by the LuSE.

Initial and annual listings fees

- 19.12** The relevant fees payable, as determined by the LuSE from time to time, are available on the LuSE’s website “www.luse.co.za”.

Increases in issue size of existing warrants

- 19.13** Applicant issuers may increase the issue size of existing warrants subject to the following:
- (a) the warrants, together with all other warrants issued in respect of a company must be in compliance with paragraph 19.6 (b) and (c);
 - (b) the relevant fees payable in 19.12 are paid;
 - (c) the documentation must be submitted to the LuSE via a sponsoring broker (which may also be the applicant issuer) must include the following:
 - (i) a memorandum detailing the specific terms of the increase in issue size; and
 - (ii) a general undertaking and a sponsoring broker’s undertaking;
 - (d) a memorandum, submitted to the LuSE, detailing that the increase in the warrant issue size complies with the Listings Requirements and that all warrants issued are to be listed; and
 - (e) an increase in issue size may not take place for warrants with less than 3 months until their expiry date.

Miscellaneous

- 19.14** Upon exercise, the applicant issuer is responsible for settlement and not the LuSE nor any other exchange.
- 19.15** The exercise dates of warrants with the same underlying security must be at least one month apart.
- 19.16** Warrants will be suspended if the applicant issuer does not comply with the Listing Requirements.

- 19.17** The LuSE requires warrant issuers to make use of a warrant programme (that is a standard warrant programme detailing the terms and conditions that are common to all subsequent warrant issues unless specifically excluded in the supplementary warrant documentation) in terms of which:
- (a) the warrant programme is to be reviewed on an annual basis;
 - (b) the warrant programme must adhere to the Listings Requirements; and
 - (c) the supplementary documents submitted under the warrant programme must adhere to the Listings Requirements.
- 19.18** The LuSE will allow applicant issuers to list barrier warrants, provided that all the terms and conditions for such warrants comply with the Listings Requirements and that the barriers for these warrants are not less than 45% of the strike price of the warrant.

Exchange Traded Funds

- 19.19** This section sets out the requirements for the listing of Exchange Traded Funds (ETFs) as defined. ETFs will be listed in the Traded Index Funds sector of the Main Board.

General

- 19.20** Once application has been made to, and approval granted by the LuSE in relation to the issue of an ETF, those securities will be listed by the LuSE and traded on the trading system of the LuSE. ETFs will be traded in the same manner as any other securities on the LuSE trading system.
- 19.21** ETF trades will be settled through CSD and must be freely transferable.

Sponsoring Broker

- 19.22** An applicant issuer of ETFs must comply with the provisions of Section 2 regarding the appointment of a sponsoring broker.

Criteria for listing

- 19.23** ETFs must:
- (a) be open ended in nature;
 - (b) be issued over an index acceptable to the LuSE; and
 - (c) be fully covered at all times.
- 19.24** The applicant issuer must:
- (a) prove to the LuSE that it has the relevant expertise to issue ETFs or has access to such expertise; and
 - (b) satisfy the LuSE that a secondary market in the ETF will be established and maintained.
- 19.25** The structure of the ETF must be satisfactory to the LuSE.
- 19.26** In the case of ETFs that make provision for distributions to shareholders, such distributions must be made on at least an annual basis. Such distributions must be announced in accordance with the requirements stipulated in Section 3 relating to dividends.
- 19.27** An applicant issuer with or seeking a listing of an ETF on the LuSE is

required to comply with and satisfy all applicable Listings Requirements detailed below and as modified by the provisions set out below.

Continuing obligations

19.28 The applicant issuer is required to comply with Section 3 of the Listings Requirements subject to the following exclusions:

Paragraph

3.15 to 3.25	Interim, quarterly and provisional reports
3.28	Voting rights
3.29 to 3.31	Pre-emptive rights
3.32 and 3.33	Waiver of Pre-emptive rights
3.34	Profit warranties
3.35 and 3.36	Issues by a major subsidiary other than on listing
3.37 to 3.41	Shareholder spread
3.42 and 3.43	Notification

Conditions for Listing

19.29 An applicant issuer of ETFs must comply with Section 18, in the case of a dual listed applicant issuer and the following provisions of Section 4 with respect to conditions for listing:

Paragraph

4.1 to 4.2	Introduction
4.3 to 4.5	Discretion of the LuSE
4.6 to 4.7	Applicant to be duly incorporated
4.8 to 4.10	Directors
4.14 to 4.16	Status of securities
4.17	Transferability of securities

Methods of Bringing Securities to Listing

19.30 An applicant issuer of ETFs need not comply with the provisions of Section 5 regarding Methods and Procedures of Bringing Securities to Listing.

Pre-listing statements

19.31 An applicant issuer of ETFs must include the following in a pre-listing statement/prospectus:

(a) the following requirements of Section 6:

Paragraph

6.1	Requirements for pre-listings statements
6.6 to 6.9	Form and content
6.11 and 6.12	Formal approval
6.13 and 6.14	Supplementary pre-listing statements
6.18	Omission of material contracts from disclosure
6.19 and 6.20	Issues not requiring pre-listing statements

(b) additional disclosure as follows:

(i) in respect of the applicant issuer:

- (1) its full name;**
- (2) its place and date of incorporation;**
- (3) the full names and addresses of its directors;**
- (4) a statement that the LuSE's approval of the listing of the is not to be taken in any way as an indication of the merits of the issuer or of the ETF, that the LuSE has not verified the accuracy and truth of the contents of the ETF documentation and that to the extent permitted by law, the LuSE will not be liable for any claim of whatever kind;**
- (5) a statement that claims against the LuSE Guarantee Fund may only be made in respect of trading in ETFs on the LuSE and in accordance with the terms of the rules of the Guarantee Fund, and can in no way relate to the issue of ETFs by an applicant issuer; and**
- (6) any other details that the LuSE may deem appropriate;**

(ii) the names and addresses of the advisors and transfer secretaries to the issue;

(iii) a professional opinion regarding the effect of With-holding Tax on the Fund and the security holder;

(iv) every document issued will contain a similar risk statement on the front of the document:

“Prospective purchasers of any Exchange Traded Funds should ensure that they understand fully the nature of the Exchange Traded Fund and the extent of their exposure to risks, and that they consider the suitability of the Exchange Traded Fund as an investment in the light of their own circumstances and financial position”;

(v) details of all parties involved in the ETF structure and must also give an indication of the cost ratio applicable to the ETF;

(vi) a description of the index, including the name of the publisher of the index, its date of establishment and how it is compiled;

(vii) a description of the constituent stocks (if applicable);

(viii) the identity of the party that sponsoring brokers and/or calculates the index;

(ix) an explanation of the computation of the index;

(x) the frequency with which the index is updated and published;

(xi) the provisions in the event of modification and discontinuance of the index; and

(xii) the authority to use the index from the party that sponsoring brokers and/or calculates the index;

(c) an applicant issuer of ETFs must comply with the relevant paragraphs of Section 7 regarding listing particulars.

Circulars

19.32 An issuer of ETFs must comply with the following provisions of Section 11

with regard to circulars:

Paragraph

- 11.1 Contents of all circulars and pre-listing statements
- 11.2 Formal approval
- 11.43 Embargo placed on company announcements/circulars
- 11.44 Name and logo of a sponsoring broker

Announcements

- 19.33 The applicant issuer must publish an announcement immediately after the LuSE has approved an application for listing, containing:
- (a) the information referred to in paragraph 19.10 (a) (i) and (ii) in respect of the applicant issuer;
 - (b) the period of marketing (if applicable) and the expected listing date;
 - (c) a statement that LuSE approval for the listing has been granted;
 - (d) the code under which the ETF will trade; and
 - (e) places where copies of the ETF issue documentation can be obtained.
- 19.34 The issuer will also be required to make an announcement should there be a change in the constituent shares in the underlying index. Such announcement must be made through SENS and posted on the applicant issuers website.

Daily Publication

- 19.35 The applicant issuer must publish the following details on its website each day:
- (a) the net asset value (nav) of the security;
 - (b) the accrued reserves distributable to ETF holders, if applicable;
 - (c) the index level for the preceding day;
 - (d) the fair value of the ETF based on the index level for the preceding day; and
 - (e) the costs incurred in the ETF;
- 19.36 The applicant issuer must also publish the following details on its website each day:
- (a) the constitution of the index basket which an investor wishing to subscribe in specie must deliver on the following trading day;
 - (b) the cash amount which an investor wishing to subscribe in specie must deliver on the following trading day; and
 - (c) the cash amount which a holder wishing to redeem in specie (i.e. exercise his delivery rights) must submit together with his surrender form.

Documents to be submitted to the LuSE

- 19.37 The following documentation must be submitted to the LuSE via a sponsoring broker:
- (a) the ETF offering circular;
 - (b) a specimen share certificate; and

(c) such other information as may be requested by the LuSE.

Increases and redemptions in issue size of existing ETFs

19.38 Applicant issuers may increase the issue size of existing ETFs subject to the submission of a memorandum detailing the specific terms of the increase in issue size.

The appointment of market makers

19.39 An applicant issuer shall, prior to the listing of the ETF, be required to appoint a market maker and such duly appointed market-maker must undertake to maintain a secondary market in the ETF.

Section 20
Debt Securities

(To insert Bond Listings Rules)

Section 21
Alternative Exchange

(To Insert LuSE AIM Rules)