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IT is hereby notified that the Securities and Exchange Commission has, in terms of section 65(3) of the Securities and Exchange Act [*Chapter 24:25*], approved the following regulations:—

PART I
PRELIMINARY

Title

1. These rules may be cited as the Securities and Exchange (Victoria Falls Stock Exchange Listings Requirements) Rules, 2020.

Interpretation

2. In these rules—

"acquisition issue" means an issue of securities in consideration for an acquisition of assets which does not include the extinguishing of a liability, obligation or commitment, and includes an issue of securities for an acquisition of, or merger with, another companyin consideration for the securities of that other company;

"Act" means the Securities and Exchange Act [*Chapter 24:25*];

"acting in concert" means two or more persons co-operating for a common purpose pursuant to an agreement, arrangement or understanding, whether formal or informal, between them; and associates are deemed to be so co-operating unless otherwise proved;

"admission" means the admission of securities to listing on the VFEX, and "admitted" shall be construed accordingly;

"announcement" means an electronic publication on the issuer and the VFEX websites in accordance with Part XII;

"applicant" means an issuer, including an issuer of specialist securities and a new applicant, which is proposing to apply, or is applying, for admission of any of its securities;

"associate"—

(a) in relation to an individual, means—

(i) a member of the individual's family; or

(ii) the trustees of a trust of which a member of the individual's family is a beneficiary or discretionary beneficiary, other than a trust which is either an occupational pension scheme or an employees' share scheme which does not, in either case, have the effect of conferring benefits on the individual or members of the individual's family; or

(iii) a company in whose equity securities the individual or any person or trust referred to in subparagraph (i) or (ii) are directly or indirectly beneficially interested or have a conditional, contingent or future entitlement to become beneficially interested and would, on the fulfilment of the condition or the occurrence of the contingency, be able—

A. to exercise or control the exercise of 20 *per centum* or more of the votes capable of being cast at general meetings on all, or substantially all, matters; or

B. to appointorremove directorsholding a majority of votingrights at boardmeetings on all, or substantially all, matters; or

(iv) any corporate entity in which the individual or a member of the individual's family are beneficially interested, where the individual or member is able to exercise or control the exercise of 20 *per centum* or more of the votes capable of being cast at members' meetings on all, or substantially all, matters;

(b) in relation to a company, means—

(i) a subsidiary or holding company of the company; or

(ii) anycompanywhichexercises, oroverwhichthecompanyexercises, adegree of control which is less than the degree of control exercised over a subsidiary or by holding company respectively; or

(iii) any other company which, together with the company, are both directly or indirectly controlled by a third party; or

(iv) any company whose directors are accustomed to act in accordance with the company's directions or instructions; or

(v) any company whose capital the company and any other company referred to in subparagraphs (i) and (ii) would on the fulfilment of a condition or the occurrence of a contingency be interested in the manner described in subparagraph (ii); or

(vi) any trust that the company and any other company referred to in subparagraphs (i) and (ii), individually or taken together, have the ability to control 35 *percentum* of the votes of the trustees or to appoint 35 *per centum* of the trustees, or to appoint or change 35 *per centum* of the beneficiaries of the trust;

"beneficial", in relation to—

(a) any interest in a security, means the *de facto* right or entitlement to receive the income payable or other economic right in respect of that security or to exercise or cause to be exercised any or all of the voting, conversion, redemption or other rights attaching to that security;

(b) any other interest, means the obtaining of any benefit or advantage, whether in money, kind, or otherwise, as a result of the holding of that interest; and includes, in respect of the interests described in paragraphs (a) and (b), the *de facto* right or entitlement to dispose of or cause the disposal of the company's securities, or any part of a distribution in respect of the securities;

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

(a) the *de facto* right or entitlement to receive any dividend or interest payable in respect of that security; or

(b) 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; or

(c) the *de facto* right or entitlement to dispose or cause the disposal of the company's securities
or any part of a distribution in respect of the securities;

""broker" includes a person who is licensed or required to be licensed as a broker under the Securities Act [*Chapter 24:25*], when he deals in securities on behalf of a principal;

"business day" means any day except a Saturday, Sunday or any public holiday;

"capitalisation issue" means an issue of fully paid shares capitalised from—

(a) a company's share premium;

(b) capital redemption reserve;

(c) fund reserves; or

(d) a combination of anyof the above to existing shareholders of the companywithout payment in proportion to their shareholdings at a specific date, but does not include a dividend issued *en specie*;

"cash company" means an issuer, other than an investment entity envisaged by Part XVI, whose assets, to the satisfaction of the VFEX, consist wholly or mostly of cash

because it has disposed of all or a substantial part of its business or otherwise ceased to have a business of sufficient substance to support its market capitalisation;

"category 1, category 2 or category 3" refers to a transaction that is principally an acquisition or disposal by an issuer as described in Part X;

"circular" means any document or advertisement issued to holders of listed securities by an issuer of securities, but excludes listing particulars, annual reports, interim reports, proxyforms anddividend vouchers;

"claw-back offer" is when a company takes back remaining new shares that it had offered to its existing shareholders and offers them to other shareholders in proportion to their holdings in the form of a right to enable the shareholders to "claw back" their right to subscribe for the securities, and "claw-back issue" bears the same meaning;

"clearing house" means a person whose main business is the clearing, netting and settlement of transactions on a securities exchange;

"closed period" means—

(a) the period from the end of an issuer's financial year end to the date of earliest publication of the issuer's preliminary report, abridged report or provisional report; or

(b) the period from the expiry of the first six months of an issuer's financial year to the date of publication of the issuer's interim results; or

(c) the period from the expiry of the second six-month period of an issuer's financial year to the date of publication of the issuer's second interim results, in cases where the financial period covers more than 12 months; or

(d) where an issuer reports on a quarterly basis, the period from the end of a quarter to the date of publication of the issuer's quarterly results; or

(e) any period when an issuer is trading under cautionary announcement;

"closing price" means the price determined by the market and disseminated by the VFEX, as the last traded price;

"Code" means a National Code of Corporate Governance in Zimbabwe or any other foreign code approved by VFEX in relation to foreign issuers;

"controlling shareholder" means a shareholder who, alone or together with one or more associates or other parties with whom the shareholder has an agreement, arrangement or understanding, whether formal or informal, relating to voting rights attaching to securities of a company, can exercise or cause to be exercised 50 *per centum* or more of the voting rights at meetings of the company, or can appoint or remove, or cause to be appointed or removed, directors exercising more than 50 *per centum* of the voting rights at directors' meetings of the company;

"convertible securities" means securities which are convertible into or exchangeable for other securities accompanied by options to subscribe for or purchase other securities and "conversion" and "convertible" shall be construed accordingly;

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

"daily official list" means the end of day trading session price list issued by

the VFEX; "dealing" includes—

(a) the acquisition or disposal of securities or a right, whether conditional or absolute;

(b) to exercise or direct the exercise of the voting rights attaching to securities, or a right of general control of securities; and

(c) the taking, granting, acquiring, disposing, entering into, closing out, terminating, exercise (by either party) or varying of an option (including a traded option contract) in respect of any securities; and

(d) subscribing or agreeing to subscribe for securities; and

(e) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights; and

(f) the acquisition of, disposal of, entering into, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities; and

(g) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and

(h) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he or she has a short position;

"declaration data" means the minimum information to be announced on the declaration date such as share name, share code, share Interntional Security Identification Number (ISIN), event type, last day to trade, election date, record date, pay date, ex date or conditions precedent;

"declaration date" means 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 the media;

"*de facto* control", in relation to a company, means actual control over the management of the company, whether the control is exercised through the holding of shares or other securities in the company or the right to appoint directors of the company, or otherwise;

"default for election" means an option that will be applied to an investor's holdings of securities if he or she makes no election to the contrary; "director" means—

(a) a person occupying the position of director or alternate director of a company, whatever his or her designation; and

(b) in relation to an issuer which is not a company, a person with corresponding powers and duties to the director of a company;

and includes a person in accordance with whose instructions the directors or a director are accustomed to act;

"election date" means the date by which the transfer secretary must have received election instructions from shareholders, including VFEX members, fund managers and global custodians;

"equity instruments" means securities with restricted or no voting rights, which participate in the distribution of profits in a manner directly linked to the profitability of the company;

"equity securities" meansequityshares, securities convertible into equityshares and equity instruments;

"equity share capital", in regard to a company, means its issued share capital excluding any part of that capital which, in respect of neither dividends nor capital, carries any right to participate beyond the specified amount in a distribution;

"equity shares" means shares which are comprised in a company's equity share capital and which carry votes;

"ex date" means the first trading day after the last day of trading, from which day all trades exclude the right to receive entitlements;

"finalisation date" means the date on which an event and its details become unconditional in all respects and irrevocable and no further finalisation changes to any of the finalisation information can be made by the issuer and the event can only be cancelled;

"first day to trade" means the first business day on which newly issued securities may be traded;

"foreign company" means a company which is incorporated outside Zimbabwe and is registered as a foreign company under the Companies and Other Business Entities Act [*Chapter 24:31*];

"foreign property" means property situated outside Zimbabwe;

"Generally Accepted Accounting Practice" (GAAP) means the generally accepted accounting practice within Zimbabwe or, in the case of a foreign company, the generally accepted accounting practice, acceptable to the VFEX;

"headline earnings" meansthemeasureof earnings ofthereportingentityinaccordancewith the formula determined and publicised through a circular by the VFEX from time to time;

"holding company" means a company that has one or more subsidiaries;

"immediate family", in relation to an individual, means the individual's spouse and children;

"income statement" refers to the definition of "statement of profit or loss or other comprehensive income";

"intangible asset" means a non-monetary asset without physical substance, including goodwill, apatent, a trademark, a brand name, copyright, a franchise, a licence, know-how and a publication title;

"International Accounting Standards" or "IAS" means the international accounting standards formulated by the International Financial Reporting Standards Foundation (IFRS);

"International Financial Reporting Standards" or "IFRS" means—

(a) the International Financial Reporting Standards formulated by the International Accounting Standards Board, together with related interpretations issued by the IFRS Interpretations Committee; or

(b) any international accounting standards that were issued by the International Accounting Standards Committee, the predecessor to the International Accounting Standards Board, to the extent that those standards have not been replaced by standards specified in paragraph (a); or

(c) any other financial reporting framework adopted by the Public Accountants and Auditors Board;

"International Standards on Auditing" or "ISA" means the International Standards on Auditing formulated by the International Auditing and Assurance Standards Board;

"introduction" means a method of bringing securities to listing not involving an issue of new securities or any marketing of existing securities because the spread of shareholders already complies with the conditions for listing;

"investment entities" means investment companies, investment trusts and unit trusts whose principal activity is investment in securities;

"issuer" means a person whose securities are listed and traded on the VFEX;

"issue for cash" means an issue of securities for cash for the extinction of a liability, obligation or commitment in compliance with Part VI—

(a) to persons who are specifically approved by the shareholders in general meeting in respect of that particular issue; or

(b) generally approved by shareholders by the giving of a renewable mandate valid until the company's next annual general meeting provided it shall not extend beyond 15 months to the directors of the issuer to issue shares for cash subject to these listings requirements and to any other restrictions set out in the mandate;

"last day to trade" means 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;

"Letters of Allotment" or "LAs" means a document that details and confirms the amount or number of securities allotted to an applicant;

"list date" means the date on which new shares are listed;

"listed company" or "issuer" means a company whose securities of any class are listed on the VFEX;

"listing" means the admission of a security to the official list and "listed" is to be construed accordingly;

"listing particulars" means a statement by a company seeking a listing that is issued for the purpose of giving information to the public with regard to the company and contains particulars specified in these rules or any other law;

"major shareholder" means a shareholder who, directly or indirectly, is beneficially interested in 5 *per centum* or more of any class of an issuer's capital;

"major subsidiary" means a subsidiary that represents 25 *per centum* or more of total assets or revenue of the group based on the latest published interim or year-end financial results;

"market value", in relation to a listed security, means the ruling price for that security;

"material information" means information which, if omitted or misstated, could influence the economic decisions of users and includes a change in, or constituent of, a particular factor which may be regarded in the circumstances as being material and which exceeds 10 *per centum* in value;

"material investment" means an investment of a company of at least 10 *per centum* interest or more in any class of securities;

"material shareholder" means 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 *per centum* or more of the votes able to be cast on all or substantially all matters at general meetings of the listed company or any other company that is its subsidiary or holding company or is a subsidiary of its holding company;

"merger issue" has the same meaning as "acquisition issue";

"minimum spread requirements" means the minimum percentage holding by members of the public in each class of an issuer's securities, as required by section 87;

"new applicant" means an applicant which has no securities or class of securities

already listed; "non-beneficial", in relation to an interest, means an interest other than a beneficial interest; "odd-lot" means a holding totalling less than 100 securities;

"offer for sale" means 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 includes an offer in the form of an invitation to tender at or above a stated price;

"offer for subscription" means 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 includes an offer in the form of an invitation to tender at or above a stated price;

"official list" means the list maintained by the VFEX of companies whose securities it has admitted to listing;

"open market dealings" means dealings on the VFEX trading system without any prior agreement;

"pay date" means the date on which entitlements are paid or posted;

"placing" means a marketing of securities already in issue but not listed, or not yet in issue, to specified persons or to clients of the sponsor or any securities house assisting in the placing, which does not involve an offer to the public or to existing holders of the applicant's securities generally and which takes place immediately before the applicant is listed;

"practice note" means a practice note issued by the VFEX from time to time to clarify or expand upon these rules;

"pre-issued securities" means entitlements to securities whose listing on the VFEX has been approved, 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" means a transaction effected in pre-issued securities;

"pre-listing statement" means the statement required to be issued by companies in terms of Part VII, and includes a prospectus;

"publishing" means making announcements available to the public through the issuer and VFEX websites or any other electronic platform acceptable to the VFEX.

"price" means the basis of the cash entitlement (for the purposes of corporate actions);
"price-sensitive information" means unpublished information which, if it were made public, would be reasonably likely to have an effect on the price of an issuer's securities;

"primarylisting", in relation toasecuritylisted onmorethan onesecurities exchange, means a listing by virtue of which the issuer is subject to the full requirements applicable to listing on that exchange in respect of that security;

"promoter" has the meaning given to it as defined in section 2 of the Companies and Other Business Entities Act [*Chapter 24:31*];

"profit warning statement" means an announcement by an issuer prior to the publication of its financial statements indicating that its profits will be less than expected;

"prospectus" means the prospectus issued by a company in accordance with the

Companies and Other Business Entities Act [*Chapter 24:31*];

"Public Accountants and Auditors Board" or "PAAB" means the Public Accountants and Auditors Board established by section 4 of the Public Accountants and Auditors Act [*Chapter 27:12*];

"public shareholder" means a holder of a security which is regarded as being held by a member of the public in accordance with section 86;

"publish" means making announcementsavailable to the public through the issuer and VFEX websites.

"pyramid companies" means companies classified by the VFEX as pyramid companies in accordance with the criteria set out in Part XV;

"ratio" means the basis of share entitlement reflected as a ratio;

"record date" means the date on whichholdings, upon which an event entitlement is based, is ascertained. Record date is one settlement period after the last day to trade (currently five business days) and must be on a Friday or, if Friday is a public holiday, the last trading day of the week;

"reference price" means the last traded price, as determined by the VFEX;

"related party" has the definition given to in section 265;

"renounceable offer" means an invitation by an issuer 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 but renounces all or part of that right to its shareholders pro rata to their shareholdings;

"rights offer" means an offer to existing holders of securities to subscribe for or purchase further securities in proportion to their holdings made by means of the issue of a renounceable letter or other negotiable document which may be traded as either "fully paid" or "nil paid" rights for a period before payment for the securities is due;

"ruling price" means the price at which the last sale of a security took place or, if higher, the closing bid price or, if lower, the closing offer price as published in the daily official list on the relevant day;

"scrip dividend" means a dividend incorporating an election on the part of the shareholder to receive either capitalisation shares or cash, with default election being cash;

"secondary listing" means a listing that is not a primary listing;

"SECZ" means the Securities and Exchange Commission of Zimbabwe

"settlement period" means the period between the day on which a trade takes place and the date on which the trade is due for settlement, currently five business days;

"sponsor" means a member of the VFEX registered pursuant to the requirements of section 18;

"statement of profit or loss or other comprehensive income" means the statement as described in the International Financial Reporting Standards. This term is used interchangeably with the term "income statement" throughout these rules;

"subscribed capital" means the portion of a company's capital which has been subscribed for by shareholders;

"subsidiary company" means a subsidiary as defined in the Companies and Other

Business Entities Act [*Chapter 24:31*];

"substantial change" means a change in or constituent of a particular factor which may be regarded in the circumstances as being substantial and which, as a general rule, would normally exceed 30 *per centum* in value;

"temporary documents of title" means allotment letters, split receipts, letters of acceptance, letters of rights, scrip certificates, electronic certificates and any other temporary documents of title;

"transaction" includes—

(a) a sale or purchase of, or an agreement to sell or purchase, any securities, including warrants and other derivatives issued in respect of securities; and

(b) the grant, acceptance, acquisition, disposal, exercise or discharge of any option, including options in terms of a share incentive or option scheme or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in securities;

"USD" means the currency of the United States of America;

"vendor consideration issue" has the meaning given to it by the definition of "acquisition issue";

"vendor consideration placing" means marketing on behalf of vendors of securities which must be issued to them in consideration for an acquisition;

"viable asset" means—

(a) a normal operating business which shall be any company that satisfies the requirements for a new listing and capable of issuing full listing documents in terms of the Rules; or

(b) an infrastructure project which shall be any project deriving its income predominantly from operations within the following sectors—

(i) energy;

(ii) transport and logistics;

(iii) water and sanitation;

(iv) agriculture;

(v) commercial or industrial buildings;

(vi) healthcare, educational or social infrastructure provided that—

where the project is operating under a company or on its own it shall have audited accounts and a detailed feasibility study.

(c) notwithstanding the provisions of this definition, the VFEX may exercise its discretion in determining whether or not an asset qualifies as a viable asset in terms of this definition;

"warrant" means an instrument issued by a third party and listed on the VFEX, or on any other exchange that is acceptable to the VFEX, which gives the warrant holder the right—

(a) to buy underlying securities from the issuer, in the case of a call warrant; or

(b) 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—

(i) at any time from the date of issue of the warrant until a pre-determined

future date; or

(ii) on a pre-determined future date;

"weighted average traded price" means the total value of securities traded divided by the total number of securities traded;

"ZAPB" means Zimbabwe Accounting Practices Board established in terms of the PAAB;

"VFEX" means the Victoria Falls Stock Exchange Limited;

"VFEX trading system" means the VFEX floor trading system;

"ZSE" means the Zimbabwe Stock Exchange Limited.

PART II

AUTHORITY OF VFEX

General Powers of VFEX

3. (1) Subject to section 65 of the Securities and Exchange Act [*Chapter 24:25*], the VFEX has authority to carry out the following functions—

(a) grant, review and suspend or terminate a listing of securities;

(b) prescribe from time to time the minimum listings requirements with which an applicant must comply before each security issued by the applicant is granted a listing;

(c) prescribe from time to time the minimum listings requirements with which an issuer must comply while securities issued by it remain listed;

(d) suspend, alter or rescind a listings requirement before or after a listing has been granted;

(e) prescribe the circumstances under which the listing of securities must or may be suspended or terminated;

(f) prescribe the listings requirements with which sponsors and professional advisers must comply;

(g) impose fines, in accordance with the Twenty-sixth Schedule on issuers of listed securities that fail to observe the standards referred to in these rules; and

(h) issue practice notes.

(2) Subject to subsection (1) VFEX shall ensure that—

(a) it provides for the protection of investors;

(b) it provides a market for the raising of primary capital ;

(c) it provides an efficient mechanism for the trading of securities in the secondary market;

(d) securities will be admitted to the official list onlyif the VFEX is satisfied that the applicant is suitable and that it is appropriate for those securities to be listed;

(e) full, equal and timeous public disclosure must be made to all holders of securities and the general public regarding corporate actions and material information of an issuer;

(f) holders of securities must be given full information and afforded adequate opportunity to consider in advance and vote upon substantial changes in the issuer's business operations and matters affecting the issuer's constitution or shareholders' rights;

(g) all parties involved, whether directly or indirectly, in the dissemination of information to the market, or to holders of relevant securities or to the public, must observe the highest standards of care;

(h) all holders of the same class of securities of an issuer are entitled to fair and equal treatment in respect of their securities;

(i) the listings requirements and the continuing obligations set out in these rules are designed to promote investor confidence in the standards of disclosure, the conduct of issuers' affairs and the market as a whole; and

(j) securities should be brought to the market in a way that is appropriate and that will facilitate an open and efficient market for the trading of securities.

(3) It is emphasised that the listing rules are not exhaustive. The Exchange may, where necessary, impose additional requirements or make listing subject to special conditions whenever that is considered appropriate. Issuers must satisfy any additional requirements and supply any further documents and information that the Exchange may require in any particular case. Conversely the Exchange may modify the application of the listing rules (either unconditionally or subject to conditions) in such cases and circumstances as it considers appropriate.

Listings committee

4. (1) The VFEX shall appoint a listings committee consisting of at least three non-executive board members.

(2) The committee may co-opt such number of technical experts as they deem fit for purposes of executing their functions.

(3) The Listings Committee shall undertake the detailed execution of the functions of the VFEX provided for in section 3(1).

(4) Issues of procedures at meetings and quorum will be provided in the procedure manual.

Annual revision of official list

5. (1) All listings must be reviewed and revised by the VFEX annually after receipt by the VFEX of a certificate from each issuer complying with the Eighteenth Schedule ("the certificate") by not later than the 31st January in each year ("the due date").

(2) If the certificate is not received by the VFEX on or before the due date—

(a) the VFEX must send the issuer a letter of reminder on the next business day following the due date, requesting the issuer to rectify the situation and provide the VFEX with the certificate within 14 days from the date of the reminder, failing which the issuer must make written representations to the VFEX within seven calendar days thereafter as to why the securities should not be suspended and subsequently terminated; and

(b) failing compliance within 14 calendar days of despatch of the reminder to the issuer in terms of paragraph (a), the VFEX must publish an announcement in two national

newspapers and on the VFEX Data Portal, the cost of which is to be borne by the issuer, informing holders of securities that the issuer has not provided the VFEX with the certificate, and cautioning holders that the listing of the securities concerned are under threat of suspension and possible termination; and

(c) the issuer will be invoiced the cost, payable on presentation, of the publication of the announcement ; and

(d) if the certificate is not submitted and no representations are received in accordance with paragraph (a), or any representations that are received are unsatisfactory, the listing of the relevant securities will be suspended in terms of section 7 (unilateral suspension) and the suspension will only be lifted upon receipt by the VFEX of the certificate.

Power of censure

6. (1) If the VFEX considers that an issuer has contravened these rules, it may, without derogating from its powers of suspension or termination, censure the issuer by way of a written warning, or by public censure and publication, or both by notification seven days before.

(2) Where the VFEX finds that an issuer or any of an issuer's directors has contravened these rules, the VFEX may, without derogating from its powers of suspension or termination, do all or any of the following—

(a) censure the issuer or the directors by means of private censure;

(b) censure the issuer or the directors or both, by means of public censure;

(c) disqualify the issuer's directors from holding office as director of a VFEX-listed company for such period as it may determine;

(d) terminate the accreditation of the sponsor and remove the sponsor from the VFEX list of sponsors;

and, where the VFEX takes the action referred to in paragraph (a) or (b), the issuer or the directors concerned, or both, shall be liable for the cost attached to such action.

(3) In the case of wilful or persistent non-compliance with the listings requirements by an issuer's directors, the VFEX may state publicly that in its opinion the retention of office by the directors concerned is prejudicial to the interests of investors.

(4) Unless the VFEX considers that the maintenance of the smooth operation of the market or the protection of investors otherwise requires, it must give advance notice to the parties involved of any action which it proposes to take and at the same time give them an opportunity to make representations to the VFEX.

Unilateral suspension

7. (1) If in the opinion of the VFEX—

(a) it is desirable in the public interest to do so; or

(b) an issuer has failed to comply with these rules; or

(c) it will further one or more objectives set out in section 4 of the Securities and Exchange Act [*Chapter 24:25*];

the VFEX may suspend the listing of an issuer's securities and impose such conditions as it considers appropriate for the lifting of such suspension.

(2) Where the VFEX finds grounds for suspension, it shall notify the issuer of pending suspension to afford the issuer an opportunity to make representations to the VFEX in support of the continued listing of its securities.

(3) Where the VFEX finds no merit in the representations made by the issuer it must

suspend the listing unilaterally.

(4) Where an issuer's listing is suspended and the issuer fails to take action to obtain the restoration thereof within hundred and eighty (180) days, the VFEX may terminate the listing in accordance with section 10 (termination initiated by VFEX).

Suspension on request

8. The VFEX may grant a request for the suspension of any listed securities—

(a) where the issuer is placed under provisional liquidation or under corporate rescue or is subject to an application for a scheme of arrangement or reconstruction under any applicable law; or

(b) where a written request is made by the directors of the issuer and it is apparent that there are two levels of information in the market and the VFEX considers that this situation cannot be remedied by the immediate publication of an announcement to clarify the situation; or

(c) where the issuer has ceased to do business.

Requirements after suspension

9. Unless the VFEX decides otherwise, an issuer whose securities are suspended must—

(a) continue to comply with all the listings requirements applicable to it; and

(b) submit to the VFEX at least once every quarter or at such other times as the VFEX may determine, progress reports relating to the state of the affairs of the company and any proposed action by it; and

(c) advise shareholders on a quarterly basis about the state of the affairs of the company and any proposed action by the company, including the date on which it expects that the suspension will be lifted.

TERMINATION

Termination initiated by theVFEX

10. (1). Subject to the Securities and Exchange Act [*Chapter 24:25*] and subsection (2), the VFEX may remove any securities from the official list if, in its opinion—

(a) it is in the public interest to do so; or

(b) the issuer has failed to comply with these rules; or

(c) the securities were suspended because the issuer was under corporate rescue and it has failed to come out of corporate rescue within two years from date of suspension; or

(d) the issuer, having been placed under corporate rescue, is put into liquidation; or

(e) the issuer fails to comply with the conditions set out in section 9 (requirements after suspension).

(2) When a listing of securities is under threat of termination, the VFEX shall give notice to the issuer of the pending decision of VFEX to terminate

Termination on request

11. (1) An issuer shall not apply for the termination of its listing for a period of two years from the day it is listed on the VFEX or from the date of its raising fresh capital from security holders.

(2) Except as provided in subsection (1), an issuer may at any time make a written application to the VFEX for the removal of its securities from the official list, indicating the time and date with effect from which it wishes the removal to be effective and the reasons for the request:

Provided that VFEX may grant the request for termination, but the securities may be removed from the official list only if the listed company's security holders in a general meeting have approved of the removal.

(3) An issuer which has applied for the removal of its securities from the official list must send a circular to its shareholders giving reasons for the proposed termination. The circular must complywith the requirements of section 273 (contents of all circulars).

(4) The VFEX may grant an application for termination if—

(a) before making the application to terminate the listing, the company has obtained the security
holders' approval in a general meeting called for that purpose; and

(b) the reasons for the termination are stated in the application.

(5) Where shareholders' approval is required, unless the VFEX otherwise decides, a 75 *per centum* vote 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, must be cast in favour of the resolution approving the termination.

(6) Shareholders' approval of the termination of the listing need not be sought and a circular need not be sent to the holders of securities whose listing is intended to be terminated—

(a) where, following a take-over, the securities have become subject to sections 237, 238 & 239 of the Companies and Other Business Entities Act and any other relevant law, and notice has been given by the offeror of its intention to cancel the listing of the securities in the initial offer document or any subsequent circular sent to the holders of the securities. Any such subsequent circular must be approved by the VFEX; or

(b) where an issuers primary listing is on another exchange, and the issuer has followed the guidelines of the primary listing jurisdiction; and

(c) uponthecompletionofanytransactioninconnection with whichacircularhas been sent to holders of the securities containing notice of the intention to terminate the listing of the securities on or after the completion of the transaction, if the date for cancellation of the listing is not less than 30 days after the date of issue of the circular**.**

Removal from the official list of redeemable preference shares or debentures

12. (1) Written application for the removal of redeemable preference shares or debentures, or the corresponding portion thereof, from the official list as and from the date of the closing of the registers or the date on which the redemption or repayment, as the case may be, took place (if preference shares or debentures are redeemed by drawings) must be made to the VFEX at least 30 calendar days before the date of redemption or repayment.

(2) The application must be accompanied by a copy of the proposed announcement and

the circular to be issued to the redeemable preference shareholders or debenture holders notifying them of the redemption or repayment.

Application of fines

13. The whole or part of any fines levied by the VFEX on issuers or their directors must be applied to the meeting of any costs incurred by the VFEX in enforcing these listings requirements.

SUB-PART A SUSPENSION

Power to require information

14. (1) The VFEX mayrequire an issuer to disclose to it, within a period specified bythe VFEX, such information at the company's disposal as the VFEX may determine. If the VFEX is satisfied, after the company has had an opportunity of making representations to it, that the disclosure of the information to registered holders of the securities in question will be in the public interest, the VFEX may by notice in writing require the company to disclose the information within the period specified in the notice.

(2) The VFEX may require an issuer to publish or disseminate any further information not specified in these rules in such form and within such period as it considers appropriate. If the company fails to comply with such a requirement the VFEX may itself publish the information, after giving the company an opportunity to make representations in the matter, publish the information, and may recover the cost of publication from the company.

Publication

15. (1) The VFEX may, in its discretion and in such manner as it thinks fit, notify the public or cause the public to be notified that it has done any one or more of the following—

(a) investigated dealings in a listed security;

(b) censured an issuer;

(c) suspended the listing of any security;

(d) terminated the listing of any security;

(e) imposed a penalty on an issuer;

(f) imposed a penalty on an issuer's directors;

(g) advised that in its opinion the retention in office of any of the issuer's directors, who shall be named, is prejudicial to the interests of investors;

(h) omitted the price of any security from its official quotation of prices of securities issued for publication:

Provided that where VFEX gives the notification, the cost shall be borne by the issuer.

(2) A notice referred to in subsection (1) must inform the public of the reasons for the VFEX's action and, in the case of an investigation, of so much of the VFEX's conclusions or findings as the VFEX may, in its discretion, consider necessary to disclose.

(3) None of the following persons—

(a) an issuer; or

(b) any director or officer of an issuer; or

(c) any holder of securities issued by an issuer, including a nominee of such a holder; or

(d) an auditor, financial adviser or reporting accountant of an issuer;

has a right of action, for damages or otherwise, against the VFEX or any member or employee of

the VFEX arising out of the publication of any statement in terms of subsection (1) unless the publication was grossly negligent or reckless or was done wilfully with the intention of injuring the listed company, its directors or officers or any other claimant, as the case may be.

(4) The VFEX may at any time and in its discretion publish on its website or authorize the proprietor or publisher of any newspaper or periodical to publish any statement made in terms of subsection (1) and (2). The publication in the newspaper shall be done simultaneously with the publication on the VFEX and issuers websites.

PART III
SPONSORS

Application of Part

16. (1) This Part sets out the requirements relating to sponsors. Sponsors will be persons who are registered as—

(a) securities dealers;

(b) banks;

(c) accountants;

(d) legal practitioners;

(e) investment advisors;

and other professionals as may be approved by the VFEX.

(2)Asponsor must accept the responsibilities set out in this Part and in the Sixteenth Schedule. The responsibilities of a sponsor appointed by an issuer are—

(a) to assist issuers with applications for listing which require the production of listing particulars or other relevant documents; and

(b) to provide advice on a continuing basis regarding the application of these rules, including the application of the spirit of the requirements, and the need to uphold the integrity of the VFEX and the continuing obligations set out in this Part. Only those sponsors on the VFEX's register of sponsors may act as sponsors.

Sponsors

17. An issuer must appoint a sponsor in certain circumstances. Such sponsor must make an undertaking to the VFEX that he or she accepts the responsibilities imposed by these rules. If the sponsor fails to carry out those responsibilities, the VFEX may take one or more of the steps referred to in section 28 (action against a sponsor).

Criteria for registration as sponsor

18. (1) A sponsor must meet the requirements outlined in the Sixteenth Schedule paragraph 16.1.

(2) A sponsor must undertake to the VFEX, in the form set out in Sixteenth Schedule, that it

accepts the responsibilities of a sponsor and will discharge those responsibilities at all times to the satisfaction ofthe VFEX. Everysponsor is requiredto complywiththe Code of Conduct for Sponsors attached to these rules in Sixteenth Schedule.

(3) The VFEX must maintain a register of all qualifying sponsors, and no person may act as a sponsor on any transaction unless the person's name appears on the register of sponsors.

Appointment

19. (1) An issuer must appoint a sponsor when—

(a) the issuer makes an application for listing which requires the production of listing particulars; or

(b) it wishes to submit documents to the VFEX pertaining to any of the matters detailed in Part XVII (documents to be submitted to the VFEX); or

(c) after a breach of the listing requirements, the VFEX notifies the issuer that it should appoint a sponsor to give advice on the application of these rules; or

(d) a sponsor is required by these rules to report to the VFEX in relation to any transaction or matter; or

(e) the VFEX requires the issuer to do so.

(2) Where an issuer has appointed a sponsor for a particular transaction, the sponsor shall notify the VFEX of such appointment.

Responsibility of a sponsor

20. (1) The detailed responsibilities of the sponsor which are provided in Sixteenth Schedule emanate from the provisions of sections 16(2). A failure to carry out these responsibilities may result in the VFEX taking one or more of the steps referred to in section 28 (action against a sponsor).

(2) A sponsor who places reliance on the advice of advisers to the issuer should be satisfied with the credentials and abilities of such advisers.

(3) The sponsor or, where there is more than one sponsor in accordance with section 26, the lead sponsor, must—

(a) for each issuer in respect of which it acts as a sponsor, submit to the VFEX at an early stage, and in any event not later than the date on which any documents in connection with the issuer are submitted to the VFEX, a confirmation in the form set out in Seventeenth Schedule (declaration by sponsor); and

(b) provide to the VFEX any information or explanation known to it in such form and within such time as the VFEX may reasonably require for the purpose of verifying whether the listings requirements are being and have been complied with by it or by an issuer; and

(c) facilitate all correspondence between the issuer and the VFEX, including submitting minutes of meetings with the issuer and financial advisers; and

(d) submit to the VFEX all documents required in terms of Part XVII (documents to be submitted to VFEX) and ensure that any announcements and documents, excluding periodic financial announcements and annual financial statements, comply with

these rules both in principle and content. The sponsor must obtain confirmation, preferably in writing, from issuers in respect of periodic financial announcements and annual financial statements that such announcements and statements have been prepared in compliance with these rules. All submissions, together with the required checklist as contained in the Appendix to Part XVII (documents to be submitted to VFEX), must be signed by at least one of the approved executives of the sponsor; and

(e) ensure that the issuer is guided and advised as to the application of these rules, and the need to uphold the integrity of the VFEX; and

(f) ensure that all documents submitted to the VFEX are correct and complete; and

(g) satisfy itself as to the credentials and abilities of the advisers to the issuer on which it places reliance, including those of other appointed sponsors, banks, corporate advisers, financial advisers, reporting accountants, auditors, competent persons, providers of fair and reasonable statements and specialist advisers, and that they carry out any activities as may be requested by the VFEX; and

(h) discharge its responsibilities with due care and skill; and

(i) Prior to the submission of any documents that require approval by the VFEX, satisfy itself on the basis of due and careful enquiry from the issuer and its advisers—

(i) about the matters described in sections 21 to 25; and

(ii) that there are no material matters, other than those disclosed in writing to the VFEX, that should be taken into account by the VFEX in considering the submission.

(4) The VFEX may on submission by the sponsor of the documents relating to the transaction it considers that a proposed transaction requires persons with particular skills, direct the sponsor to appoint sponsors with the requisite qualifications and skills and any changes to the composition of persons within the team of a sponsor must be notified to the VFEX.

Applications for listings

21. (1) In the case of any application for listing which requires the production of listing particulars, the sponsor must complete a declaration in the form issued by the VFEX confirming that it has satisfied itself to the best of its knowledge and belief, having made due and careful enquiry of the issuer and its advisers that—

(a) all the documents required bythe listings requirements to be included in the application for listing have been submitted to the VFEX;

(b) all other relevant requirements of these rules have been complied with; and

(c) there are no matters, other than those disclosed in the listing particulars or otherwise in writing to the VFEX, which should be taken into account by the VFEX in considering the suitability for listing of the securities for which application is being made.

(2) In relation to any application for listing which requires the production of listing particulars, the sponsor is responsible for—

(a) all communication with the VFEX;

(b) the lodging with the VFEX of all documents supporting the application; and

(c) seeking the VFEX's approval of listing particulars.

Directors

22. The sponsor must be satisfied, before any application for listing is made which requires the production of listing particulars, that the directors of the issuer—

(a) have completed and submitted the directors' declaration as set out in Twenty-first Schedule; and

(b) have had explained to them by the sponsor or other appropriate professional adviser the nature of their responsibilities and obligations as directors of an issuer under these rules; and

(c) understand what is required of them to enable holders of the issuer's listed securities and the public to appraise the position of the issuer and to avoid the creation of a false market in its securities once they are listed.

Financial reporting procedures

23. In the case of a new applicant, the sponsor must, before the application for listing is made, report to the VFEX in writing that it has obtained written confirmation from the issuer or its advisers that the directors have established procedures which provide a reasonable basis for them to make proper judgments as to the financial position and prospects to the issuer and its group of companies and that this confirmation has been given after due and careful enquiry by the issuer.

Profit forecast

24. Where a profit forecast appears in listing particulars, a Category 1 circular or any circular containing proposals to be put to shareholders in general meeting concerning a refinancing or reconstruction of the issuer or its group of companies, the sponsor must report in writing to the VFEX that it has made due and careful enquiry of the issuer and its advisers that the forecast or estimate has been properly made.

Working capital statement

25. Where an issuer prepares listing particulars, or any circular or communication to holders of securities that requires a working capital statement, the sponsor must comply with all its responsibilities set out in the Twenty-fourth Schedule.

More than one sponsor

26. Where an issuer has appointed more than one sponsor, the issuer must appoint one of them as the lead sponsor. The lead sponsor must always be identified as such in all communications with holders of securities and the public.

Direct access

27. (1) A sponsor must be present at all formal meetings between the VFEX and an issuer at which matters relating to the issuer are discussed where the sponsor has been appointed for that particularmatter.

(2) Notwithstanding this section, the VFEX may, in appropriate circumstances, communicate directly with the issuer or with any other sponsor of the issuer, in addition to its sponsor, on matters of principle which may arise prior to the submission of draft documents or on the interpretation of these rules. Where discussions take place without the involvement of the sponsor, the issuer or the issuer's adviser must inform the sponsor about the matters discussed as soon as practicable.

(3) No information concerning meetings referred to in this section may be released through any media platform without the prior consent of the VFEX.

Action against a sponsor

28. (1) Where a sponsor is in breach of its responsibilities or fails to comply with any requirement set out in this Part such sponsor shall be liable to a civil penalty as prescribed in the Twenty-sixth Schedule.

(2) In addition to the penalty outlined in subsection (1), the VFEX may—

(a) censure the sponsor; or

(b) remove the sponsor from the Register of Sponsors;

and may publish or cause to be published, by whatever means it considers appropriate, the action it has taken and the reasons for that action.

(3) VFEX will consider any breach of responsibilities by a sponsor before referring the breach to the Board of the VFEX.

(4) Before taking any of the steps described in subsections (1) and (2), the VFEX must—

(a) give the sponsor reasonable notice of the VFEX's proposed action; and

(b) afford the sponsor a reasonable opportunity to make representations to the VFEX, in writing or in person, or both.

(5) After making a decision in terms of subsections (1) and (2), the VFEX must advise the sponsor of the VFEX's decision as soon as practicable after it is made, and of the reasons for the decision where it is unfavourable to the sponsor.

Responsibilities of sponsors

29. The requirements relating to the registration of sponsors is an integral part of the regulation of the VFEX and it is essential that sponsors should assist the VFEX in upholding the integrity of the market.

PART IV

CONTINUING OBLIGATIONS

Application of Part

30. (1)This Part sets out the authority of the VFEX regarding its powers to list, suspend, and terminate listings and its powers to enforce these rules and other related matters. It also sets out certain of the continuing obligations which an issuer is required to observe once any of its securities have been admitted to listing.

(2) This Part does not apply to issuers of specialist securities except where issuers are specifically referred to in this Part and as indicated in the continuing obligations in section 385 of Part XIX.

Appointment of sponsor

31. An issuer must appoint a sponsor and all correspondence with the VFEX must be directed through the sponsor, subject to direct access as stated in section 27, excluding the following:

(a) Notices of Annual General Meetings

(b) Notifications of Director Appointments, Resignations or Retirement

(c) Notifications of Senior Executive Appointments and Resignations

(d) Director Declarations

(e) Notification of Auditor Resignation

SUB-PART A: GENERAL OBLIGATION OF DISCLOSURE OF ISSUER

Material price sensitive information

32: (1) Subject to approval by the VFEX, and 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 section 33 (3), release an announcement providing details of—

(a) any circumstance or event that is or is likelyto have a material effect, whether positive or negative, onthefinancial results, financial positionor cash flow of the issuer or anyof its material subsidiaries;

(b) any new development in such issuer's sphere of activity that is not public knowledge and may, by virtue of the effect of that development on its financial results, financial position or cash flow or on the general course of its business, lead to material movements of the reference price of the issuer's listed securities; and

(c) any information necessary to enable holders of the issuer's securities and the public to avoid the creation of a false market in such issuer's listed securities.

(2) Issuers must publish a profit warning statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period next to be reported upon will differ by at least 20 *per centum* from the most recent of base information which is—

(a) the financial results for the previous corresponding period;

(b) a profit forecast in terms of Part IX (financial information) previously provided to the market in relation to such period.

(3) Issuers may publish a trading statement if the differences referred to in subsection (2) are less than 20 *per centum* but are considered by the issuer important enough to be made the subject of a trading statement.

(4) The determination of a reasonable degree of certainty in terms of subsection (2) is a matter of judgement which has to be taken by the issuer and its directors and is one in which the VFEX does not involve itself. This determination may differ from issuer to issuer depending on the nature of the business and the factors to which they are exposed.

(5) Tradingstatements must providespecific guidancebythe inclusion ofa specific number orpercentage to describe the differences.

(6) In the event of an issuer publishing a trading statement in subsection (3), the issuer must 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 upon by the issuer's auditors.

(7) The profit warning and trading statements shall be published at least 21 days before publication of results. Where an issuer —

(a) publishes information without VFEX approval; or

(b) publishes misleading information; or

(c) makes late notification or disclosure of material information as required under

subsection(1), it shall be liable to the fines outlined in Twenty–sixth Schedule.

(8) Except where otherwise expressly provided, the provisions of this section are in addition to any specific requirements regarding obligations of disclosure contained in these rules.

Confidentiality

33. (1) Information that must be published according to section 32 (material price sensitive information) may not be given to a third party before it has been published except as permitted by subsection (3) to (6), or released (even subject to a time embargo) to any third party—

(a) during VFEX trading hours, until the information has been published; or

(b) outside VFEX trading hours, until the information has been authenticated and, approved, and arrangements have been made for the information to be published before the next business day's opening of VFEX trading hours; and

(c) any such information which is to be released during analysts' briefings must first be submitted to the VFEXin accordancewith Nineteenth Schedule(corporateaction and other regulatory information submission).

(2) Where informationreferred to in subsection (1) is released to a printer for printingprior to publication, the issuer must ensure the printer signs a confidentiality agreement with the issuer by prohibiting the disclosure of the information before its publication in terms of these rules.

(3) An issuer may give information in strict confidence to its sponsor or advisers and to persons with whom it is negotiating with a view to effecting a transaction or raising finance. These persons may include prospective underwriters of an issue of securities, providers of funds or loans or the place 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 that they must not deal in the company's securities before the relevant information has been made available to the public.

(4) Information required by and provided in confidence to, and for the purposes of, a government department, the Reserve Bank of Zimbabwe, the Competition and Tariff Commission, the Securitiesand Exchange Commission, the Zimbabwe Revenue Authority or any other statutory or regulatory body or authority need not be published.

(5) Where information relates to a proposal bythe issuer whichis subject to negotiations with employees or trade union representatives, the issuer may defer publication of the information until an agreement has been reached on the implementation of the proposal.

(6) Where it is proposed to announce at any meeting of holders of listed securities information which might have a material effect on the ruling price of the listed company's securities, arrangements must be made for the publication of that information simultaneously with the publication by way of electronic media announcements as soon as possible after the announcement at the meeting is made. 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 the making of an appropriate announcement containing such price sensitive information.

(7) If—

(a) an issuer has any material price-sensitive information which could lead to material movements in the ruling price of its securities; and

(b) the necessary degree of confidentiality regarding the information cannot be maintained or that confidentiality has or may have been breached;

the issuer must publish the information, by way of a cautionary announcement complying with Part XII, as soon as possible.

(8) An issuer must submit a copy of a cautionary announcement to the VFEX for approval in the form prescribed in the Twentieth Schedule (corporate action and other regulatory information submission). Once such approval has been obtained, the issuer must publish the cautionary announcement in compliance with Part XII by way of an electronic media announcement on the issuer's website and a copy of the same cautionary statement must also be published on the VFEX website.

(9) An issuer that has published a cautionary announcement must publish updates in terms of Part XII.

(10) Where an issuer fails to publish updates as stated in subsection (9), it shall be liable to a fine prescribed in Twenty-sixth Schedule.

(11) If the directors of an issuer consider that disclosure to the public of information required to be published in terms of section 32 (material price sensitive information) might prejudice the listed company's legitimate interests, the VFEX may grant a dispensation from that requirement.

SUB-PART B: DISCLOSURE OF PERIODIC FINANCIAL INFORMATION

Dividends and interest

34. (1) Announcements of dividends or interest payments on listed securities should be notified to the holders of the relevant securities five days upon declaration by means of an announcement published on both the Issuer and VFEX's websites, in accordance with the Nineteenth Schedule at least 14 days prior to the last day to register.

(2) Where dividends or interest payments are announced otherwise than by way of announcement referred to in subsection (1) above, the VFEX must be notified in writing of the dividend or interest payment on the same day that holders of the relevant security are notified.

(3) The announcement referred to in subsection (2) must contain the following information—

(a) the last day to register;

(b) the date on which the dividend or interest will be paid; and

(c) the cash amount in United States Dollars that will be paid for the dividend or interest.

(4) Where a scrip dividend is declared, the information required to be announced is set out in section 124.

Notification of non-declaration of dividends or payment of interest must be published in the interim or preliminary report or in the annual financial statements or by way of an electronic announcement.

(5) If an issuer decides not to declare distribution payments because such decision is deemed to be price-sensitive, the decision must be announced immediately after it is taken.

(6) An issuer that wishes to declare a final dividend prior to the publication of the annual financial statements or preliminary report must ensure that the dividend notice given to shareholders contains—

(a) a statement of the ascertained or estimated consolidated profit before taxation of the listed company and its subsidiaries for the year; and

(b) the particulars of any amounts appropriated from reserves, capital profits, accumulated profits of past years or other special sources to provide wholly or partly

for the dividend.

(7) At least 14 days' notice must be given to shareholders and the VFEX prior to the last day to register for the dividend or interest.

(8) The last day to register should be a Friday, or if that day is a public holiday, the previous business day.

(9) Unless there is just cause, payment of dividend or interest must be effected within 42 days after the last day to register, failure to which the issuer shall be liable to a penalty in terms of the Twenty-sixth Schedule (fines and penalty charges on listed companies).

(10) Where a dividend or interest declaration is expressed as a percentage, the monetary equivalent must be shown in parenthesis.

(11) Where there is a late declaration of a dividend by the issuer, the issuer must notify the VFEX in order to propose a new timeframe which requires VFEX's approval.

(12) Where an issuer makes a late declaration or declarations have been notified without complying with this section, it shall be liable to a fine prescribed in the Twenty-sixth Schedule.

SUB-PART C: INTERIM AND PRELIMINARY REPORTS

Interim reports

35. (1) The issuer must publish half-year interim reports in electronic form, and must send to all shareholders after the expiration of the first six-months of the financial year and not later than 3 months after that date.

(2) The issuer will be liable to a fine in accordance with Twenty-sixth Schedule for failure to publish the results within the period stipulated in subsection (1).

(3) Where the financial period covers 15 months or longer, interim reports must be published in electronic form in respect of the first and second six months of this period.

(4) Interim reports must complywith the IFRS for Interim Reporting, or anyother framework prescribed by the ZAPB which shall be applicable to companies resident in Zimbabwe and with Part IX (Financial information).

Procedure for non-compliance of publishing interim financial statements

36. (1) Where an issuer fails to publish interim financial statements by the day following the due date of issue of the listed company's interim report, the issuer will be granted a period of one month from the due date to issue its interim report, failing which the company's listing will be suspended in terms of section 7 (unilateral suspension).

(2) Failing compliance within the time stated in subsection (1), the VFEX will publish an announcement informing shareholders that the listed company has been suspended.

(3) On the date of publication of the announcement in terms of subsection (2), the issuer's listing will be annotated on the VFEX website to indicate that it has failed to submit its interim report on time.

(4) The issuer will be invoiced the cost of publication of the announcement and all reasonable related costs, and must pay the bill on presentation.

(5) Where the listing is suspended, the lifting of the suspension will only be effected upon—

(a) receipt by the VFEX of the listed company's interim report;

(b) the VFEX being satisfied that the interim report complies with IFRS;

(c) the payment of the costs referred to in subsection (4); and

(d) the listed company publishing the results on its website.

(6) When an issuer's listing is suspended and the issuer fails to take action to obtain the restoration thereof within 180 days, the VFEX may terminate the listing.

(7) An issuer is liable to a penalty prescribed in the Twenty-sixth Schedule for failure to publish interim financial statements within the prescribed period.

Requirement for review by auditors

37.(1) All unaudited half-year interim reports must be reviewed by the listed company's external auditors.

(2) When conducting a review of an unaudited interim report, the auditor must follow International Standards on Auditing or other standards acceptable to the VFEX.

(3) The name of the auditor, registration number and audit firm must be stated in the published interim report.

(4) Although the auditor's report need not be included in the published interim report, details of the nature of any qualification of or disagreement over the report must be stated in the report.

(5) If the auditor's report is not included in the published interim report, the latter must state that the auditor's report is available for inspection at the issuer's registered office.

(6) If during the course of a review of an interim report, the auditor becomes aware of any unresolved matter which could result in the qualification of the auditor's report on the annual financial statements for the period under review, that fact must be stated in the interim report.

(7) Where the financial period covers more than 12 months and interim reports are distributed in accordance with section 35, the listed company must obtain a review opinion for the second six-month period.

Annual financial statements

38. (1) Audited annual financial statements must be published not more than three months after the end of every issuer's financial year and the reporting currency shall be in United States dollars or other convertible currencies acceptable to the Exchange.

(2) All listed companies must, within six months after the end of each financial year, distribute the annual financial statements to all shareholders at least 21 days before the date of the annual general meeting and submit copies to the VFEX in accordance with Part XVII (documents to be submitted to VFEX)—

(a) a notice of annual general meeting; and

(b) the annual financial statements for the relevant financial year as reported upon by the company's auditors.

(3) Where an issuer fails to publish annual financial statements by the day following the due date of issue of the listed company's annual financial report, the issuer may be granted a period of one month from the due date to issue its annual financial report, failing which the company's listing will be suspended in terms of section 7 (unilateral suspension).

(4) An issuer must publish an abridged report of its annual financial statements referred to in subsection

(1).

(5) A summary of the audit report must be included in the abridged report and, if the audit report is modified, details of the nature of such modification must be stated in the abridged report.

(6) Any annual financial information published voluntarily by an issuer in advance of being required to do so in terms of section 32 (material price sensitive information) must—

(a) at least be reviewed by the issuer's auditors; and

(b) comply with Part IX (Financial information) in respect of disclosure; and

(c) state the name of the auditors in the annual financial report.

Procedure for non-compliance under annual financial statements

39(1) Where an issuer has failed to comply with section 38—

(a) the VFEX may suspend the issuer until such a time as the financial statements have been submitted;

(b) the issuer's listing shall be annotated on the VFEX website to indicate that it has failed to submit its annual financial statements on time;

(c) The VFEX may upon application by an issuer in default, grant an extension of compliance period of one month.

(d) the issuer shall bear all costs incurred by the VFEX related to publication of announcements pertaining to its suspension.

(e) the issuer's suspension may be lifted upon receipt by the VFEX of the issuer's annual financial statements and upon the VFEX being satisfied that the annual financial statements comply with the accounting standards issued by the Zimbabwe Accounting Practices Board or any International Accounting Standards Board acceptable to the VFEX and upon payment of the costs referred to in paragraph (d); and

(f) the issuer will be liable to a fine in accordance with Twenty-sixth Schedule(fines and penalties for listed companies) for failure to publish the results within the stipulated period.

Modified auditor's opinion

40. (1) Where a modified auditors' report has been issued on an issuer's annual financial statements and contains an emphasis of matter, this will be announced through the VFEX website.

(2) If an issuer's financial statements have been the subject of an audit qualification or disclaimer—

(a) an announcement of that fact will be made through the VFEX website, at the issuer's cost, informing holders of the issuer's securities that the auditors' opinion has been qualified; and

(b) a special meeting of the VFEX will be convened within 21 days after receipt of such financial statements, to consider the issuer's continued listing, or the suspension and termination of the issuer's listing; and

(c) the issuer's listing will be annotated on the VFEX website indicating an audit qualification.

(3) Where the auditors express an adverse opinion on the annual financial statements of an issuer, an announcement of the fact will be made through the VFEX website, at cost to the issuer, informing holders of securities that an adverse auditors' opinion has been expressed.

(4) Where the auditors disclaim an opinion on the annual financial statements of an issuer—

(a) an announcement of the fact will be made through the VFEX website; and

(b) a special meeting of the VFEX will be convened within 21 days after receipt of such annual financial statements, to consider the issuer's continued listing, or the suspension and termination of the issuer's listing; and

(c) the VFEX must publish an announcement informing holders of the issuer's securities of all decisions resulting from the special meeting referred to in paragraph (a).

Notification relating to capital

41. Unless otherwise indicated, an issuer must, without delay, publish an announcement containing details of the following information relating to its capital—

(a) any proposed change in its capital structure (for example any increase in the level of authorised or issued securities), other than allotments of new shares in terms of Part VI:

Provided that the announcement may be delayed while marketing or underwriting is in progress;

(b) any proposed change in the rights attaching to any class of listed securities or to any securities into which any listed securities are convertible;

(c) the basis of allotment of listed securities offered generally to the public for cash or claw-back offers to shareholders and, in the case of public offers, an additional announcement must appear before dealings commence;

(d) any extension of time granted for the currency of temporary documents of title;

(e) the effect, if any, of any issue of further securities on the terms of the exercise of rights under options and convertible securities; and

(f) the results of any new issue of listed securities or of a public offering of existing securities:

Providedthattheissuermay, at itsdiscretion, delaysuchpublicationuntiltheobligationbythe underwriter to take or procure others to take securities is finally determined or lapses.

Cash companies

42. (1) If within six months after the VFEX has classified it as a cash company, a cash company fails 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 Part V, its listing will be suspended.

(2) If a cash company fails to obtain the VFEX's approval, within three months from the date of its suspension, of a circular relating to the acquisition by it of viable assets that satisfy the conditions for listing set out in Part V, the cash company's listing will be terminated.

(3) Where a cash company is to be utilised for the reversal of assets to itself—

(a) it must comply with the requirements for bringing a company to listing; and

(b) the company as reconstituted must meet the conditions for listing as set out in Part V.

(4) Cash company's investment shall acquire no less than 10 *per centum* of equity of the company holding the viable asset and it must be eligible for prescribed asset status.

SUB-PART D: RIGHTS BETWEEN HOLDERS OF SECURITIES

Equality of treatment

43. (1) An issuer must ensure that all holders of any class of its securities receive fair and equal treatment.

(2) An issuer may not issue any securities with voting rights differing from other securities of the same class.

Pre-emptive rights

44. (1) Securities in each class for which listing is applied must rank *pari-passu* in respect of all rights, that is to say, the securities—

a) must be identical in all respects;

b) must be of the same nominal value and the same amount per share must have been paid up;

c) must carry the same rights as to unrestricted transfer, attendance and voting at general meetings and in all other respects; and

d) must be entitled to dividends at the same rate and for the same period so that at the next distribution, the dividend payable on each share will be the same amount.

(2) Unless the security holders concerned otherwise permit, an issuer proposing to issue equity securities for cash must first offer those securities by a rights offer to existing equity shareholders in proportion to their existing holdings.

(3) Only to the extent that the securities are not taken up by existing equity shareholders in terms of the offer may they be issued for cash to others or otherwise than in the proportion mentioned in subsection (1).

Waiver of pre-emptive rights

45. (1) To the extent that security holders of an issuer give their authorisation by ordinary resolution, issues of equity securities for cash made otherwise than to existing shareholders in proportion to their existing holdings will, subject to Part V (conditions for listing), be permitted for a fixed period in accordance with that authority.

(2) In exceptional circumstances, such as rescue operations, the VFEX may in its discretion allow a waiver of shareholders' pre-emptive rights that does not comply with subsection (1) if satisfied that the conditions listed in the Twenty-eighth Schedule exist but the VFEX may require the publication of such information relating to the waiver as it may consider appropriate.

Profit warranties

46. (1) Where securities are the subject of a profit warranty, such securities may only be conditionally allotted and issued and must be held by an independent third party in trust, pending fulfilment of the conditions of the warranty. The conditions of the 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 VFEX that the conditions have been met for the securities to be allotted and issued.

(2) Where the conditions of a profit warranty are not met—

(a) the conditional allotment and issue of the securities that were subject to such unfulfilled conditions are of no further force or effect; and

(b) no cash compensation may be made for the profit warranty to be achieved.

Issues by major subsidiary other than on listing

47. (1) For the purposes of this section, a subsidiary company will be regarded as a major subsidiary if it represents 25 *per centum* or more of the aggregate of—

(a) the share capital and reserves, excluding anyminorityinterests, unrealised reserves not supported by a valuation prepared in the last six months by an independent professional expert acceptable to the VFEX, and intangible assets; or

(b) the profits, after deducting all charges except taxation and excluding extraordinary items; of the issuer's group.

(2) An issuer must obtain the consent of its shareholders, determined in accordance with Part VI (methods and procedures of bringing securities to listing) and categorized in terms of Part XI (transactions with related parties), before any major subsidiary of the listed company makes any issue for cash of equity securities so as to materially dilute the listed company's percentage interest in the equity securities of that subsidiary.

(3) The obligation to obtain the consent of shareholders in subsection (2) does not apply if the major subsidiary is itself listed, but in that case—

(a) the major subsidiary must comply with subsection (1);

(b) the listed company must ensure that its equity interests in the major subsidiary are not materially diluted through any new cash issue by such subsidiary of equity securities unless such dilution is necessary for the listed subsidiary to satisfy the minimum spread requirements; and

(c) in the case of a rights issue, if the listed company does not propose to take up its rights, an arrangement must be made for the rights to be offered first to its shareholders so that they can avoid a material dilution in their effective percentage equity interests.

(4) The obligation to obtain the consent of shareholders in subsection (2) does not apply if the major subsidiary is unlisted and the issue takes the form of a rights issue to shareholders including the issuer. If the issuer does not propose to take up its rights, an arrangement must be made for the rights to be offered first to its shareholders so that they can avoid a material dilution of their effective percentage equity interests.

Options for cash

48. (1) Where options over securities, excluding executive and staff share schemes, are granted for cash, such options must be issued to all shareholders on the share register as on the business day immediately prior to the date of the grant of the listing in proportion to their shareholding in the listed company. Where this procedure is not to be adopted, the VFEX's consent should be obtained.

(2) The total number of options granted or issued may not, except in the case of a mineral company as defined in Part XIII, exceed 20 *per centum* of the listed company's issued capital unless offered to all shareholders in proportion to their existing shareholdings.

Shareholder spread

49. (1) All listed companies are required to ensure that a minimum percentage of each class of securities is held by the public as provided in section 86 (main board listing criteria).

(2) If the percentage of a class of securities held by the public does not comply with the minimum spread requirements, the VFEX may suspend or terminate the listing of a company in accordance with Part II (authority of the VFEX) and allow the company a period of 90 days to restore the percentage, unless that is precluded by the need to maintain the smooth operation of the market or in order to protect investors.

(3) A listing will not generally be granted to any issue of securities that would reduce the percentage level of securities held by the public.

(4) If an issuer does not comply with the minimum spread requirements, any application to list new securities will be granted only if, as a result of the issue, the minimum spread

requirements will be achieved as far as possible having regard to the size of the issue.

(5) The VFEX may, in its discretion, allow a reduction in the minimum spread requirements if it considers that such a reduction is in the best interests of the issuer and does not unduly prejudice investors, for example in a rescue situation, provided that an acceptable plan to regularise the position is submitted to the VFEX.

Notification

50. (1) An issuer must inform the VFEX, in writing, within seven business days of it becoming aware that the proportion of any class of listed securities in the hands of the public has fallen below the minimum spread requirements.

(2) An issuermust, in regardtoitssecuritiesheldbythepublic, disclose in its annualfinancial statements—

(a) thenumber of membersof thegeneral publicwho hold securities in each class of its listed securities;

(b) the percentages of each class of securities held bymembers of the general public and other persons; and

(c) an analysis, in accordance with the categories set out in section 85 (1) to (3), of the disclosure for non-public securities holders.

SUB-PART E: COMMUNICATION WITH SECURITY HOLDERS

Prescribed information to be given to security holders

51. (1) An issuer must ensure that all the necessary facilities and information are available to enable holders of securities to exercise their rights and must, in particular—

(a) inform holders of securities of the holding of meetings which they are entitled to attend;

(b) enable the holders of securities to exercise their rights to vote, where applicable; and

(c) publish notices or distribute circulars in terms of the these rules.

(2) Where an issuer desires to distribute annual financial statements, circulars, notices of meetings of securities holders and proxy forms to holders of securities in electronic form, the issuer must amend its constitutive documents accordingly and obtain approval of the amendments from the holders of the securities.

VFEX Website

52. All announcements that must be made in accordance with these rules must be submitted to the VFEX for publication on the VFEX Website. Submissions must be made in accordance with the Nineteenth Schedule (corporate actions and other regulatory information submission). Such announcements must also be published on the issuer's website.

SUB-PART F: PUBLICATION

Announcements

53. (1)All announcements mustbepublished in English on the VFEX and issuer's websites.

(2) Prior to publication, announcements must be submitted to the VFEX for approval in accordance with Nineteenth Schedule.

(3) The issuer may publish an announcement in a widely circulated national or international newspaper. The publication in the newspaper shall be done simultaneously with the publication on the VFEX and issuers websites.

Requirements for Circulars and pre-listing statements

54. (1) Circulars and pre-listingstatements must bepublishedin English and distributed to all security holders via electronic mail.

(2) Where the VFEX considers it necessary, circulars published in English may be translated into other officially recognised languages.

Transfer or receiving and certification office for other securities exchange

55. (1) All issuers must maintain a transfer or receiving and certification office in Harare or Victoria Falls or such other place acceptable to the VFEX. Certification must be completed within 24 hours of receipt of transfer documents by the transfer office.

(2) An issuer that has, on application, been granted permission to list its securities on another exchange must ensure that the securities will be accepted for transfer without delay if presented in any of the centres in which they are listed.

(3) An issuer must obtain approval from its security holders and from the Exchange Control authorities where applicable to list securities on another securities exchange.

Proxy forms

56. Aproxy form must be sent via electronic mail, together with the notice convening a meeting of holders of listed securities, to each person entitled to vote at any meeting of the holders of listed securities.

Other classes of securities

57. If a circular or listing particulars or an announcement isdispatched to the holders of any particular class of security, the issuer must dispatch a copy or summary of such document to the holders of all other listed securities in the issuer unless the contents of the document are irrelevant to them.

Communications with holders of bearer securities

58. If there is a need to communicate with holders of listed bearer securities, the issuer must publish an announcement referring to the communication and giving an address or addresses from which copies of the communication can be obtained.

Documents of title

59. The issuer must ensure that share certificates, electronic certificates and all other documents of title emanating from issuers must be sent by courier or by any other reliable means available, unless the documents exist in electronic form in which case they may be sent electronically to the owners thereof.

Temporary documents of title

60. (1) Listed companies must not introduce temporary documents of title without the approval of the VFEX, which approval shall be given upon their furnishing such information and documents as the VFEX may require.

(2) Issuers which have received approval in terms of subsection (1) may not place a time-limit on their acceptance of any temporary documents of title for the purpose of issuing definitive certificates.

(3) Issuers which have received approval in terms of subsection (1) must—

(a) immediately, as soon as they are in a position to do so, cancel the share certificates or electronic certificates lodged with or issued by them, against which a temporary document of title has been issued; and

(b) issue definitive share or electronic certificates within 21 days after presentation to them of the temporary documents of title duly signed and completed by the transferees.

(4) No listed company may charge for the registration or transfer of its securities in Zimbabwe.

Receipts

61. An issuer must issue receipts for all securities lodged with it.

SUB-PART G: MISCELLANEOUS OBLIGATIONS

Redemption of listed redeemable securities

62. (1) A redemption of listed redeemable securities must be authorised and conducted in accordance with the listed company's constitutive documents and the provisions of the Companies and Other Business Entities Act [*Chapter 24:31*].

(2) Unless the requirement of section 294(2) is waived, the issuer must send a circular containing the information set out in Part XII to holders of redeemable securities which must be redeemed.

(3) An issuer which is redeeming securities in accordance with subsections (1) and (2) must submit a written application to the VFEX for removal from the List of the securities to be redeemed as from a specified time and date.

Transfer from one section of the list to another section

63.(1) An issuer that wishes to be transferred from one section of the List to another section must submit a written application to the VFEX, stating the reasons for the proposed transfer.

(2) An application referred to in subsection (1) must give details, expressed in value and on a percentage basis, of the assets employed in and income derived from its activities and those of its subsidiaries.

(3) The application referred to in subsection (1) must be accompanied by a directors' resolution authorizing such transfer.

Listing and other fees

64. An issuer must pay the listing and other fees, including the annual charge for listing, as set out in Part XVIII, as soon as such payments become due and payable.

Directors

65. (1) If thereareanychanges to thecompositionof an issuer's board of directorsandexecutive management team, including—

a. the appointment of a new director, company secretary or chief financial officer or other person of similar responsibility;

(b) the resignation, removal or retirement of a director; and

(c) changes to any important functions or executive responsibilities of a director;

the listed company must notify the VFEX, of such changes without delay and in any case not later than the end of the business day after obtaining knowledge of any such changes.

(2) The changes referred to in subsection (1) must be announced as soon as practicable and must be included in the company's next publication of listing particulars, interim report or annual financial statements. No such notification is required where a director retires and is re-appointed by a shareholders' general meeting.

(3) All directors, other than executive directors, must retire by rotation at least once in every three years or as provided in the company's articles. No more than 40 *per centum* of the directors may be appointed as executive directors.

(4) The notification required by subsection (1) 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 company must notify the VFEX when the effective date has become known.

(5) An issuer must, in respect of any new director, submit to the VFEX a director's declaration in the form specified in Twenty-first Schedule within 14 calendar days prior to the director's appointment becoming effective.

(6) All directors of issuers must comply with these rules.

Dealing in securities: directors and employees of listed companies

66. (1) For the purposes of subsection (2), a reference to a director includes the company secretary, senior management and any other member of staff who has knowledge of the company's performance or is involved in the preparation of the company's financial results.

(2) In respect of securities relating to itself, an issuer must submit to the VFEX—

(a) details of all transactions, including off-market transactions, by or on behalf of—

(i) a director or employee of the issuer, where the securities are held beneficially, whether directly or indirectly;

(ii) a director or employee of a major subsidiary of the issuer, where the securities are held beneficially, whether directly or indirectly;

(iii) any associate of a director or employee referred to in subparagraph (i) or (ii); or

(iv) any independent entity, in terms of which any party referred to in subparagraphs (i) to (iii) may derive any beneficial or non-beneficial interest; and

(b) a notice containing the information in paragraph (a) and the following information—

(i) the date on which the transaction was effected;

(ii) the price, amount and class of securities concerned;

(iii) the name of the director or employee;

(iv) the name of the company of which the person concerned is a director or employee;

(v) in the case of options or any other similar right or obligation, the option strike price, strike dates and periods of exercise or vesting;

(vi) the nature of the transaction;

(vii) the nature and extent of the director's interest in the transaction; and

(viii) confirmation that clearance has been given in terms of section 67.

(3) Any notification required by subsection (1) must be submitted without delay and in any event not later than the end of business on the day following the receipt of the information by the issuer.

(4) An issuer must require each of its directors to disclose to it, insofar as that information is known to the director or could with reasonable diligence be ascertained by the director, all information which the company needs in order to comply with this section.

(5) The directors and employees are required to disclose to the company secretary of the issuer all information that the issuer needs to comply with subsection (2) and the issuer must advise each of its directors of their obligations to disclose all such information. Any director or employee who deals in securities relating to the issuer must disclose to the issuer the information required by subsection (2) without delay, and in any event by no later than 24 hours after the 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 or employee concerned.

Clearance to deal

67.(1) A director or employee of an issuer may not deal in any securities relating to the issuer without the authority of the chairperson of the issuer's board or the issuer's company secretary or a director designated for that purpose.

(2) A director or employee of an issuer may not be authorised to deal in any securities relating to the issuer during—

(a) a closed period; or

(b) anyperiod when thereexists anymatter which constitutes unpublished price-sensitive information in relation to the issuer's securities.

(3) Dealings by a director or employee of an issuer during periods stated in subsection (2) will attract a fine stipulated in Twenty-sixth Schedule.

(4) A written record must be maintained by the issuer of any notification of dealings by a director or employee pursuant to subsection (2) and of any authority given. Written confirmation from the issuer that such notification and authority, if any, have been recorded must be given to the director or employee concerned.

Changes in auditors

68.(1) An issuer must give written notice to the VFEX of—

a. the termination of the appointment of its auditors; or

b. the resignation of its auditors.

(2) The notice in terms of subsection (1) must —

(a) be given without delay and in any case not later than the end of the business day following the decision to terminate the appointment or after receipt of the auditors' notice of resignation;

(b) state the effective date of the termination or resignation unless the termination or resignation is instantaneous;

(c) be accompanied by a letter from the auditors stating the date of termination and the reasons for the termination or resignation, as the case may be.

(3) The VFEX may, in its discretion, require the companyto publish an announcement to its shareholders advising them of the termination of the auditors' appointment or their resignation and of the reasons for the termination or resignation.

(4) The annual financial statements for the year in which the termination or resignation took place must state that the auditors' appointment was terminated or that the auditors resigned and the reasons for the termination or resignation.

(5) An issuer may only appoint as its auditor and reporting accountants an audit firm, or an individual auditor and reporting accountant who is a member of the Public Accountants and Auditors Board or any other any other professional body of either Public Accountants or Chartered Accountants acceptable to the VFEX.

(6) Except with the approval of the VFEX, an issuer shall not appoint the same person or partnership as its auditor for a continuous period of more than five years in any eight year period.

SUB-PART H: CONTINUING OBLIGATIONS COMPANIES QUOTED ON ANOTHER SECURITIES EXCHANGE

69. Issuerswhose securities arelistedonanothersecurities exchangemustensurethatequivalent information is made available at the same time to the market of every exchange on which its securities are listed unless that is prohibited by the rules or requirements of any such securities exchange.

Information to be processed by the VFEX

70. Issuers must ensure that information which they provide to the VFEX is the same as that which they provided to other parties, such as transfer secretaries.

Disclosure of beneficial interests in securities

71. Issuers must publish the beneficial interests of directors and major shareholders in their annual financial statements as required by Part IX.

Corporate governance

72. (1) In addition to complying with Part IX, listed companies must comply with the corporate governance principles set out in this section, regardless of which code they have selected in terms of subsection (1), and must disclose such fact in their annual financial statements.

(2) An issuer must have a policy on 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 be made up of non-executive directors only, of whom the majority must be independent.

(3) An issuer must have a policy showing a clear division of responsibilities at board level to ensure a balance of power and authority, so that no single individual has unfettered powers of decision making.

(4) The chief executive officer of an issuer must not also hold the position of chairperson of the board of directors and may not be elected chairperson of the company's board of directors within two years after leaving the post of chief executive officer.

(5) All issuers must appoint, as a minimum, the following board committees, namely—

(a) an audit committee;

(b) a nomination committee;

(c) a remuneration committee; and

(d) a risk committee;

and must disclose in their annual financial statements the composition of the board and such committees and give a brief description of their mandates, the number of meetings held and other relevant information, including—

(i) a brief Curriculum Vitae of each director standing for election or re-election at a general meeting; and

(ii) the capacity of each director, categorised as executive, non-executive or independent in accordance with subsection (7).

(6) The determination of which category is most applicable to each director should be based on the following guidelines—

(a) executive directors arethosedirectors who areinvolvedintheday-to-daymanagement andrunning of the business and are on full time employment of the company or any of its subsidiaries;

(b) non-executive directors are those directors who are not involved in the day-to-day management of the business and are not on full-time employment of the company or any of its subsidiaries;

(c) independent directors are those non-executive directors who—

(i) are not representatives of any shareholder on the board;

(ii) have not been employed in any executive capacity for the preceding three financial years by the company or the group of which it currently forms a part;

(iii) are not members of the immediate family of any person who is or has been, in any of the past three financial years, employed by the company or the group in an executive capacity;

(iv) are not professional advisers of the company or the group, other than in the capacity of directors;

(v) are not material suppliers or customers of the company or group;

(vi) have no material contractual relationship with the company or group; and

(vii) are free from any business or other relationship which could be seen to interfere materially with the individual's capacity to act in an independent manner.

(7) The audit committee of an issuer must set the guidelines for recommending the use of external auditors for non-audit services.

(8) Independent directors must be the majority on the board of directors of an issuer.

(9) The chairperson of the board of an issuer must be an independent director.

(10) The appointment of the board chairperson and the Chief Executive Officer of an issuer must be done by the Board.

Liquidation and corporate rescue

73. (1) In the event of an issuer being placed, or making application to be placed, under corporate rescue or liquidation, whether voluntary or compulsory, provisional or final, the issuer must notify the VFEX of that fact and shall immediately be suspended upon receipt of such information by the VFEX.

(2) Where an issuer fails to notify the VFEX as required by subsection (1), it shall be liable to a civil penalty as set out in Twenty-sixth Schedule.

PART V

CONDITIONS FOR LISTING

Introduction

74. (1) Listings or additional listings are granted subject to compliance with these rules and VFEX's approval.

(2) All applications for listing must be submitted to the VFEX through a sponsor.

Discretion of the VFEX

75. (1) Notwithstanding, these rules, the VFEX may in extraordinary circumstances, exercise its discretion to -

(a) grant a listing to an applicant which does not comply with the requirements set out in this Part; or

(b) refuse a listing to an applicant which complies with these rules;

on the ground that the grant or refusal of the listing is in the interests of the investing public. Applicants that wish to apply for a listing, but do not meet all the criteria prescribed by these rules for the grant of a listing are therefore invited to discuss their intended applications with the VFEX.

(2) Applicants are required to submit to the VFEX, at an early date, any matter or unusual feature relating to the listing. This procedure will obviate any difficulties that may arise after applicants, without getting the VFEX's approval, have finalised transactions which may be in conflict with these rules.

(3) The VFEX may admit a listing of a foreign company whose primary listing is on another exchange recognized by the VFEX on the basis of a letter of good standing issued by that exchange subject to the applicant submitting all the documents necessary for a listing as required under these rules.

SUB-PART A: CONDITIONS APPLICABLE TO ALL SECURITIES MARKETS

Applicant to be duly constituted

76. (1) An applicant must be duly incorporated or otherwise validly established under the law of the country where it is incorporated or established, and must operate in conformity with its constitutive documents and all applicable laws of its country of incorporation or establishment.

(2) An applicant seeking a listing on the VFEX must enter into a binding undertaking with the VFEX, by completing Seventh Schedule, that from the date of admission to listing of any of its securities it will comply fully with all the listings requirements of the VFEX, irrespective of the jurisdiction in which the applicant is incorporated.

78. *Directors*

77. (1) The directors of an applicant must—

(a) individually undertake to the VFEX that they have exercised their fiduciary duties with due regard to the applicant's constitutive documents; and

(b) collectively undertake to honour their responsibility for the applicant's compliance with these rules; and

(c) ensure that collectively they and the senior management of the applicant possess appropriate expertise and experience for the management of the applicant's business and disclose such expertise and experience in any listing particulars prepared by the applicant.

(2) Before listing, an applicant must—

(a) submit to the VFEX a director's declaration in respect of each of the directors of the applicant in the form specified in the Twenty-first Schedule;

(b) ensure that each of the directors is free from any conflict of interest between the duties he or she owes to the applicant and his or her other private interests; and

(c) where conflicts do exist, ensure that the conflicts are sufficiently declared and disclosed.

(3) An issuer must ensure that its audit committee is chaired by an independent director possessing the necessary expertise and experience.

Listing of subsidiary companies or assets

78. (1) Whenever a company intends to make an offer of securities of a subsidiary or requires or permits a subsidiary to issue securities in order to obtain a listing, the company must ensure that the securities which must be issued and not retained by the holding company are renounced in favour of its shareholders by way of a renounceable offer, unless the VFEX agrees otherwise. The company must hold an extraordinary meeting to agree to waive pre-emptive rights by a vote of 85 *per centum* in favour of the resolution.

(2) When, in connection with the listing of a subsidiary company, a listed holding company intends to make an offer of securities in the subsidiary to persons other than wholly-owned entities within the holding company's group, and the issue or offer will result in—

(a) reduction in the fair value exceeding 5 *per centum*, supported by a fair and reasonable opinion, of the holding company's investment in such subsidiary before and after the issue;

(b) decrease in the percentage holding of securities resulting in less than a 50 *per centum* holding of securities in such subsidiary company; or

(c) loss of board control by the holding company;

the securities to be issued that are not retained by the holding company must be renounced in favour of its securities holders by way of a renounceable offer, or the securities holders of the company must specifically approve the issue in accordance with Part VI (methods and procedures of bringing securities to listing).

Financial information

79. (1) Financial statements which are presented with an application for listing—

(a) must be prepared in accordance with the applicant's national law and independently audited;

(b) must have been reported upon by auditors without any qualification which, in the

opinion of the VFEX, is significant for the purposes of listing; and

(c) if they contain any profit forecast of the applicant, must be accompanied by a report complying with Part IX and prepared by the applicant's auditors or reporting accountants.

(2)An issuer must publish audited annual financial statements for its financial year in the manner specified in the prospectus or pre-listing statement irrespective of the fact that the applicant may have subsequently changed its year-end.

Status of the securities

80. (1) The securities for which a listing is sought must be issued in conformity with—

(a) the law of the applicant's country of incorporation or establishment;

(b) the applicant's constitutive documents; and

(c) any other authorisations needed for their creation and issue under such law.

(2) No application will be considered by the VFEX unless the constitutive documents of the applicant or any document that gives rise to the listing of a security has been approved by the VFEX.

(3) Where an applicant has securities listed on another exchange and applies for admission of such securities to listing on the VFEX, the applicant must comply with the requirements of that exchange and the relevant laws of that country in addition to complying with these rules.

(4) Securities in each class for which listing is applied must rank *pari-passu* with all the others in that class in respect of all rights.

Transferability of securities

81. (1) The securities for which listing is sought must be fully paid up and freely transferable.

(2) Where the issuer's constitutive documents state differently, the VFEX will require the issuer to amend such constitutive documents accordingly.

(3) The VFEX shall not grant a listing in respect of issues of non-voting equity securities.

Low and high voting instruments

82. (1) The VFEX shall not grant a listing of shares or securities which the VFEX considers constitutes equity instruments with high or low votes.

(2) A low-voting security is one which, subject to compliance with the Companies and Other Business Entities Act [*Chapter 24:31*], confers on its holder, both at the proposed time of listing of the equitysecurity 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 matters on which the holders of the securities may vote.

(3) A high-voting security is one which, subject to compliance with the provisions of the Companies and Other Business Entities Act [*Chapter 24:31*], confers on its holder, both at the proposed time of listing the instrument 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

83. (1) The VFEX shall 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 convert at the time the convertible securities are issued.

(2) The applicant for the grant of a listing to convertible securities must undertake to the VFEX that at all times it will maintain sufficient unissued securities to cater for the eventual conversion of the convertible securities.

Unlisted securities

84. (1) If an applicant is not granted a listing for additional securities to be issued, or if for any reason certain securities have been delisted—

a. the certificates must be stamped "*Unlisted securities*" and the stamp must be perpetuated for all future registrations;

(b) the share register must signifythat the securities are unlisted and a statement regarding the unlisted securities must appear in the applicant's annual financial statements; and

(c) any additional securities issued will be subject to the same requirements.

(2) Where votes by shareholders are required by these rules, the votes of holders of unlisted shares must not be counted.

Public shareholders

85. (1) Subject to subsection (2) and for the purposes of section 86, a security is not regarded as being held by a public shareholder if it is beneficially held, whether directly or indirectly, by—

a. a director of the issuer or any of its subsidiaries;

b. an associate of a director of the issuer or any of its subsidiaries;

c. an employee share scheme or pension fund, or the trustees of such a scheme or fund, which is established for the benefit of directors or employees of the issuer or any of its subsidiaries;

d. a person who, by virtue of any agreement, has the right to nominate a person to the board of directors of the issuer;

(e) any person who is beneficially interested in 10 *per centum* or more of the issuer's securities of the relevant class, unless the VFEX determines that, in all the circumstances, such person can be classified as part of the public for the purposes of section 86; or

(f) an employee of the issuer, where restrictions on trading in the issuer's listed securities, in any manner or form, are imposed by the issuer on such employee.

(2) Notwithstanding subsection (1), a security will be regarded as being held by a public shareholder if any person who is interested in 10 *per centum* or more of securities of the relevant class—

(a) is a fund manager or portfolio manager who manages more than one fund or portfolio, where each fund or portfolio is interested in less than 10 *per centum* of the relevant securities:

Provided that this exemption does not apply where the fund or portfolio manager is, in relation to any such fund or portfolio, acting in concert with any person who holds relevant securities which, together with those held by the fund or portfolio in question, represent 10 *per centum* or more of the relevant securities;

(b) is the registered holder of securities which are the subject of a depository receipt programme and no depository receipt holder or anyone else with whom he or she may be acting in concert, holds depository receipts representing 10 *per centum* or more of the securities concerned, unless the holder is a fund or portfolio manager in accordance with paragraph (a); or

(c) is a nominee shareholder and none of the beneficial shareholders which that nominee represents, together with anyone else with whom he or she may be acting in concert, is interested in 10 *per centum* or more of the securities concerned, unless the beneficial shareholder is a fund or portfolio manager in accordance with paragraph (a).

(3) The VFEX may, in its discretion, require an issuer to provide it with a declaration that, to the best of the knowledge and belief of its directors, any beneficial shareholders of the company whose shares are registered in the names of one or more nominees do not include any person who may be acting in concert with any other person insofar as it may affect their classification as public shareholders.

Main Board listing criteria

86. An applicant seeking a listing on the Main Board must satisfy the following criteria—

a. a subscribed capital of three million United States dollars, which capital includes reserves and intangible assets but excludes minority interests and revaluations of assets that are not supported by a valuation prepared within the preceding six months by an independent professional expert acceptable to the VFEX; and

b. not less than ten million equity shares in issue; and

c. a satisfactory profit history for the preceding five financial years, if applicable; and

d. at least 30 *per centum* of each class of equity shares must be held by public shareholders, unless otherwise agreed with the VFEX. Where the issuer has had a private placement prior to the initial public offering, at least 20 *per centum* of the total issued shares must be offered to the public. Generally the public consists of individuals and institutional investors holding less than 5 *per centum* of the shares in issue; and

e. the number of public shareholders of listed securities must be at least—

(i) 50 in respect of equity shares;

(ii) 25 in respect of preference shares;

(iii) 10 in respect of debentures;

f. minimum spread criteria should be complied with on a continuous basis.

g. An issuer who is currently listed on the ZSE may list at most 20% of its authorized but unissued shares on the VFEX as a different class of shares from those listed on the ZSE.

Part VI

SUB-PARTA: METHODS AND PROCEDURES OF BRINGING SECURITIES TO LISTING

Methods open to applicants

Applicants without equity securities already listed

87. New applicants may bring equity securities to listing by way of—

a. an introduction; or

b. a placing; or

c. by any of the methods referred to in section 88.

Applicants with or without equity securities already listed

88. New applicants or those with equity securities already listed may bring securities, whether of a class already listed or not, to listing by—

a. an offer for sale; or

b. an offer for subscription; or

c. an issue with participating or conversion rights; or

d. a renounceable offer.

Applicants with equity securities already listed

89. (1) Only applicants with equitysecurities alreadylisted maybring securities, whether of a class already listed or not, to listing by—

a. a rights offer; or

b. a claw-back offer or issue; or

c. a capitalisation issue; or

d. an issue for cash; or

e. an acquisition or merger issue or vendor consideration issue; or

f. a vendor consideration placing; or

g. an exercise of options to subscribe for securities, including options in terms of executive and staff share schemes; or

h. a conversion of securities of one class into securities of another class.

(2) The VFEX may approve, either generally or specially, any other method by which applicants with equity securities already listed may bring securities for listing.

SUB-PART B: INTRODUCTIONS

Requirements for introductions

90.(1) For an introduction, the applicant must—

a. submit a certified copy of its share register to VFEX; and

b. a letter of good standing from an exchange of acceptable to VFEX; and

c. comply with the conditions for listing as set out in Part V, unlessexemptedin respectof some conditions bythe VFEX.

(2) An applicant may not bring securities to listing by way of an introduction if there is a pre-existing intention by holders, other than public shareholders, to dispose of a material number of their securities. The applicant must satisfy the VFEX that it has no knowledge of any such intention and that it has informed those holders that they must not dispose of their securities within 18 months of listing.

(3) Where an applicant's listing has been suspended or terminated—

(a) because it was a cash company; or

(b) in connection with a reverse take-over;

and the applicant is seeking to return to listing, the VFEX may permit an introduction but may require some marketing of the applicant's securities in order to improve or ensure compliance

with the shareholder spread requirements set out in section 49, before approving the listing.

Documents to be submitted to the VFEX for introductions

91. Part I and all available Part II documents described in Part XVII must be submitted to and approved by the VFEX prior to the granting of a listing by way of an introduction. The remainder of Part II and Part III documents must be submitted as soon as possible thereafter and in any event not later than 42 calendar days from the date of listing.

Documents to be published for an introduction

92. Documents relating to an introduction which must be published on the day listing commences are set out in Part XII.

SUB-PART C: PLACINGS

Specific requirements for a placing

93. For a placing, the applicant must comply with the conditions for listing as set out in Part V (conditions for listing) and the COBE [*Chapter 24:31*].

Documents to be submitted to the VFEX for a placing

94. (1) Part I and all available Part II documents described in Part XVII must be submitted and approved by the VFEX prior to the granting of a listing by way of a placing. The remainder of Part II documents must be submitted as soon as possible thereafter and in any event not later than 42 calendar days from the date of listing.

(2) Part III documents described in Part XVII must be submitted as soon as possible and in any event not later than 28 calendar days from the date of a listing by way of a placing.

Documents to be published for a placing

95. The Documents that require publication with regard to a placing are set out in

in Part XII

SUB-PART D: OFFERS FOR SALE OR SUBSCRIPTION

Specific requirements for offer for sale or subscription

96. (1) An offer for sale by an issuer of securities in the issuer must be made by way of a renounceable offer to the shareholders of the listed company which will be open for 21 calendar days .The listed company must give the VFEX an undertaking that it will not dispose of those securities whilst the renounceable offer is open.

(2) An offer for sale by an issuer of securities in the listed company's subsidiary, as described in section 78(1), 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 calendar days. The listed company must give the VFEX an undertaking that it will not dispose of any securities which it holds in such subsidiary whilst the renounceable offer is open.

(3) An offer for subscription by an issuer is regarded as an issue for cash and must comply with the requirements contained in sections 127 to 129. An offer for subscription by a new applicant must comply with the requirements contained in sections 96 to 102.

Underwriting of offer for sale or subscription

97.(1) An offer for sale which relates to securities to be issued for subscription must be underwritten.

(2) In an offer for sale referred to in subsection (1), the prospectus ,pre-listing statement or circular of the issuer must include a declaration by its directors that they have carried out due and careful enquiry to confirm that the underwriter and the sub-underwriter (where applicable) can meet its commitments in terms of the offer.

In an offer, the issuer's circular must include a declaration by its directors that they have carried out due and careful enquiry to confirm that all sub-underwriting arrangements have been disclosed in the circular and the agreements be availed for inspection.

(3) The underwriter and the sub-underwriter, where applicable, in an offer for sale referred to in subsection (1) must—

(a) satisfy the VFEX that it can meet its commitments through a guarantee letter from the underwriter's bankers to the VFEX confirming the availability of funds on demand throughout the course of the transaction; and

(b) submit an affidavit sworn by two of its directors confirming its financial capacity to carry out the terms of the underwriting; or

(c) if it is regulated byanother regulator, obtain confirmation from that regulator that such underwriting is within the scope of its licensable activities; and

(d) if it is unregulated, submit to the VFEX a letter of undertaking by the underwriter to the issuer that its commitment is irrevocable and that it will make funds available to purchase anyunsubscribed securities in the event that the offer is not fully subscribed.

(4) Any underwriting commission paid to a securities holder of the company—

(a) must be separately disclosed under transaction costs in the circular; and

(b) must not be greater than the current market rate payable to independent underwriters:

Provided that, in the case of charges for private placements, the level of charges should not exceed current underwriting levels and the applicant must present evidence to the VFEX proving the reasonableness of such commission.

(5) Where an underwriter holds 35 *per centum* or more of the issued share capital of the issuer after it takes up the unsubscribed shares of an issue, the underwriter must reduce its shareholding to below 35 *per centum* or make an offer to minorities in accordance with Part X (Transactions) within twelve months. The VFEX has the discretion to vary the time-frame depending on the circumstances of the issuer.

Commission payable

98. The rate of commission payable by applicants on issues by way of an offer for sale or subscription is a minimum of 0, 5 *per centum* of the issue.

Over-subscriptions

99. (1) An issuer must submit to the VFEX its policy in relation to over-subscription for prior approval. In the event of an over-subscription that policy must be applied and the formula for the basis of allotment must be calculated in such a way that a person will not, in respect of his or her application, receive an allocation of a lesser number of securities than any other subscriber who applied for a lesser number.

(2) Where the initial listing is over-subscribed or cancelled and persons are owed subscription refunds in respect of their applications, the sponsor or issuer must ensure that the

subscription moneys and all interest earned on such moneys, calculated from the date of receipt of the moneys by the company concerned, are paid back to the subscribers before the shares are listed or on the day following the decision to cancel the listing in the case of a cancellation.

Documents to be submitted to the VFEX by listed companies

100. Listed companies engaged in offers for sale or subscription must submit to the VFEX the documents listed in section 362 (documents to be submitted by issuers) at the times specified in section 103.

Documents to be submitted to the VFEX by new applicants

101. (1) Part I documents and all available Part II documents described in Part XVII must be submitted to the VFEX by new applicants engaged in a listing by sale or subscription, and must be approved by the VFEX prior to listing being granted. The remainder of Part II documents must be submitted as soon as possible thereafter and in any event not later than 42 calendar days after the date of listing.

(2) Part III documents referred to in Part XVII must be submitted to the VFEX by new applicants engaged in a listing by sale or subscription as soon as possible and in any event not later than 42 days after the date of listing.

Documents to be published

102. The documents to be published regarding an offer for sale or subscription are shown in Part XII and must be published in accordance with section 103.

Timetable for publication of documents

103. The table below sets out the timetable, as a guide, for offers for sale or subscription. The dates after the closing of the offer are indicative and may be advanced as long as the sequence of events is not disturbed.

Timetable — Guide

Day	Event
(D+0)	Publication of announcement or pre-listing statement.
	Pre-listing statement available.
	Offer opens.
	All Part I documents must have been submitted to and approved by the VFEX.
	Listing will have been granted subject to approval of Part II documents and the results of the offer meeting the requirements for shareholder spread.
(D+21)	Offer closes.
	All Part II documentation must have been submitted to and approved by the VFEX.
(D+24)	Results of offer submitted to the VFEX.

(D+27)	Results announcement published by applicant giving date of commencement of dealing in securities if listing has been granted or appropriate negative statement issued.
(D+28)	Latest date for documents of title posted.
(D+33)	Securities listed Last date for refund cheques.
(D+61)	Part III documents to have been submitted to the VFEX.

SUB-PART E: RENOUNCEABLE OFFERS

Renounceable offers

104. An applicant who wishes to make a renounceable offer must comply with the conditions for listing set out in Part V.

Ability to trade

105. (1) The right of an issuer's shareholders to subscribe for securities in the applicant referred to in section 113 (2) must be made by means of the issue of a renounceable offer or other negotiable document which may be traded as "nil paid" rights for a period of not less than 21 calendar days before payment is due.

(2) The enforcement of the right of holders of securities of an issuer to subscribe for securities in the applicant must be done by means of a renounceable offer to such holders of securities through the issue of renounceable letters of allocation or other negotiable documents, traded as "nil paid" rights, for a period in accordance with the relevant timetable.

Shareholder spread

106. (1) The issued share capital of an applicant and the letters of allotment issued to implement the renounceable offer must be listed at the same time.

(2) The issuer making the renounceable offer shall be required to prove to the VFEX that it will comply with the minimum spread requirements following the close of the renounceable offer.

General requirements for renounceable offer

107. The requirements of a rights offer will applyto a renounceable offer to the extent appropriate to them.

Documents to be submitted to the VFEX in respect of renounceable offer

108. The documents listed in Part XVII (documents to be submitted to the VFEX) for renounceable offer should be submitted to the VFEX according to the timetable set out in section 110.

Documents to be published in respect of renounceable offer

109. (1) An issuer is required to—

(a) publish two announcements giving details of the renounceable offer;

(b) publish announcement s or issue circulars in accordance with Part XII; and

(c) despatch letters of allotment to it

shareholders; according to the timetable set out section

110.

(2) The announcements and pre-listing statement must comply with section 273 (contents of all circulars) and the documents that require publication regarding a renounceable offer are referred to in Part XII.

Timetable

110. The timetable below is for guidance only and may be altered. The VFEX's approval of a proposed timetable must be obtained in all cases.

Day	**Event**	
	Applicant	Listed Company
Friday (D+0)	First announcement of intention to list. All Part I documents must have been submitted to the VFEX	First announcement giving last date for registration of the offer subject to VFEX approval
Monday (D+10)	All Part II documents are submitted to the VFEX	Second announcement giving the terms of the renounceable offer
Tuesday (D+11)	Formal approval by the VFEX to the listing of the issued securities granted	Formal approval by the VFEX to the listing of the letters of allotment granted
Wednesday (D+12)	Second announcement giving dates for listing and information as to when and from where pre-listing statements can be obtained	Third announcement giving dates of the renounceable offer and information as to when and from where pre-listing statements can be obtained
Friday (D+14)	Pre-listing statements available	Last day to register for renounceable offer. Pre-listing available
Monday (D+17+	Issued securities listed on VFEX (9.00 am)	Letter of allotment listed on VFEX (9.00 am)
Wednesday (D+19)		Last day for receipt of postal registrations Renounceable offer opens (9.00 am).
Friday (D+21		Pre-listing statements and letters of allotment posted to shareholders.
Wednesday (D+40)		Last day for dealing letters in letters of allotment (1430)
Thursday (D+41)		Last day for splitting of letters of allotment (09h30). The securities that are the subject of the renounceable offer are listed as the

Friday (D+42)		Renounceable offer closes (14h30) (Earliest date).
Wednesday (D+47)		Last date for postal acceptances (14h30).
Thursday (D+48)	Proceeds of issue received by applicant	Proceeds of renounceable offer paid to applicant.
Friday (D+49)	New share certificates posted	Final announcement giving results of renounceable offer.
Friday (D+77)	Part III documents to have been submitted to the VFEX	Refund cheques, if any, posted.

SUB-PART F: RIGHTS OFFERS

Specific requirements for rights offers

111. Letters ofapplication, allocation oracceptance must beissued forrightsoffers andmust be renounceable.

Underwriting

112. (1) A rights offer must be underwritten.

(2) In a rights offer the underwriter and the sub-underwriter, where applicable, must—

(a) satisfy the VFEX that it can meet its commitments through a guarantee letter from the underwriter's bankers addressed to the VFEX confirming the availability of funds on demand throughout the course of the transaction;

(b) submit an affidavit sworn to by two of its directors confirming its financial capacity to carry out the terms of the underwriting;

(c) if it is regulated by another regulator, obtain a confirmation that such underwriting is within the scope of its licensable activities; and

(d) if it is unregulated, submit to the VFEX a letter of undertaking by the underwriter to the issuer that its commitment is irrevocable and that it will make funds available to purchase any unsubscribed securities in the event that the offer is not fully subscribed.

(3) In a rights offer the issuer's circular must include a declaration by its directors that they have carried out due and careful enquiry to confirm that—

(a) the underwriter can meet its commitments in terms of the offer;

(b) all sub-underwriting arrangements have been disclosed in the circular and the agreements be availed for inspection.

(4) Where an underwriter holds 35 *per centum* or more of the issued share capital of the issuer after it takes up the unsubscribed shares of an issue, the underwriter must reduce its shareholding to below 35 *per centum* or make an offer to minorities in accordance with Part X within twelve months. The VFEX has the discretion to vary the time-frame depending on the circumstances of the issuer.

(5) Any underwriting commission paid to a holder of securities of a company must—

(a) be separately disclosed under transaction costs in the circular; and

(b) not be greater than the current market rate payable to independent underwriters. In the case of charges for private placements the level of charges must not exceed current underwriting levels, and the applicant must present evidence to the VFEX of the reasonableness of such underwriting commission.

Excess security applications

113. (1) A rights offer may include the right to apply for excess securities subject to such right being transferable upon renunciation of the letters of allotment. In a rights offer which includes the right to apply for excess securities, the right to apply for excess securities must be transferable upon renunciation of a letter of allotment.

(2) In respect of applications for excess securities, the pool of excess securities must be allocated equitably, taking into account the number of securities held by the shareholder, including those taken up as a result of the rights offer.

(3) The excess securities applied for by a shareholder may be used to round up the holdings to multiples of 100 securities.

General provisions regarding rights offers

114. (1) The approval of the VFEX must be obtained for rights offers priced at above the ruling price.

(2) Unless circumstances are such as to warrant a concession being granted by the VFEX, the VFEX requires the letters of allocation to be listed.

(3) Forms of instruction in respect of letters of allotments must be sent to all shareholders of which only Form A (Form of Renunciation) requires the signature of the renouncee. Form B (Registration application form) and Form C (Application for split forms) must not be required to be signed.

(4) The forms referred to in subsection (3), which are available from transfer secretaries, form part of the rights offer circular and must be submitted to the transfer secretaries once signed.

Documents to be submitted to the VFEX

115. The documents listed in Part XVII for rights offers must be submitted to the VFEX at the relevant times specified in the timetable set out in section 117(1).

Documents to be published or circulated

116. (1) An announcement must be published in respect of a rights offer and must give—

(a) the last date for shareholders to register to participate in the rights offer; and

(b) the terms of the rights offer; and

(c) the dates of the rights offer; and

(d) the results of the rights offer.

(2) In addition to the announcements referred to in subsection (1), a circular or pre-listing statement must be sent to shareholders.

(3) The announcements, rights offer circular or pre-listing statement must comply with sections 283 (1) and 284 and must be issued according to the timetable in section 117.

Timetable for rights offers

117. (1) The timetable below is a guide and applicable to an issuer making a rights offer—

Day	**Event**

Friday (D+0)	Latest date for the first announcement giving the last day for registration for the rights
Monday (D+10)	Second announcement giving the terms of the rights offer including the statement referred to in section 283 (announcement s for rights offers)
Wednesday (D+12)	Third announcement giving the dates for the rights offer All documents described in Part XVII must have been submitted to and approved by the VFEX
Friday (D+14)	Last day to register for the rights offer
Monday (D+17)	
Day	**Event**
Wednesday (D+19)	Last day for receipt of postal registrations
Friday (D+21)	Circular or pre-listing statement and letters of allocation posted to shareholders registered for the rights offer
Monday (D + 24)	Letters of allocation listed
Wednesday (D+40)	Last day for dealing in letters of allocation.
Thursday (D+41)	Securities that are the subject of the rights offer listed (if granted)
Friday (D+42)	Offer closes (14h30), Earliest date
Wednesday (D+47)	Last day for postal acceptances of the rights offer
Friday (D+49)	Fourth announcement giving the results of the rights offer

(2) Deviations from the timetable should be approved by the VFEX.

Claw-back offers and issues: Specific requirements

118. (1) The securities in a claw-back offer must be offered to the applicant's shareholders

by way of a renounceable letter or other negotiable document which must be listed as "fully paid" or "nil paid" rights, for a period of at least 21 calendar days, before payment for the securities is due.

(2) The requirements of section 111 (specific requirements for rights offers) in respect of rights offers also apply to claw-back offers.

Capitalisation issues: specific requirements

121. (1) The VFEX will not approve any announcement, advertisement or circular in which a capitalisation issue is in any way presented as a dividend when shareholders are not entitled to elect to receive a cash dividend.

(2) Shareholders' approval must be obtained by the applicant to give effect to the capitalisation of the share premium or reserves if the articles of association do not permit the directors to do so without the approval of the shareholders.

Documents to be submitted to the VFEX

122. The documents listed in Part XVII for capitalisation issues must be submitted to the VFEX at the times specified in that Part and in accordance with the timetable set out in section 122(1).

Documents to be published

123. (1) An announcement referred to in section 116(1) must be published and a circular relating to it must be sent to shareholders.

(2) The announcement and circular must comply with Part XII and be issued according to the timetable set out in section 122(1).

Timetable for capitalisation issue

124. (1) The timetable for a capitalisation issue is set out below as a guide—

Day	**Event**
Friday	Publication of announcement
Friday (D+14)	Record date for participation in capitalisation issue Lodge application for listing the maximum number of securities that could be issued
Day	**Event**
Monday (D+17)	Securities listed ex- entitlement Circular made available Maximum number of securities that could be issued listed if the listing has been granted
Wednesday (D+ 19)	Last day for postal registration
Friday (D+21)	Post circular to shareholders Securities allotted and listed

(2) Deviations from the timetable should be approved by the VFEX.

(3) Should a cash underpin for the capitalisation shares be offered by a third party, the

requirements of sections 286 (3) must be applied with necessary modifications.

SUB-PART G: SCRIP DIVIDEND AND CASH DIVIDEND ELECTIONS

Description

125. (1) A scrip dividend comprises capitalisation shares where shareholders are afforded the right to elect to receive in lieu of cash dividends. Dividend and dividend yield statistics issued by the VFEX will reflect the full amount of the dividend before shareholder election.

(2) A cash dividend election arises where a capitalisation issue is declared and shareholders are afforded the right to elect to receive a cash dividend in lieu of the capitalisation or bonus shares.

(3) The right of election referred to in subsections (1) and (2) must not be prohibited by the issuer's articles of association.

(4) The VFEX will not approve an announcement or circular in which a capitalisation issue is in any way presented as a dividend when shareholders are not entitled to elect to receive a cash dividend.

Specific requirements for scrip dividends and cash dividend election

126. (1) A form of election must be dispatched with the circular and must contain—

(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 and that fractions will be paid out in cash;

(b) the ratio of entitlement; and

(c) a statement that no late postal elections will be accepted.

(2) Where the articles of association do not permit the directors to effect any capitalisation of the share premium or reserves without the approval of the shareholders, the directors must obtain such approval.

(3) Where the ratio of entitlement is proposed to be other than that of a whole securities per 100—

(a) the date of payment of the scrip dividend must be at least 21 calendar days and at most 42 calendar days from the last day to register; and

(b) fractions of securities must be rounded up and paid in cash.

Documents to be submitted to the VFEX

127. The documents detailed in Part XVII (documents to be submitted to VFEX) for scrip dividends and cash dividends election should be submitted to the VFEX at the times specified in that Part.

Documents to be published

128. (1) Two announcements must be published and a circular sent to shareholders in respect of any scrip dividend or a cash dividend election.

(2) The announcements and circular must comply with Part XII and be issued in accordance with the timetable in section 127.

Timetable for scrip dividend

129. This timetable is a guide for a scrip dividend—

Day	Event
Friday (D+0)	Publication of first announcement
Monday (D+10)	Publication of second announcement
Friday (D+14)	Record date for participation in scrip dividend All documents described in Part XVII must have been submitted to and approved by the VFEX
Monday (D+17)	Securities listed exentitlement Circular made available Maximum number of securities that could be issued listed if listing is granted
Friday (D+21)	Post circular to shareholders
Friday (D+42)	Last day for election
Monday (D+45)	Announcement of results of issue Lodge signed application for listing detailing actual number of securities issued
Wednesday (D+47)	Securities allotted and listed Share certificates and dividend warrants posted to shareholders

SUB-PART H: ISSUES FOR CASH

Specific requirements: Issues for cash

130. (1) An applicant may only issue for cash securities with voting rights where those securities are of a class already issued:

Provided that—

- the issue must be of a class already in issue and made to public shareholders as defined in section 85 and, if any of the equity securities must be issued to non-public shareholders as defined in sections 85(1), this fact must be disclosed;
- issues in the aggregate in any one financial year may not exceed 25 *per centum* of the applicant's issued share capital of that class. In this calculation, the securities of a particular class will be aggregated with the securities which are compulsorily convertible into securities of that class;

(iii) the maximum discount permitted—

A. where shareholders' approval is sought in terms of paragraph (a) of the

definition of issue for cash must be subject to shareholder's approval;

B. where shareholders' approval is sought in terms of paragraph (b) of the definition of issue for cash must be 10 *per centum* of the weighted average traded price of those securities over the 30 days prior to the date that the price of the issue is determined or agreed upon by the directors of the applicant. The VFEX should be consulted for a ruling if the applicant's securities have not traded in that 30-day period;

(iv) the number of securities of a class which may be issued in terms of the definition of issue for cash must be based on the number of securities of that class in issue as at the date of the application.

(2) The VFEX may waive all or any of the requirements in subsection (1), and section 131 (voting) subsections (1) and (2) in relation to an issue of securities for cash if it is satisfied that the applicant is in severe financial difficulty or that there are other exceptional circumstances to justify the waiver.

(3) The number or maximum number of equity securities to be issued must be disclosed if—

(a) the discount at which the securities must be issued is not limited; or

(b) the discount at which the securities must be issued is limited.

(4) If the issue is to a related party as described in Part XI, the issue must be subject to the issuer providing holders of its equity securities with a fair and reasonable statement complying with Fifth Schedule given by an independent professional expert acceptable to the VFEX and indicating whether or not the issue is fair and reasonable to equity securities holders, excluding the related party if it is an equity security holder of the issuer.

Voting

131. (1) A resolution to approve the waiver of pre-emptive rights in an issue of securities for cash, where 35 *per centum* or more of the applicant's issued securities are held by the public, must be passed by 85 per *centum* of votes cast byshareholders present or represented byproxy at a general meeting called for that purpose.

(2) If the applicant has less than 35 *per centum* of its securities held by the public the resolution to approve the waiver of pre-emptive rights must be passed by 90 *per centum* of votes cast byshareholders present or represented by proxy at a general meeting called for that purpose.

(3) The consequence of anyissue of securities for cash should not, in respect of the applicant, constitute an "affected transaction".

Documents to be submitted to the VFEX

132. The documents detailed in Part XVII concerning issue for cash should be submitted to the VFEX in respect of an issue of securities for cash, at the times specified in that Part.

Documents to be published

133. Where approval has been obtained for an issue of securities for cash a circular must be sent to shareholders giving details of the issue. The circular must contain the information set out in section 284.

Announcements

132. A companythat has issued securities in terms of a specific issue for cash must 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 securities over the 30 days prior to the date that the price of the placing was determined or agreed upon by the directors of the company;

(c) if the discount exceeded *10 per centum*, the name of the independent professional expert who prepared the statement that the discount was fair and reasonable and an indication of where copies of such statement can be obtained; and

(d) the effects of the issue on net asset value and earnings per

share

SUB-PART I: ACQUISITION OR MERGER ISSUES

Description

133. An acquisition, merger issue or vendor consideration issue is an issue of securities in consideration for an acquisition of assets which excludes the extinction of a liability, obligation or commitment or an issue of securities for an acquisition of, or merger with, another company as consideration for the securities of that other company.

Specific requirements

134. (1) Listing will only be granted to securities issued as consideration for an acquisition or merger if the VFEX determines that the issue is for the *bona fide* purchase of assets and not a circumvention of shareholders' rights of pre-emption.

(2) The VFEX must be consulted when an issuer proposes to issue securities as consideration for the acquisition of assets.

Documents to be submitted to the VFEX

135. The documents listed in Part XVII must be submitted to the VFEX at the times specified in that Part.

Documents to be published or circulated

136. The documents which must be published in respect of an acquisition or merger issue are set out in Parts X (transactions) and XII (circulars, prelisting statements, prospectus and announcements).

SUB-PART J: VENDOR CONSIDERATION PLACINGS

Specific requirements

137. In a vendor consideration placing—

(a) all vendors must have an equal opportunity of participating in the placing;

(b) where the securities to be placed are equity securities of a class already listed, the placing price must not be at a discount of more than 10 *per centum* to the weighted average traded price of those minimum securities over the 30 calendar days prior to the date that the price of the placing is determined or agreed upon by the directors of the company, or be a 10 *per centum* discount to the 30-day weighted average trading price prior to the date of the placing;

(c) a determination of the VFEX must be obtained if the issuer's securities have not traded in the 30-day period referred to in paragraph (b); and

(d) the requirements of Part V (conditions for listing) apply if the securities being placed

are a class of equity securities not already listed, unless the issuer has another class of equity security already listed, in which case the requirement as to the spread of shareholders shall apply.

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

138. (1) Applications for listing of securities issued in terms of options to subscribe for securities must be made in terms of Part XVII.

(2) Application for listing of shares in terms of executive and staff share schemes may be for block listings or for specific allotments and must comply fully with Fourteenth Schedule (requirements for Executive and Staff share Schemes).

Issues with participating or conversion rights

139. Unless the ordinaryshareholders have waived their rights, classes of securities which have participating rights to profits or have equity conversion rights must be offered to ordinary shareholders of a company by means of a rights offer, unless they are issued—

(a) as a claw-back offer;

(b) as an issue for cash;

(c) for the acquisition of assets or a merger; or

(d) in circumstances which the VFEX considers to be exceptional.

SUB-PART K: REPURCHASE OF SECURITIES

Description

140. (1)An acquisition by an issuer of its own shares in accordance with sections 128 of the Companies and Other Business Entities Act [*Chapter 24:31*] constitutes a repurchase of securities, and the company must comply with sections 141 to 149 of these rules on terms—

(a) specifically approved by shareholders in a general meeting in respect of that particular repurchase:

Provided that repurchase by a company of its own securities in any one financial year must not, in the aggregate, exceed 40 *per centum* of the company's issued share capital of that class; or

(b) generally approved by shareholders in a general meeting by their giving to the directors of the company a renewable mandate, valid until the company's next annual general meeting or for 15 months from the date of the resolution, whichever is the shorter, to repurchase its securities subject to the requirements of the VFEX and to any other restrictions set out in the resolution:

Provided that a general repurchase may not exceed 20 *per centum* of the company's share capital of that class in that financial year.

Requirements for specific authority to repurchase securities

141.(1) In this section—

"specific repurchase" means a repurchase bya companyof its own securities which has been specifically approved by shareholders in accordance with section 140(1)(a).

(2) An applicant may only make a specific repurchase of its securities—

(a) in the case of an offer to all shareholders, if it is on a *pro rata* basis to their existing holdings, or from specifically named shareholders;

(b) if it is authorised by its articles to repurchase its securities; and

(c) if authority has been given in terms of a special resolution of the issuer by shareholders other than—

(i) controlling shareholders and their associates;

(ii) any party acting in concert; or

(iii) any shareholder who is participating in the repurchase and who is not regarded as being part of the public in terms of section 86 (Main Board listing criteria).

(3) A *pro rata* offer referred in subsection (2)(a) must remain open for 21 days.

Circular for repurchase of securities

142.(1) A circular on a repurchase of securities must contain the following—

a. the minimum contents of any circular as required by section 273 (contents of all circulars);

b. general information about the repurchase, including—

i. the names and addresses of directors and major shareholders;

ii. material changes;

(iii) directors' interest in securities;

(iv) share capital;

(v) directors' responsibility statement; and

(vi) litigation statement;

c. the reason for and method by which the 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 specific shareholders, the names of the shareholders and their current shareholding and the names and details of the parties excluded from voting as provided in section 141(2)(c);

(e) in the case of a *pro rata* offer, a statement that a shareholder may tender more securities and that a shareholder who tenders securities in addition to the offer must be treated on an equitable basis. A policy on the treatment of such cases must be submitted to the VFEX for prior approval;

(f) the effect on earnings per share and net asset value and tangible net asset value per share on the group of the proposed repurchase;

(g) a statement by the directors—

(i) that the issuer and the group will be able in the ordinary course of business to pay their debts for a period of 12 months after the date of the approval of the circular;

(ii) that the assets of the issuer and the group will be in excess of the liabilities of the company and the group. 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) confirming the adequacy of ordinary capital and reserves of the issuer and the group for a period of 12 months after the date of the approval of the circular;

and

(iv) confirming the adequacy of the working capital of the issuer and the group for a period of 12 months after the date of the approval of the circular;

(h) a statement as to the source of funds to be utilised; and

(i) in the case of a specific repurchase as defined in section 141, a statement from an independent professional expert acceptable to the VFEX which complies with the Fifth Schedule and indicates whether or not the premium paid is fair and reasonable to shareholders of the company if such a premium is more than 5 *per centum* of the weighted average of the market value of the securities for the five business days immediately preceding the announcement of the repurchase.

(2) Financial information and auditors' reports, in terms of section 147 (financial information) must be submitted to the VFEX simultaneously with the circular to shareholders.

Announcements of offers for repurchase of securities

143.(1) In respect of a *pro rata* offer the announcement must contain—

a. in the case of the first announcement the—

i. information that a circular containing details of the offer and notice of general meeting will be dispatched to shareholders; and

(ii) date of the meeting at which the specific authority will be sought; and

(iii) last day to register in order to participate in the offer; and

(iv) terms and conditions of the offer including the ratio and the price; and

(v) opening and closing dates of the offer; and

(vi) date of payment by the company;

(b) in the case of the second announcement the—

(i) details of the *pro rata* offer; and

(ii) results of the meeting;

(c) in the case of the third announcement the—

(i) results of the *pro rata* offer and the cost; and

(ii) date on which the securities will be cancelled, and the listing terminated, if applicable; and

(iii) effect on the earnings per share, the net asset value per share and the tangible net asset value per share.

(2) In respect of a specific repurchase, as defined in section 141 from a specific shareholder, the announcement must contain—

(a) the terms of the repurchase; and

(b) the date of the meeting at which the specific authority will be sought; and

(c) the name of the person from whom the specific repurchase is to be made; and

(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; and

(e) the effect on the earnings per share, the net asset value and the tangible net asset value per share; and

(f) a statement that a circular containing the details specified in paragraphs (a) to (e) will be dispatched to shareholders.

Requirements for general authority to repurchase securities

144.(1) In this section—

"general repurchase" means a repurchase by a company of its own securities which has been generally approved by shareholders in accordance with section 140.

(2) An issuer may only make a general repurchase of securities if—

(a) the repurchase of securities is implemented on the VFEX

(b) the issuer is authorised by its articles to repurchase its securities;

(c) the issuer is authorised by shareholders by a special resolution of the company in general meeting, which resolution is to be valid until the next annual general meeting or 15 months from the date of the resolution, whichever is the shorter; and

(d) the repurchases will not be made at a price greater than 5 *per centum* above the weighted average of the market value for the securities for the five business days immediately preceding the date of repurchase.

Notice of general authority to repurchase

145. (1) If, at its annual general meeting, an issuer seeks a general authorityto repurchase its own securities, the following information must be included in the notice convening the general meeting—

a. a statement of the board of directors' intentions regarding the utilisation of the authority sought;

(b) the maximum number of securities to be repurchased and the price and date at which the repurchase is to take place;

(c) a statement by the directors that—

(i) the companyand the group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of the notice of annual general meeting;

(ii) the assets of the issuer and the group will be in excess of the liabilities of the company and the group. 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) the ordinary capital and reserves of the issuer and the group will be adequate for a period of 12 months after the date of the notice of annual general meeting; and

(iv) the working capital of the issuer and the group will be adequate for a period of 12 months after the date of the notice of annual general meeting.

(d) a statement in the resolution that the authority sought will be limited to paragraphs (c) and (d) of section 144 (2).

(2) If, at a meeting other than the annual general meeting, an issuer seeks a general authority to purchase its own securities, a circular complying with paragraphs (a) to (d) of subsection (1) must accompany the notice of general meeting and must also contain—

(a) all information referred to in section 273 (contents of all circulars); and

(b) general information including—

(i) the names and addresses of directors;

(ii) the identities of major shareholders;

(iii) material changes;

(iv) directors' interest in securities;

(v) share capital;

(vi) a directors' responsibility statement; and

(vii) a litigation statement.

(3) Financial information and auditors' reports referred to in sections 147(1) and (2) must be submitted to the VFEX before the company repurchases its securities on the open market.

(4) Where an issuer fails to submit financial information as required under subsection (3) it shall be liable to a fine set out in Twenty-sixth Schedule.

SUB-PART L: ANNOUNCEMENTS FOLLOWING REPURCHASE OF SECURITIES

Open market

146. When a company has cumulatively repurchased 3 *per centum* of the initial number of the relevant class of securities (the number of that class of shares in issue when the general authority from shareholders is granted), and for each 3 *per centum* aggregate of the initial number of that class acquired thereafter, an announcement must be made as soon as possible, and in any event not later than the end of on the business day following the day on which the relevant threshold is reached or exceeded, and must contain the following information—

a. the dates of the repurchase of the securities; and

b. the highest and lowest prices paid for the securities; and

c. the number and value of securities repurchased; and

d. the extent of the authority outstanding by number and percentage, calculated on the number of shares in issue before any repurchases were made; and

e. a statement as to the source of funds utilised; and

f. a statement by the directors that—

i. the issuer 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; and

ii. the assets of the issuer and the group will be in excess of the liabilities of the company and the group. For this purpose the assets and liabilities must be assessed in accordance with the accounting policies used in the latest audited group annual financial statements; and

iii. the ordinary capital and reserves of the issuer and the group will be adequate for a period of 12 months after the date of the announcement referred to in section 145; and

iv. the working capital of the company and the group will be adequate for a period of 12 months after the date of the announcement referred to in section 145; and

v. the effect of the repurchase on the earnings per share, the net asset value and the tangible net asset value per share; and

vi. the date on which the securities will be cancelled and their listing terminated, if applicable.

SUB-PART M: FINANCIAL INFORMATION

Historical financial information

147. (1) The company's directors must submit to the VFEX a copy of the audited annual financial statements of the issuer or the group, as appropriate. Where more than nine months have lapsed since the financial year- end of the company and the company seeks to repurchase its securities, the company's directors must prepare and submit to the VFEX the most recent interim report of the company or the group, required to have been distributed in terms of Part IV (continuing obligations). The interim report must include the auditors' report and be prepared in accordance with IFRS requirements on Interim Reporting, any applicable statute and Part IX (financial information).

(2) An issuer or its subsidiary may not repurchase securities within 40 business days before publication of its annual or interim results. The company or its subsidiary may not repurchase securities if the company is under cautionary announcement.

(3) The requirements of sections 140 to 146 also apply to the purchase by a subsidiary of securities in its holding company except for transactions entered into on behalf of *bona fide* third parties by the company or any other member of its group on arms' length terms. An issuer must obtain approval from its shareholders, in accordance with section 140 (2) or section 144 before any major unlisted subsidiary of the listed company undertakes to purchase securities in its holding company.

(4) If a company has announced that it will repurchase its securities, it must pursue the proposal unless the VFEX permits the company, on good cause, not to do so.

(5) Where a repurchase by a company of its own securities is to be made, directly or through intermediaries, from a related party the requirements of Part XI (transactions with related parties) must be complied with unless—

(a) a *pro-rata* offer is made to all holders of the class of securities on the same terms; or

(b) in the case of an open-market repurchase pursuant to a general authority granted by shareholders, it is made without any prior understanding or arrangement between the company and the related party.

(6) A company may only undertake a repurchase of securities if it can maintain shareholder spread requirements in accordance with Part IV after such repurchase.

SUB-PART N: PURCHASE OF SECURITIES OTHER THAN EQUITY SHARES

Notification of decision to repurchase

148. Where a company intends to make a proposal which is to be open to all holders in respect of all or part of their holdings, or to repurchase any of its securities other than equity shares it must—

(a) ensure that no dealings in the relevant securities are carried out by or on behalf of the issuer or another member of its group, or its associate or subsidiary until the proposal has either been submitted to the VFEX or abandoned; and

(b) notify the VFEX of its decision to repurchase unless the repurchase will consist of individual transactions in accordance with the terms of issue of the securities, whether for sinking fund purposes or otherwise.

Notification of repurchases, early redemptions and cancellations

149. (1) Any repurchases, early redemptions or cancellations of an issuer's securities, other than equity shares, by or on behalf of the company or any other member of the group of which

it is part, must be notified to the VFEX when an aggregate of three *per centum* of the initial number of the relevant class of securities has been purchased, redeemed or cancelled, and for each three *per centum* in aggregate of the initial number of that class acquired thereafter.

(2) A notification under subsection (1) must be made as soon as possible and in any event not later than 08:30 hours on the business day following the day on which the relevant threshold is reached or exceeded, and must contain the following information—

(a) the number of securities acquired, redeemed or cancelled since the last such notification; and

(b) the number of the class of securities which remain outstanding; and

(c) when the securities repurchased must be cancelled and their listing terminated, if applicable.

Period between repurchase and notification

150. In circumstances where the repurchase is not being made pursuant to a general offer announced in accordance with section 146 (announcements following repurchase of securities) and the repurchase causes a relevant threshold in section 140 (repurchase of securities) to be reached or exceeded, no further repurchases may be effected until after notification in compliance with section 140 has been made.

Convertible securities

151. In the case of securities which are convertible into, exchangeable for, or carry a right to subscribe for equity securities, repurchases must not be made at a price more than five *per centum* above the weighted average of the market value for the securities for the five business days immediately preceding the date of repurchase unless a partial offer is made to all holders of that class of securities on the same terms.

Reduction of share capital

152. A company that wishes to reduce its share capital must—

(a) comply with the relevant provisions of the Companies And Other Business Entities Act [*Chapter 24:31*];

(b) obtain the approval of its shareholders in a general meeting held after the issue of a circular that includes a statement giving—

(i) the directors' opinions on the transaction; and

(ii) a recommendation as to how shareholders should vote at the general meeting to approve the transaction; and

(iii) an indication as to how the directors intend

to vote; and

(c) obtain the authorisation of shareholders given in terms of a general resolution.

General authority to reduce share capital

153. If, at its annual general meeting, a company seeks a general authority to reduce its share capital, a statement of the board of directors' intentions regarding the utilisation of the authority sought must be included in the notice of the general meeting.

Circular for reduction of share capital

154. The circular referred for reduction of share capital must contain—

(a) the contents of all previous circulars referred to in section 273 (contents of all circulars);

(b) general information on the company, including—

(i) the names and addresses of the directors;

(ii) the identity of major shareholders;

(iii) material changes;

(iv) directors' interests in securities;

(v) the share capital of the company;

(vi) a directors' responsibility statement; and

(vii) a litigation statement.

(c) the means and method by which the company intends to reduce its share capital; and

(d) the effect on earnings per share and net asset value.

SUB-PART O: GENERAL

Exchange control approval

155. The VFEX will not approve an issue of securities unless it receives copies of any necessary authority from the Reserve Bank of Zimbabwe, giving a ruling regarding the use of funds introduced through normal banking channels from abroad or from a non-resident account or from an emigrant's blocked account relating to such issue.

Securities registered in the name of nominee companies

156. (1) Where an issuer intends to enter into a transaction or scheme which may, in its effect, discriminate between shareholders who hold the issuer's securities beneficially through nominee companies and shareholders who hold the issuer 's securities directly, the issuer must ensure that the nominee companies timeously provide it with lists, certified as correct by directors of the nominee companies, of the individual shareholdings of the beneficial shareholders as at the relevant record date, by number and name, in order to ensure that all shareholders in the issuer receive equal treatment.

(2) Subsection (1) applies to all issuer transactions which give rise to fractional entitlements, such as distributions *in specie* of, or subscriptions for, securities in subsidiary companies or capitalisation issues.

Share certificates

157. (1) The VFEX may require certificates or other documents of title to be issued on the day of listing of new securities or within seven days from the date of lodgement of the certificates for transfer or splitting.

(2) All applicants that have not adopted Certified Transfer Deed Procedures must register scrip within 24 hours of receipt.

(3) The VFEX may not grant a listing to 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 must be settled during the week following the date the document of title is made available.

(4) Where it is proposed to issue share certificates which are distinct from existing listed securities, the company must submit to the VFEX a copy of the proposed certificate and a copy of the existing certificate. The procedures to be adopted thereafter must be agreed at this stage

between the company and the VFEX.

Over-allotment size

159. An over-allotment may not be more than 15 *per centum* of the issue size.

Acceptance of late postal deliveries

160.(1) Applicants must accept for registration deliveries bearing a postmark up to and including the date of the last day to register which are received within three days of that date.

(2) The last dayto register should be a Friday, but if the Fridayis a holiday then the previous business day must be taken as the last day to register.

(3) The VFEX will consider allowing the last day to register to fall on another day only in exceptional circumstances.

Odd-lot offers

161.(1) Pursuant to subsection (2), an "odd-lot" offer occurs when an issuer intends reducingadministrative costs resulting from a large number of "odd-lot" holders. An "odd-lot", is a total holding of less than 100 securities.

(2) When an issuer proposes to make an odd-lot offer, holders may—

(a) elect to retain their odd-lot holding; or

(b) elect to top up their odd-lot holding to one hundred securities; or

(c) elect to sell their odd-lot holding.

(3) If the top up and sale prices are not the same, the prices must in all circumstances be to the advantage of the holders concerned.

(4) Listed companies must not undertake odd-lot offers where they could lead to a contravention of the minimum spread requirements.

(5) In any distribution, award or reconstruction where shareholders may receive odd-lot entitlements, the affected shareholders must, where the issuer wishes to compensate such shareholders in monetary terms, be given the opportunity to elect to receive such odd-lot entitlements.

(6) In respect of odd-lot offers, the documents detailed in Part XVII must be submitted to the VFEX.

(7) The document that requires publication regarding odd lot offers is set out in Part XII.

Shares issued to sponsors and advisers in lieu of fees

162. Where an issuer issues shares to its sponsor or to its advisers in lieu of fees, such shares must be issued in compliance with this section. For new listings, such shares of the issuer must be held in trust by the issuer's auditors or legal practitioners and may not be disposed of within two years from the date of listing.

PART VII
PRE-LISTING STATEMENTS

Requirement for pre-listing statement

163. When an issuer applies for listing of its securities it must publish a pre-listing statement containing the particulars referred to in this Part.

Responsibility for pre-listing statement

164.(1) The pre-listing statement must include a statement in the form set out in section 193 (responsibility statement) which may be modified in terms of subsections (2) or (3) or in such other manner as may be permitted by the VFEX.

(2) If the pre-listing statement relates to securities issued in connection with a recommended take-over of the listed company and the directors of the other company accept responsibility for the information given on that company in the pre-listing statement, then the directors of the applicant may accept responsibility only for the rest of the information in the pre-listing statement and the responsibility statement must be modified accordingly.

(3) The VFEX may require responsibility to be extended to additional persons who have made specific statements in, or who have made contributions to, the pre-listing statement, in which case the statement must be modified accordingly.

(4) The pre-listing statement must be signed by every director of the applicant or by his or her agent or legal practitioner, and a copy of the authority of any such agent or legal practitioner must be submitted with the pre-listing statement. 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 section 217 (experts consents), such other person or his or her agent or legal practitioner must also sign the pre-listing statement and it must be stated clearly for which part or parts of the pre-listing statement each signatory bears responsibility.

Form and content of pre-listing statements

165. (1) Pre-listing statements must contain—

(a) theinformationprescribedin PartVIII(listingparticulars) accordingto thenatureand circumstances of the applicant and the type of security as specified in this Part; and

(b) such additional information as the VFEX may consider investors and their professional advisers will reasonably require for the purposes of making an informed assessment of the prospects and status of the applicant. If the VFEX requires additional disclosure it will inform the applicant accordingly within seven business days in writing.

(2) Pre-listing statements must provide factual information in words and figures and in a form that, as far as possible, is comprehensible and easy to analyse.

(3) The VFEX may require that prominence be given in the pre-listing statement to important information in such manner as it considers appropriate.

(4) In the case of pre-listing statements published by a new applicant, the following information must appear on the first page together with the names of the issuer, sponsors, bankers, auditors, reporting accountants, financial advisers, legal practitioners and any other specialist advisers—

(a) share capital;

(b) Responsibilitystatement;

(c) particulars of the issue;

(d) registration by the Registrar of Companies.

(5) Pre-listing statements should not contain pictures, charts, graphs or other illustrations unless the VFEX is satisfied that this is the only way in which the information can be clearly presented.

(6) Where the information required by a particular section is inappropriate to the applicant's sphere of activity or legal nature, the information must, subject to section 168

(exclusion of information), be appropriately adapted so that equivalent information is given.

(7) Possible risks to the issuer are required in all instances except where the VFEX advises otherwise.

(8) Unless specified, all references to disclosure are as at the date the pre-listing statement is issued or as near to such date as practicable.

(9) 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 section.

(10) The VFEX will not require an indebtedness statement 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 VFEX is satisfied that—

(a) the inclusion of such a statement would not provide significant information for investors; and

(b) the applicant's solvency and capital adequacy are suitably regulated by another regulatory body.

Shareholder approval

166. If the issue of securities inrespect 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 the pre-listing statement is attached will be passed at the General Meeting of shareholders to be held on …… and registered (if applicable).".

Formal approval for publication

167. (1) Pre-listing statements must be approved by the VFEX before publication. Such approval will only be given if the VFEX considers that the information in the pre-listing statement is complete.

(2) Pre-listing statements submitted to the VFEX for approval must be in the form of a typed document, but the VFEX may permit manuscript information relating to the number of securities and the price, and any figures derived from them, when these items are not settled until a later stage.

Supplementary pre-listing statements

168. (1) The applicant must notify the VFEX of the need to publish a supplementary pre-listing statement, which it should publish at any time after pre-listing statements have been published and in any case, 72 hours before dealings in the relevant securities commence if circumstances warranting any changes arise.

(2) In the event that it is not possible to issue the supplementary pre-listing statement 72 hours before dealings commence, VFEX will declare the commencement of dealings postponed to a date approved bythe VFEX.

(3) Supplementary pre-listing statements must—

(a) give details of any change or new matter; and

(b) contain a statement that, save as disclosed, there has been no significant change and no significant new matter has arisen since publication of the previous particulars; and

(c) contain a statement that a copy of the supplementary listing particulars has been delivered to the Registrar of Companies, if applicable.

Exclusion of information

169. (1) If any information required by section 164 (form and content of prelisting statement) is not applicable and no equivalent information is available, the VFEX must be informed in writing and approval of such exclusion obtained.

(2) The VFEX may authorise the variation of information which is applicable if it satisfied that—

(a) the information is of minor importance only and is not such as will influence assessment of the assets and liabilities, financial position, profits and losses and prospects of the applicant;

(b) disclosure would be seriously detrimental to the applicant or would constitute an invasion of the applicant's right to privacy, and non-inclusion is not likely to mislead investors with regard to facts and circumstances, the knowledge of which is essential for the assessment of the securities in question.

(3) Requests to the VFEX to authorise any exclusion of information must—

(a) be made in writing by the applicant or by the applicant's sponsor; or

(b) identify the information concerned and the reasons for the non-inclusion; and

(c) state why, in the opinion of the applicant, one or more of the grounds in this subsection (2) applies.

Exclusion of significant contract from disclosure

169. Full disclosure of a significant contract is required, but the VFEX may allow all or part of such a contract to be withheld from public inspection upon request made in writing by the applicant or by the applicant's sponsor—

(a) stating why, in the opinion of the applicant, one or more of the grounds in section 168 (3) applies; and

(b) enclosing a copy of the contract concerned and an outline of its terms; and

(c) including a confirmation by the applicant that the contract is a significant contract.

Issues not requiring pre-listing statements

170. (1) Pre-listing statements are not required for issues of securities by an applicant whose securities are already listed and fall into the following categories—

(a) securities resulting from the conversion of convertible securities;

(b) securities resulting from the exercise of rights under options;

(c) securities issued in place of securities already listed, provided that there is no increase in the nominal value of the share capital as a result;

(d) securities allotted to employees, if securities of the same class are already listed;

(e) issues relating to the extension of a business contemplated by and previously described in a pre- listing statement in respect of which the requirement to issue a pre-listing statement may be waived or the requirements reduced at the discretion of the VFEX;

(f) securities resulting from capitalisation issues; or

(g) issues of securities, including rights issues, which, together with any securities of the same class issued in the previous 3 months, would increase the securities issued by less than 30 *per centum*. For this purpose a series of issues in connection with a single transaction, or series of transactions that is regarded by the VFEX as a single transaction, will be deemed to be a single issue.

(2) In cases where pre-listing statements are not required under paragraphs (a) to (f) of subsection (1), the following information must be published by way of an announcement —

(a) where the issue would increase the securities of the relevant class by 30 *per centum* or more, the names and addresses of directors, directors' responsibility statement and pro-forma financial statements;

(b) where the issue would increase the securities of the relevant class by less than 30 *per centum* but more than 10 *per centum*, the number and type of securities to be admitted and the circumstances of their issue.

(3) In cases where a pre-listing statement is not required under subsection (1) the VFEX may require the applicant to publish further information which the VFEX considers investors and their professional advisers may reasonably need in order to make an informed assessment of the applicant's prospects and status.

(4) Information required under subsection (1) must be published by way of an announcement and, if the VFEX so requires, by way of a circular to shareholders.

Acquisition and merger issues

171. In relation to an acquisition or merger where the consideration for a purchase of assets is regulated by Part X (transactions), or where the consideration being offered consists of securities for which listing will be sought, the VFEX may require pre-listing statements as described in section 172 and Part X. Pre-listing statements may be necessary either as a result of the original terms of the offer or as a result of a revision of the terms during the course of an offer. Where pre-listing statements have already been published and the offer is revised, the VFEX may require supplementary pre-listing statements as provided in section 173.

Requirements of pre-listing statements regarding acquisition and merger issues

172. Pre-listing statementsissued in accordance withsection 171 mustcomplywith therelevant requirements of this Part subject to the following—

(h) references in Part VIII (listing particulars) to the applicant's group will not, except as required by paragraphs (b) and (c), include the offeree company and its subsidiaries unless it has become a member of the applicant's group by the time the pre-listing statements are published; and

(i) the information regarding major shareholders, major interests in securities and directors' interests in securities must be given in relation to the applicant's share capital both as existing and as enlarged by the securities for which listing is sought; and

(c) if the offer—

(i) is recommended by the board of the offeree company at the time of the publication of an offer document, the applicant must publish a statement as to the adequacy of working capital and details of material loans on the basis that the acquisition has taken place;

(ii) has not been recommended by the board of the offeree at the time of the publication of an offer document, the applicant must publish its own statement as to the adequacy of working capital and details of material loans, but the VFEX will allow the statement as to the adequacy of working capital and details of material loans on the combined basis to be given later, in a circular or supplementary pre-listing statement which must be published, in the absence of exceptional circumstances, within 28 calendar days after the offer is declared wholly unconditional. In the latter case, the pre-listing statement must state that the statements on a combined basis will be available within 48 hours, and the applicant must make them available within that time.

Publication and distribution of pre-listing statements to shareholders

173. Pre-listing statements or supplementary pre-listing statements must be published in full or in an abridged form in accordance with Part XII (circulars, prelisting statements, and prospectus and press statements) and distributed to all shareholders in accordance with Part IV (continuing obligations). Where pre-listing statements are revised or supplementarypre-listing statements are prepared they should ordinarily be published and circulated to shareholders at the time of despatch of the revised offer document. In a proper case the VFEX may permit pre-listing statements to be published and circulated after the despatch of the revised offer documents but before listing is granted.

New applicants and issuers not issuing prospectus

174. (1) New applicants not issuing a prospectus are required to provide the following information in the pre-listing statement—

(a) directors, managers and advisers; and

(b) securities for which application is being made; and

(c) group's activities in terms; and

(d) financial information.

(2) Existing listed companies not issuing a prospectus are required to provide all the information in Part VIII in the pre-listing statement except information provided for in terms of—

(a) sections 209 and 210(1) and (4);

(b) section 218(1) (a) and (j);

(c) section 239(1).

PART VIII
SUB-PART A: LISTING PARTICULARS

Applicant's name, address and business

175. The applicant must disclose—

(a) name of the applicant and addresses of the registered office; and

(b) the details of the transfer office, the applicant's date and place of incorporation; or

(c) if an external applicant, proof of incorporation and the date of registration in Zimbabwe;

(d) if the applicant is a subsidiary, the name and address of the registered office of its parent;

(e) if the applicant has changed its name within the last three years the old name must be disclosed alongside the existing name on the first page; and

(f) brief description of the applicant's business.

Share capital

176. (1) If the applicant's share capital consists of shares of par value it must disclose—

(a) the authorised and issued, or agreed to be issued, share capital detailing—

(i) the classes of shares; and

(ii) the number of shares in each class; and

(iii) the amount paid up for each class; and

(b) any share premium.

(2) If the applicant's share capital consists of shares of no par value it must disclose—

(a) the stated capital; and

(b) the number of shares issued and held in reserve; and

(c) the classes of shares.

(3) Applicant must disclose the description of the respective—

(a) preferential, conversion and exchange rights;

(b) voting rights; 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.

(4) Applicant must disclose information regarding the consents necessary for the variation of rights attaching to securities.

(5) A summary of any issues or offers of securities of the applicant and its subsidiaries during the preceding three years must be disclosed, including—

(a) the prices and terms at which such securities were issued or offered;

(b) by whom any such offers were so made;

(c) the number of securities allotted in pursuance of the issues and offers;

(d) whether the securities were issued to all shareholders in proportion to their shareholdings or, if not, to whom they were issued, the reasons why the securities were not so issued and the basis of allotment;

(e) the dates of the issues or offers;

(f) the reasons for any premium or discount on the issue or offer, how any premium was dealt with and, if some securities were issued or offered at a premium and others at par or a lower premium, 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, together with such further detail as required by the Companies and

Other Business Entities Act [*Chapter 24:31*]; and

(h) details of any share repurchases, i.e. the number of shares purchased and the average share price.

(6) The applicant must disclose a —

(a) summary of any consolidations or sub-divisions of the shares during the preceding three years or such lesser period as the company has been trading, together with details of commissions and underwriting costs as required by the Fourth Schedule to the Companies and Other Business Entities Act [*Chapter 24:31*];

(b) statement as to who controls the issue or disposal of the authorised but unissued securities, that is, the directors or the shareholders in general meeting;

(c) statement as to what other classes of securities are listed and on which securities exchanges.

Borrowing powers

177.(1) The requirement for trust deeds in respect of debentures as set out in the Fifteenth Schedule must be complied with. With regard to borrowing, the applicant shall also be obliged to disclose the borrowing powers of the applicant and its subsidiaries exercisable bythe directors and the manner in which such borrowing powers may be varied.

(2) The following information should be disclosed—

(a) if the borrowing powers have been exceeded during the past three years, a description of the circumstances in which they were exceeded;

(b) any exchange control or other restrictions on the borrowing powers of the applicant or any of its subsidiaries;

(c) the amount of debentures created in terms of the trust deed and the amount issued or agreed to be issued;

(d) details of material loans, including debentures, to the applicant and to any of its subsidiaries, stating—

(i) whether such loans are secured or unsecured and details of the security, if any;

(ii) the names of the lenders, if they are not debenture holders;

(iii) the amount, terms and conditions of repayment or renewal;

(iv) the rates of interest on each loan;

(v) details of conversion rights; and

(vi) where the applicant or any of its subsidiaries have debts which are repayable within 12 months from the date of the application, a statement of how the payments must be financed.

(3) In addition to the requirements stated in subsection (1), the applicant must disclose—

(a) particulars relating to debentures, or debenture stock issued by way of conversion or replacement of debentures or debenture stock previously issued, stating all material differences between the security for the old stock and the security for the new stock, or (if such be the case) a statement that the security for the new stock is identical with the security for the old stock;

(b) details of all material commitments, lease payments and contingent liabilities;

(c) details of all off-balance-sheet financing by the applicant and any of its subsidiaries; and

(d) how the borrowings required to be disclosed by subsection 2(d) arose, stating whether they arose from the purchase of assets by the applicant or any of its subsidiaries. If no loan capital is outstanding, this fact must be stated.

Loans receivable

178. The applicant is required to disclose—

(a) details of material loans by the applicant or by any of its subsidiaries, stating—

(i) the date of the loan;

(ii) to whom the loan was made;

(iii) interest and repayment terms;

(iv) if the interest is in arrears, the last date on which it was paid and the extent of the arrears;

(v) the period of the loan;

(vi) the nature of security held;

(vii) the value of such security and the method of valuation;

(viii) if the loan is unsecured, the reasons for the lack of security; and

(ix) if the loan was made to another company, the names and addresses of the directors of such company;

(b) details as described in subparagraph (a) of loans made or security furnished by the applicant or by any of its subsidiaries made for the benefit of any director or manager or any associate of any director or manager;

(c) explanation of how the loans receivable arose, stating whether they arose from the sale of assets by the applicant or any of its subsidiaries.

Options or preferential rights in respect of securities

179. (1) Disclosure from the applicant shall be required of —

(a) 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 to subscribe for any securities of the applicant or any of its subsidiaries, giving the number and description of any such securities, including, in regard to the option or right, particulars of—

(i) the period for which it is exercisable;

(ii) the price to be paid for securities subscribed for under it;

(iii) the consideration given or to be given for it;

(iv) the names and addresses of the persons to whom it was given, other than existing shareholders as such or to employees under a *bona fide* staff option scheme;

(v) if given to existing shareholders as such, material particulars thereof; and

(vi) any other significant fact or circumstances concerning the granting of such option or right.

(2) For the purpose of subsection (1) subscribing for securities includes acquiring them from a person to whom they were allotted or were agreed to be allotted with a view to that person offering them for sale.

Controlling shareholders

180. With regard to controlling shares disclosure must include—

(a) the names of the controlling shareholder(s) so far as they are known to the directors of the applicant, or a statement that there are no such shareholders or that their names are not known;

(b) details of any change in controlling shareholder(s) as a result of the issue.

Major shareholders

181. In so far as is known to the applicant, the name of any shareholder, other than a director, who is directly or indirectly beneficially interested in 5 *per centum* 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, a statement of that fact must be disclosed.

Directors, managers and advisers

182. The following sections detail the disclosure requirements relating to directors, managers and advisers.

Directors and management

183. (1) Directors, managers and advisors are required to disclose—

(a) 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 outside the group, where these are significant with respect to the group—

(i) directors of the applicant and its subsidiaries;

(ii) partners with unlimited liability, in the case of a limited partnership with share capital;

(iii) founders, if the applicant has been established for fewer than five years; and

(iv) in the case of a new applicant and its subsidiaries, any senior manager who is relevant to establishing that the requirements of section 77 have been met.

(b) in the case of each person described in this section details of that person's relevant management expertise and experience and the following information—

(i) full names (specifying the chairperson, chief executive officer and managing director, if any);

(ii) occupations;

(iii) business addresses;

(iv) nationalities;

(v) 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 person is still a director or partner. It is not necessary to list all the subsidiaries of the applicant of which the person is also a director;

(vi) if the person, whether in Zimbabwe or elsewhere, has at any time been declared insolvent or bankrupt or has assigned his or her estate for the benefit of creditors, details of every such occasion;

(vii) if any company of which the person was a director, whether in Zimbabwe or elsewhere—

A. was wound up at the instance of creditors, whether compulsorily or

voluntarily;

B. was placed under corporate rescue; or

C. entered into a composition or arrangement with its creditors generally or any class of its creditors;

while the person was a director or within 12 months after he or she ceased to be a director, details of the event or occurrence;

(viii) if any partnership of which the person was a partner, whether in Zimbabwe or elsewhere, underwent any event or occurrence referred to in paragraph (b) (vi) or (vii) while the person was a partner or within 12 months after he or she ceased to be a partner, details of the event or occurrence;

(ix) details ofanypublic criticism ofthe personbyanystatutoryor regulatory authority (including a recognised professional body) and whether the person has ever been disqualified by a court from acting as director of a company or from acting in the management or conduct of the affairs of any company; and

(x) in the case of a senior manager, any conviction of the person for an offence involving dishonesty, giving details of the offence and the sentence imposed on the person.

(c) details of the information contained in the director's declaration as set out in Twenty-first Schedule of these rules;

(d) in the case of a foreign applicant, information equivalent to that described above, in relation to its Zimbabwean executive management, if any;

(e) 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 relating to the appointment of any director;

(f) the provisions of the articles of association or other corresponding document of the applicant and each of its subsidiaries (or an accurate summary of those provisions) with regard to—

(i) the qualifications of directors;

(ii) the remuneration of directors; and

(iii) any power enabling the directors to vote on remuneration to themselves or any members of their body.

(2) In addition to disclosure referred to in subsection (1) the applicant must disclose—

(a) an analysis of the emoluments which were paid or payable, or were proposed to be paid, by the applicant or the group of which the applicant is a member, to the board of directors as a whole and to each individual director or proposed director, during the last two financial periods;

(b) the analysis must distinguish between emoluments paid or payable to executive directors and those paid or payable to non-executive directors;

(c) emoluments to be covered in the analysis include—

(i) emoluments paid to the directors in their capacities as such or in any other capacity, whether the emoluments were determined by the applicant's articles or in any other way;

(ii) fees for services as a director;

(iii) 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;

(iv) basic salary;

(v) bonuses and performance-related payments;

(vi) sums paid by way of expense allowance;

(vii) any other material benefits received;

(viii) contributions paid under any pension scheme;

(ix) any commission, gain or profit-sharing arrangements; and

(x) in respect of share options or any other right given to the directors which has had the same or a similar effect in respect of providing a right to subscribe for shares ("share options")—

A. the opening balance of share options, including the number of share options at each different strike price;

B. the number of share options awarded and their strike prices;

C. the strike dates of differing lots of options awarded, where the options have already been exercised in the past three years;

D. the number of share options exercised and at what prices;

E. the closing balance of share options, including the number of share options at each different strike price;

F. the disclosure of policy relating to the exercise of share option scheme;

(d) any shares issued and allotted in terms of a share purchase or option scheme for employees (or other scheme or structure effected outside the applicant which achieves substantially the same objectives as a share purchase or option scheme), usually held as a pledge against an outstanding loan to an employee in a sharepurchase 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;

(e) the information specified in paragraph (x) of subsection (2)(c) may be presented in tabular form;

(f) without derogating from the generality of subsection 2, the directors' emoluments disclosed in accordance with that subsection must include disclosure of all emoluments received or receivable from the following entities—

(i) the applicant's holding company;

(ii) the applicant's subsidiaries and fellow subsidiaries;

(iii) associates of the entities referred to in paragraphs (i) and (ii);

(iv) joint ventures of the applicant or of any entity referred to in paragraph (i), (ii) or (iii); and

(v) entities that providemanagement oradvisoryservices to the applicant orto any entityreferred to in paragraph (i), (ii), (iii) or (iv).

(3) Other requirements for disclosure are —

(a) fees paid or accrued as payable to a third party in lieu of directors' fees must be disclosed in a similar manner as that detailed in subsection (2);

(b) if the remuneration receivable by any of the directors of the applicant will be varied in consequence of any transaction, full particulars of the aggregate variation in the remuneration of the directors concerned must be stated, and if there is no variation, there must be a statement to that effect;

(c) 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 third party's name and address, or the address of its registered office if a company, 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;

(d) a summary of the provisions of the applicant's constitutive documents with regard to—

(i) any power enabling a director to vote on a proposal, arrangement or contract in which he or she is materially interested;

(ii) any power enabling the directors, in the absence of an independent quorum, to vote on remuneration (including pension or other benefits) to themselves or any members of their board;

(iii) borrowing powers exercisable by the directors and how such borrowing powers can bevaried; and

(iv) whether there is an age-limit beyond which directors cannot continue serving and, if there is such a limit, the age at which they must retire.

Secretary

184. The full name, physical and postal address and professional qualifications of the company secretary of the applicant and any former forenames or surnames must be disclosed (refer to the Twenty-fifth Schedule).

Auditor, legal practitioner, banker, stockbroker, trustee, underwriter (*including sub-underwriter where applicable*) *and expert*

185. The names and physical and postal addresses of the applicant's auditor, legal practitioner, banker and securities dealer and, if applicable, the trustee, underwriter (including sub-underwriter where applicable) and any expert referred to in the pre-listing statement and any holding of securities in or agreed to be acquired in the applicant by such persons must be disclosed.

Amounts paid or payable to promoter

186. The amount paid within the preceding three years or proposed to be paid to any promoter, with his or her name and address, or to any partnership, syndicate or other association of which he or she 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 must be disclosed.

Commissions paid or payable in respect of underwriting

187. (1) 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 within the preceding three years, or payable, as commission to any person (including commission so paid or payable to any sub-underwriter which 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, particulars of the amounts underwritten or sub-underwritten by each and the rate of the commission payable for such underwriting or sub-underwriting contract with such person; and

(c) if such person is a company, the names of its directors 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.

(2) In addition to subsection (1), further disclosure is required of—

(a) particulars of any commissions, discounts, brokerages or other special terms granted during the three years preceding the application and 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 annual accounts;

(b) commission payable on the issue of shares is not expected to exceed five *per centum* of the price at which the shares were issued and must be authorised in the articles. Where the expenses exceed five *per centum*, the applicant must satisfy the VFEX why they do so;

Preliminary expenses and issue expenses

188. (1) The following disclosure is required with respect to preliminary expenses and issue expenses—

(a) the amount or estimated amount of preliminary expenses, if incurred within three years of the date of the pre-listing statement, and the persons by whom or to whom any of those expenses were paid or are payable; and

(b) the amount or estimated amount of the expenses of the issue (including the VFEX listing and inspection fee) and the persons by whom or to whom any of those expenses were paid or are payable.

(2) For the purposes of subsection (1)(b) there must be separate disclosure of each sponsor, financial adviser, corporate adviser, legal practitioner, commercial banker, investment banker, accountant, auditor, underwriter, sub-underwriter and any other adviser involved, where there are two or more of such advisers per advisory category, and the individual amounts paid or payable to each such individual person or adviser by the applicant.

(3) Amounts paid or payable to auditors must be broken down into audit and non-audit fees.

Interest of directors and promoter

189. (1) Disclosure of the following is required—

(a) 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 section 191 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;

(b) where the interest of a director or promoter consists of being a member of a partnership, company, syndicate or other association of persons, there must be disclosure of 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.

(2) 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 or she is

beneficially interested, directly or indirectly, or of which he or she is a director, or to any partnership, syndicate or other association of which he or she is a member, in cash or securities or otherwise, by anyperson either to induce him or her to become or to qualifyhim or her as a director, or otherwise for services rendered by him or her or by the company, partnership, syndicate or other association in connection with the promotion or formation of the applicant.

Directors' interests in securities

190. A statement showing the aggregate of the direct and indirect interests of the directors in, and the direct and indirect interests of each director's holding of, the share capital of the applicant distinguishing between beneficial and non-beneficial interests must be submitted. The statement should include by way of a note any change in those interests occurring between the end of the financial year and the date of the pre-listing statement or, if there has been no such change, a statement to that effect.

Directors' interests in transactions

191. When disclosing Directors' interests in transactions, all relevant particulars regarding the nature and extent of any beneficial interests, whether direct or indirect, of the applicant's directors in transactions which were effected by the applicant—

(a) during the current or immediately preceding financial year; or

(b) during an earlier financial year, where the transactions remain in any respect outstanding or underperformed:

Provided that where there are no such transactions, a statement to that effect must be submitted.

Responsibility statement

192. A directors' responsibility statement must be disclosed as follows—

"*The directors, whose names are given in section ... 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 other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that the prospectus contains all information required by law*.

The directors confirm that the listing particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the listing particulars relate."

Responsibility of directors, managers and advisers

193. (1) On submission of a listing circular, it is a requirement that the circular be signed by every director of the applicant or by his or her agent.

(2) Where responsibility for any information contained in different parts of the circular has been extended to or accepted by any other person, that other person or his or her agent must also sign the circular and it must be stated clearly for which part or parts of the pre-listing statement each signatory bears responsibility.

(3) Where the circular is signed by an agent, a copy of the agent's authority must be included in the circular.

SUB-PART B: SECURITIES FOR WHICH APPLICATION IS BEING MADE

Purpose and particulars of the issue or offer

194. A statement of the purpose of the issue, giving reasons why it is considered necessary for the applicant to raise the capital offered or, if it is a sale, the reasons for the sale, and if the capital offered is more than the amount of the minimum subscription referred to in section 198, the reasons for the difference between the capital offered and the minimum subscription must be disclosed—

(a) for particulars of the securities issued or offered, including—
  (i) the class of securities;
  (ii) the nominal value of the securities, if applicable;
  (iii) the number of securities issued or offered;
  (iv) the issue or offer price;
  (v) how the new securities rank for dividend;
  (vi) whether the new securities rank *pari-passu* with any existing listed securities;
  (vii) any convertibility or redemption provisions;
  (viii) the nature of the document of title;
  (ix) the treatment of any fractions; and
  (x) other terms and conditions of the issue or offer.

(b) for particulars of the debentures issued or offered, including—
  (i) the class of debentures;
  (ii) the terms and conditions of the debentures;
  (iii) if the debentures are secured, particulars of the security, specifying the assets or property comprising the security and nature of the title to the asset; and
  (iv) other terms and conditions of the issue or offer.

Timing of subscription lists

195. Disclosure is required—

(a) if applicable, the times and dates of the opening and of the closing of the subscription lists, issue or offer;

(b) if known, the dates on which the securities will be admitted to listing and on which dealings will commence;

Issue price

196. (1) In terms of issue price the following must be disclosed —

(a) the amount payable by way of premium, if any, on each security which is to be issued and, where some securities must be issued at a premium and other securities at par or at a lower premium, the reasons for the differentiation, and how any such premium is to be dealt with;

(b) where no par value shares must be issued, the price at which they must be issued and the reasons for any differentiation.

Minimum subscription

197. When disclosure is concerned with minimum subscriptions, the minimum amount which, in the opinion of the directors, must be raised by the issue or offer of the securities in order to provide the sums or, if any part of the issue or offer is to be defrayed in any other manner, the balance of the sums required to be provided, in respect of each of the following matters—

(a) the purchase price of any property, as referred to in section 191 (directors interests in transactions), purchased or to be purchased, which is to be defrayed in whole or in part out of the proceeds of the issue, including goodwill, if any;

(b) any preliminary expenses payable by the applicant, and any commission payable to any person in consideration for his or her agreeing to subscribe for, or of his or her procuring or agreeing to procure subscriptions for or of his or her underwriting, any securities of the applicant and the amount or estimated amount of the expenses of the issue;

(c) the repayment of any moneys borrowed 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) the amounts to be provided in respect of the matters referred to in paragraphs (a) to (e), otherwise than out of other proceeds of the issue, and the sources from which those amounts must beprovided.

Lodging of prospectus with the Registrar of companies

198. If the pre-listing statement is a prospectus, a statement that a copy of the pre-listing statement has been registered by the Registrar of Companies in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] and the date of such registration must be disclosed.

Disclosure of authorisations

199. A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created or issued must be disclosed.

Dividends disclosure

200. An applicant is required to disclose—

(a) the time limit, if any, after which entitlement to dividends lapses, and an indication of the person in whose favour the lapse operates;

(b) the date or dates, if any, on which entitlement to dividends arise;

(c) particulars of any arrangement under which future dividends are waived or agreed to be waived.

Market value of securities

201. Where the securities for which application is being made are of a class which is already listed, a table of the aggregate volumes traded and the highest and lowest prices traded in those securities—

(a) for each month over the twelve months prior to the date on which the pre-listing

statement or circular was issued; and

(b) for each quarter over the previous two years; and

(c) for each day over the 30 days preceding the last practicable date prior to the issue of the pre-listing statement or circular; must be disclosed.

Rights offers, capitalisation issues and scrip dividends

202. (1) Where the securities for which application is being made are allotted by way of capitalisation of reserves or undistributed profits or the application of a share premium to the holders of an existing listed security, the following information must be disclosed—

(a) the reason for the capitalisation issue or scrip dividend; and

(b) the share class and the par value, if any; and

(c) if applicable, that the shareholder may receive cash in substitution for the whole or part of their capitalisation issue or scrip dividend and *vice versa*; and

(d) if applicable, the last day on which shareholders must make their election; and

(e) a statement pointing out possible tax implications; and

(f) in the case of a scrip dividend, a statement in bold and upper case, on the front page, drawing shareholders' attention to the type of election to be made (for instance, that shareholders will receive cash if they fail to make the election); and

(g) the amount to be capitalised from the share premium or reserves of the applicant to pay up in full for the capitalisation securities; and

(h) the ratio in which the capitalisation securities will be allotted to shareholders of the applicant; and

(i) the last dayonwhichashareholdermustbe registered inorderto receive the capitalisation securities or scrip dividend; and

(j) whether or not the documents of title, if any, are renounceable.

(2) In the case of a rights offer, the following information must be disclosed—

(a) the purpose of the rights offer; and

(b) the minimum sum to be raised through the rights offer to satisfy its purpose; and

(c) the amount to be raised by means of the rights offer, and the number of securities that are proposed to be issued; and

(d) the terms of the offer and where the ratio gives rise to fractions, a table of entitlements must be included in the circular; and

(e) a statement regarding fractions of securities, whereby normally fractions are sold for the benefit of the company, however, should the value of a fraction be in excess of 500 cents then such amount must be paid to the shareholders concerned; and

(f) details of the underwriter (and sub-underwriter where applicable), with a clear statement of the underwriting commission; and

(g) where the underwriter (and sub-underwriter where applicable) is a company, the following information must be furnished—

(i) the place and date of incorporation and registered number of the company; and

(ii) the names of the directors; and

(iii) the name of the company secretary; and

(iv) the company's bankers; and

(v) the authorised and issued share capital.

(h) details regarding the proposed listing of the letters of allocation, the subsequent listing of the new securities and the amount payable in respect of listing fees;

(i) details regarding the letters of allocation such as—

(i) acceptance; and

(ii) renunciation; and

(iii) splitting; and

(iv) payment (payment must be made solely in the United States Dollars.)

and

(j) a statement detailing the requirements, if any, of the Reserve Bank of Zimbabwe.

Simultaneous issues

203. 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 provided of the nature of those issues and of the number and characteristics of the securities concerned.

Over-subscriptions

204. 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, a statement of that fact must be disclosed.

SUB-PART C: GROUP'S ACTIVITIES

Disclosure of general history of applicant

205. (1) The general history of the applicant and its subsidiaries, stating, *inter alia*—

(a) the length of time during which the business of the applicant and of anysubsidiaryhas been carried on; and

(b) the name, date, place of incorporation and registration number and the issued or stated capital of the applicant's subsidiaries, together with details of the securities held by the applicant, indicating those not listed on the VFEX and the main business of its subsidiaries and the date on which each of them became a subsidiary; and

(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; must be disclosed.

(2) A general description of the business carried or to be carried on by the applicant and its subsidiaries and, where the applicant or its subsidiaries carry on or propose to carry on two or more businesses which are material having regard to the profits or losses, assets employed or to be employed or anyother factor, information as to the relative importance of each such business must be provided.

(3) For each business described in subsection (2), details of any government protection and anyinvestment promotion law that affects the business must be provided.

(4) Details of any material changes in the businesses of the applicant during the past five years must be provided.

(5) The opinion of the directors, stating the grounds for their opinion, as to the prospects of the business of the applicant and of its subsidiaries and of any subsidiary or business undertaking to be acquired, together with any material information which may be relevant thereto must be provided.

(6) The situation, area and tenure (including, in the case of leased property, the rent and unexpired term of the lease) of the principal immovable property held or occupied by the applicant and any of its subsidiaries must be provided.

(7) Fullinformation ofallmaterialinter-company fi andothertransactions, withspecific disclosure of all inter-company balances before elimination on consolidation must be provided.

(8) The applicant must provide—

(a) the history of the change in each controlling shareholder and trading objects of the applicant and
its subsidiaries during the previous five years; and

(b) astatementofthe new trading objects and the manner inwhichthe new objects will be implemented; and

(c) if the applicant or, as the case may be, the group carries on widelydiffering operations, a statement showing the contributions of such respective differing operations to its trading results; and

(d) 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 by the applicant

206. Where, within the three years preceding the date of the circular, the applicant or any of its subsidiaries acquired or proposes to acquire any securities in or the business undertaking of any other company or business enterprise or any immovable property or other property in the nature of a fixed asset, collectively "the property", or any option to acquire such property, the following information must be provided—

(a) the date of any such acquisition or proposed acquisition;

(b) the consideration, detailing that settled by the issue of securities, the payment of cash or by any other means, and detailing 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 section 219;

Disposal of property by the applicant

207. The following details regarding any property described in section 206 disposed of during the past three years, or to be disposed of, by the applicant or any of its subsidiaries must be provided—

(a) the dates of any such disposal or proposed disposal; and

(b) the consideration received, detailing that settled by the receipt of securities, or cash or by other means and detailing how any outstanding consideration is to be settled; and

(c) details of the valuation of the property; and

(d) the names and addresses of the purchasers of assets sold. If any purchaser was a company, the names and addresses of the beneficial 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 which had such interest, the names of any such promoter or director, and the nature and extent of his or her interest.

Disclosure of litigation proceedings against the applicant

208. The applicant must disclose —

(a) information on any legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the applicant is aware, which may have or have had in the recent past, covering at least the previous 12 months, a material effect of the group's financial position; and

(b) where there are no proceedings such as are referred to in paragraph (a), a statement to that effect.

Accountants' reports

209. The following information must be provided —

(a) an accountants' report on the applicant, as set out in Part IX (financial information);

(b) if applicable, an accountants' report, as set out in Part IX, on the asset which is the subject of the transaction.

Report of historical financial information

210. (1) The requirements set out in Part IX must be complied with and included in the pre-listing statement.

(2) The following information from the applicant's latest annual financial statements on a consolidation basis must be provided—

(a) the statement of profit or loss and other comprehensive income;

(b) the statement of financial position;

(c) the cash flow statement;

(d) any significant accounting policies or notes to the financial statements;

(e) retirement benefit information as required by the Companies and Other Business Entities Act [*Chapter 24:31*]; and

(f) a statement that the auditors' report was without qualification or, if it was qualified, details of such qualification.

(3) 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 covering at least the first six months following the end of that financial year must be included in or appended to the pre-listing statement. If such an interim report is unaudited, that fact must be stated.

(4) If the applicant's own annual or consolidated annual financial statements do not fairly present the assets andliabilities, financialpositionandprofitsandlossesofthegroup, moredetailed oradditionalinformation must be given.

(5) In respect of each of the preceding five years, or such lesser period if the company has traded for less than five years, particulars of the following, where the applicant is a holding company, appropriate information should be provided in consolidation form—

(a) the profits or losses before and after tax;

(b) the dividends paid;

(c) the dividends paid in cents per share; and

(d) the dividend cover for each year.

(6) Particulars of the dividend policy to be adopted, the pro-forma statement of financial position prior to and immediately after the proposed issue of securities and the effect of the proposed issue of securities on the net asset value per share must be disclosed—

(7) The particulars required by subsection (6) must be prepared and presented in accordance with IFRS or any other framework listed in Twenty-seventh Schedule (accounting frameworks acceptable to VFEX) acceptable to the VFEX for foreign issuers. If the applicant is a holding company, the information must be prepared in consolidated form.

(8) Particulars of all investments exceeding 10 *per centum* of the total assets of the applicant must be disclosed.

Disclosure of acquisitions made from proceeds

211. (1)The acquisitions made from proceeds of 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 in consequence of which that company will become a subsidiary of, or otherwise part of, the applicant, in respect of each of the preceding five years the same particulars relating to the company or the business undertaking being acquired as are required by section 170(a), with any necessary changes, and a general history of the company or the business undertaking being acquired as required by section 172 must be provided.

(2) 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 the proposed acquisition must be taken in arriving at the particulars described in section 172.

(3) 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 five years, theparticularsrelatingtothe company or business undertaking being acquired in accordance with section 222(4) relating to the profits before and after tax and the profits before and after tax; and must be provided.

Statement on working capital

212. (1) A statement that in the opinion of the directors the applicant's working capital, including the amount to be raised in pursuance of this issue, is adequate for the purposes of the business of the applicant and of its subsidiaries for at least the next 12 months must be provided. If the directors are of the opinion that it is inadequate, there must be a statement of the extent of the inadequacy and the manner in which and the sources from which the applicant and its subsidiaries are, or must be, financed and how it is proposed to provide

the additional working capital thought by the directors to be necessary.

(2) The statement must be supported by a report from the applicant's auditor, reporting accountant, merchant banker, sponsor or other adviser acceptable to the VFEX.

(3) The working capital statement should be prepared on the group, as enlarged by the acquisition of any assets.

(4) Issuers and sponsors must comply with the requirements of Twenty-fourth Schedule (guidance on working capital) with regard to subsections (1) and (4).

Statement on changes in financial or trading position of applicant's working capital

213. A description of any material change in the financial or trading position of the applicant and its subsidiaries which has occurred since the end of the last financial period for which either annual financial statements or interim reports have been published must be provided and where there has been no such change, a statement to that effect.

Profit forecasts and Pro-forma statements

214. Profit forecasts and pro-forma statements must comply with Part IX (financial information).

Material contracts

215. (1) Subject to section 169, the dates, the nature of and the parties to every significant contract must disclose—

(a) every significant contract entered into orally 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 and entered into within the two years prior to the date of the pre-listing statement; and

(b) any other contract entered into at any time that contains an obligation or settlement that is material to the applicant or its subsidiaries as at the date of the pre-listing statement or circular.

(2) If any contract referred to in subsection (1) relates to the acquisition of securities in an unlisted subsidiary or associated company, where all securities in the company have not been acquired, the reason why all the securities were not acquired must be stated, and whether anyone associated with any controlling shareholder of the applicant or associated companies or its subsidiaries is interested in the acquisition and to what extent must be stated.

(3) A brief summary of existing contracts or proposed contracts, written or oral, relating to—

(a) the remuneration of directors and management;

(b) secretarial and technical fees payable by the applicant and any of its subsidiaries; and

(c) restraint

payments; must be stated:

Provided that details of the directors and managerial remuneration need only be disclosed in accordance with section 183.

(4) Particulars of royalties payable or items of a similar nature in respect of the applicant

and any of its subsidiaries must be disclosed.

Code of corporate practice and conduct

216. (1) An applicant must include the following additional items to its listing particulars—

(a) a narrative statement of how it has applied the principles set out in the code selected by the issuer and approved by the VFEX, providing explanation that enables its shareholders andpotentialinvestors to evaluate how the principles have been applied; and

(b) astatementaddressing theextent ofthe company'scompliancewiththe Codeon corporate governance the issuer complies with, and the reasons for each and every instance of non-compliance.

(2) Applicants must comply with the following specific requirements concerning corporate governance and must disclose their compliance with them 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 (f)(iii) of this section), and should be chaired by the chairperson of the board;

(b) there must be 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 of the board;

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

(e) a brief *curriculum vitae* of each director must be provided;

(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—all issuers must appoint an audit committee and remuneration committee and, if required by 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

217. Where a pre-listing statement includes a report purporting to be made by an expert, there must be a statement that the expert has given and has not withdrawn his written consent to the issue of the pre-listing statement, with the report in the form and context in which it is included.

SUB-PART D: INSPECTION OF DOCUMENTS

Documents and consents to be available for inspection

218. (1) The followingdocuments (or copiesthereof), relatingtotheapplicantand its subsidiary companies, if any, must be available for inspection at a place where the applicant has a registered office or any other place in Zimbabwe for a reasonable time of at least 14 calendar days—

(a) the constitutive documents;

(b) any trust deed or agreement affecting the governance of the applicant or the interests of the shareholders;

(c) copies of anyspecial or notarial contract bearing on the trust deed or constitutive documents within the last five years;

(d) all significant contracts ,including patent rights, and franchise agreements;

(e) in the case of a significant contract not reduced to writing, a memorandum giving full particulars of it;

(f) where the applicant is a mineral company, the latest competent person's report;

(g) the latest sworn appraisals or valuations relative to movable and immovable property and items of a similar nature, if applicable;

(h) copies or summaries of—

(i) service agreements with the applicant's directors, managers and secretaries (the copies or summaries need not specify individual directors' remuneration but must state the aggregate remuneration of the directors); and

(ii) underwriting agreements, vendors' agreements and promoters' agreements entered into during the last five years;

(i) all reports, letters and annual financial statements, valuations and statements by an expert any parts of which have been extracted or referred to in the pre-listing statement; and

(j) the annual financial statements since the incorporation of the applicant or for the preceding five years, whichever is the lesser, together with all notes, certificates, or information required by the Companies and Other Business Entities Act [*Chapter 24:31*].

Disclosure requirements relating to vendors

219. (1) An applicant must disclose the names and addresses of the vendors of any assets—

(a) purchased or acquired by the applicant or any subsidiary company during the three years preceding the publication of the pre-listing statement; or

(b) proposed to be purchased, or acquired, on capital account 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 must be disclosed.

(2) The applicant must disclose the cost of assets to the vendors and dates of purchase by them within the preceding three years. Where the vendor is a company, the names and addresses of the beneficial shareholders of that company must be disclosed. Where this information is unobtainable, the reasons must 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 section and Part XI (transactions with related parties).

(3) There must be a statement as to whether or not the vendors have guaranteed the book debts or other assets and whether or not normal warranties have been given.

(4) There must be a statement as to 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 on the vendor. Details of any cash or other payment regarding restraint of trade and the nature of such restraint of trade must also be disclosed.

(5) There must be a statement of how any liability for accrued taxation, or any apportionment thereof to the date of acquisition, will be settled in terms of the vendors'

agreements.

(6) Where securities are purchased in a subsidiary company, there must be a reconciliation between the amounts paid for the securities and the value of the net assets of that company. Where securities are purchased other than in subsidiarycompanies, there must be a statement as to how the valueofthesecuritieswasdetermined.

(7) Where any promoter or director had any beneficial interest, direct or indirect, in a transaction with a vendor, or where any promoter or director was a member of a partnership, syndicate or other association of persons which had such an interest, the names of any such promoter or director, and the nature and extent of his or her interest must be disclosed. Where the vendors or any of them are a partnership, the members of the partnership must not be treated as separate vendors.

(8) There must be disclosure of the amount of any cash or securities paid or benefit given within 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.

(9) There must be a statement as to whether the assets acquired have been transferred into the name of the applicant or any of its subsidiary companies and whether or not the assets have been ceded or pledged.

PART IX

SUB-PART A FINANCIAL INFORMATION

Report of historical financial information

220. The directors of a new applicant are responsible for the report of historical financial information, and this fact must be stated in the report.

When report of historical financial information is required

221. A report of historical financial information is required—

(a) from a new applicant for listing and an applicant issuing a prospectus or pre-listing statement, including an issuer making application in terms of a reverse take-over;

(b) in respect of any substantial acquisition or disposal that has been made by a new applicant in the current or preceding financial year;

(c) in respect of any substantial acquisition or disposal that is to be made by a new applicant and is known as at the date of issue of the prospectus or pre-listing statement;

(d) in respect of an existing issuer that is issuing a prospectus or pre-listing statement;

(e) in respect of a Category 1 or Category 2 transaction referred to in Part X (transactions); and

(f) in respect of any substantial acquisition or disposal, that has been made by an applicant which has transacted a Category 1 or Category 2 transaction referred to in Part X in the current or preceding financial year.

Financial information to be presented

222. (1) The report of historical financial information must include the following historical financial information, prepared in accordance with International Financial Reporting Standards and guidelines issued by the Zimbabwe Accounting Practices Board or any other accounting standards board acceptable to the VFEX —

(a) statements of profit or loss and other comprehensive income; and

(b) statements of financial position; and

(c) statements of changes in equity; and

(d) statements of cash flows; and

(e) accounting policies; and

(f) notes to the statements referred to in paragraphs (a) to (d); and

(g) segmental information; and

(h) the information set out in section 223.

(2) The historical financial information required under subsection (1) must 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 or pre-listing statement or circular—

(a) where the historical financial information is not available for the preceding three years, the VFEX must be consulted for a ruling regarding disclosure and approval of the transaction;

(b) if the historical financial information required under subsection (1) was not historically prepared in terms of IFRS, only the latest two years must be converted to IFRS and that for the third year may be prepared in terms of the original accounting framework. In this case users of the information must be warned of the potential lack of comparability of the information and must be advised to consult the IFRS conversion notes in order to obtain a full understanding of any potential differences. The same historical financial information should also be produced for the holding company where that will provide significant additional information to that presented in consolidated form.

(3) A report of historical financial information required in terms of this section must be prepared in accordance with the accounting policies of the new applicant.

(4) Where the new applicant has made a substantial acquisition or disposal or has entered into any other substantial transaction or agreement to make a substantial acquisition or 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, the applicant must disclose all the material terms and conditions of the transaction or agreement, including any conditions precedent.

(5) In addition to the historical financial information required referred to above, if at the date of the prospectus or pre-listing statement or circular more than nine months have elapsed since the end of the last financial year, reviewed interim financial information must be prepared in accordance with IFRS on Interim Financial Reporting and presented for the first six months after the end of that financial year.

(6) With respect to subsections (1) to (3), if more than 12 months have passed, or with respect to subsections (4) and (5), 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 must be prepared for the latest financial year end.

(7) 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 it must also be presented.

Additional information on historical financial information

223. The following additional information must be provided when presenting the historical

financial information required by section 222(1) for the latest financial year and, where section 222(7) is applicable, for the interim period—

(a) any major change in the nature of property, plant and equipment and any change in policyregarding their use;

(b) details of any material loan receivable, including—

(i) its inception date;

(ii) the person or persons to whom it was made;

(iii) interest payable and repayment terms;

(iv) if interest payments are in arrears, the last date on which interest was paid and the extent of the arrears;

(v) its tenure;

(vi) the nature and value of any security held in respect of it;

(vii) if it is unsecured, the reasons thereof;

(viii) the nature and effect of any changes as contemplated by subparagraphs (ii) to (vii) during the period; and

(ix) how it arose, particularly whether it arose from the sale of assets by the issuer or any of its subsidiaries;

(c) details as required in paragraph (b) 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, including debentures and similar securities or instruments, and—

(i) the names of the lenders;

(ii) the nature and value of security provided, if any, in respect of them;

(iii) interest and repayment terms;

(iv) if the borrowings are repayable within 12 months, how the repayments must 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 which was a subsidiary during the period covered by the report of historical financial information but which has ceased to be one, the following details of any joint arrangement, partnership, associate or other long-term investment, if material to the financial position, changes in equity, results or cash flows of the issuer—

(i) the amount of all classes of issued share capital, the percentage held bythe issuer, its subsidiaries or nominees, the voting percentage held, if different from the ownership percentage, and any changes therein during the current and 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 or losses which during the period have accrued to or been incurred by joint ventures, partnerships and associates, disclosed separately for each such entity;

(i) particulars of directors' emoluments paid or incurred by the company in compliance with section 183 (directors and management);

(j) the net asset value and tangible net asset value per share expressed in cents. Mineral companies as defined in Part XIII (mineral companies) may treat mineral rights and any other mining assets as tangible assets;

(k) earnings, diluted earnings, headline earnings and dividends per share in respect of each class of shares, 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 or pre-listing statement or circular, in so far as it has not already been dealt with in the interim financial information included in the report of historical financial information or, where there has been no such material fact or circumstance, a statement to that effect.

Commentary on historical financial information

224. The report of historical financial information must—

(a) include a commentary on the historical financial information;

(b) incorporate a general review of the business and operations of the issuer during the period and the results thereof; and

(c) 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

225. Where the financial year-end of the issuer changed at any time during the reporting period, the historical financial information for the full period must be provided. Annualised historical financial information must not be included in the report of historical financial information.

Adjustments of financial information

226. (1) A statement of adjustments must be provided, giving details of the amounts and reasons for the adjustments, 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 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 that fact must be stated.

(2) Adjustments referred to in subsection (1) may only be made to give effect to retrospective—

(a) application of changes in accounting policies; and

(b) correction of material errors.

SUB-PART B: PRO FORMA FINANCIAL INFORMATION

General

227. (1) If, in any document requiring submission to the VFEX, the issuer publishes pro forma financial information, including financial statements, that information must comply with sections 228 to 237 and a report in terms of section 239(c) must be included in the relevant document, but such report is not required for announcements.

(2) The provision of accurate pro forma financial information is the responsibility of the directors of the issuer who must include a statement accepting that responsibility in any publication containing pro forma financial information.

Nature of pro forma information

228. (1) The purpose of pro forma financial information is to provide investors with information about the impact of the corporate action which is the subject of the prospectus or pre-listing statement or circular by illustrating how that corporate action might have affected 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 statement of financial position, at the date reported on.

(2) The pro forma financial information presented is not to be misleading, it is there to assist investors in analysing future prospects of the issuer and is to include all appropriate adjustments permitted by section 235 (adjustments to financial statements) 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 a pro forma statement of financial position, at the date reported on.

Presentation of pro forma financial information

229. (1) Pro forma financial information must state—

(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 necessarily present the issuer's actual financial position, changes in equity, results of operations or cash flows.

(2) Pro forma financial information must be presented in columnar form showing separately the unadjusted financial information and the pro forma adjustments, and must identify the basis upon which it is prepared; and the source of each item of information and adjustment.

(3) Pro forma figures must be given no greater prominence in the document than unadjusted financial figures.

Accounting policies to be adopted in preparing and presenting pro forma financial information

230. (1) Pro forma financial information must be presented in a manner consistent with both the format and accounting policies adopted by the issuer in its report of historical financial information.

(2) In quantifying pro forma financial information adjustments, the issuer must apply accounting policies on the same basis as the issuer would normally adopt in preparing its annual financial statements.

(3) 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.

(4) Pro forma financial information must 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

231. Pro forma financial information may be published only in respect of—

(a) the most recently financial reporting period;

(b) in the case of a pro forma statement of financial position, as at the date on which such periods end or ended;

(c) a profit forecast, provided that the forecast has been published and reported on in terms of Part X (transactions) or Part XII (mineral companies), for the statement of profit or loss and other comprehensive income purposes, and for the periods specified in paragraphs (a) and (b) for the purposes of a statement of financial position.

Subsequent events

232. No adjustments may be made to pro forma financial information in respect of events occurring after the end of the reporting period except—

(a) as provided for in the IFRS on events after the reporting period;

(b) in respect of the particular transaction for which the pro forma financial information is being presented;

(c) in respect of any previously published financial effects that have been reported on in terms of section 239 (circumstances when auditors' report is required); or

(d) in respect of any corporate action of the issuer or the target which occurred after the preparation of their statements of financial position, 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

233. Where a pro forma statement of profit or loss and other comprehensive income or statement of cash flows 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 must cover periods of the same length.

Unadjusted information

234. (1) The unadjusted information must be derived from the most recent—

(a) published audited annual financial statements, published interim reports or provisional reports;

(b) previously published report of historical financial information;

(c) previously published pro forma financial information reported on in accordance with section 240(3)(b).

(2) Any previously published profit forecast must be updated and a new profit forecast published taking account of the effects of the transaction concerned.

Adjustments to financial statements

235. (1) Any adjustments that are made to the information referred to in section 226 in relation to any pro forma financial statement must 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 financial statement of profit or loss and other comprehensive income or statement of cash flows, clearly identified as between those adjustments that are expected to have a continuing effect on the issuer and those that are not.

(2) In order to comply fully with subsection (1), issuers must include notes to the pro forma financial information providing the explanations required in terms of that section 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

236. (1) In respect of pro forma income or cash flow statements, issuers must 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 transaction and 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.

(2) Issuers must interpret section 226 in line with the requirements of IFRS and guidelines issued by PAAB or guidelines issued by any other accounting board acceptable to the VFEX.

Earnings and headline earnings per share

237. Where information on pro forma earnings and headline earnings per share is given for a transaction it must be provided in compliance with IFRS:

Provided that where the transaction includes the issue of securities, the calculation is to be based on the weighted average number of issued shares adjusted as if that issue had taken place at the beginning of the period.

Profit forecasts and estimates

238. (1) The requirements of subsections (2) to (10) apply to forecasts or estimates of profits or losses, cash flows or net asset values collectively defined as profits or losses. A profit estimate is for a financial period that has expired but for which the results have not yet been published.

(2) Any statement or information relating to the future prospects of an issuer, or an undertaking that is to become a material part of an issuer's group, must be clear and unambiguous. The issuer must determine in advance with its sponsor whether such a statement of information will constitute a profit forecast or an estimate. Any profit forecast or estimate must be compiled with using accounting policies that are consistent with those applied by the applicant.

(3) A specific profit forecast which—

(a) states a figure for the likely level of profits or losses for the current financial period or financial periods subsequent to that period, or contains data from which a calculation of such a figure for profits or losses may be made.

(b) is usually made when an applicant includes a number, percentage, range, value or any other term that has a recognised value. This list is not exhaustive and issuers must consult with their sponsors to ascertain whether a statement constitutes a specific forecast.

(4) A general profit forecast—

(a) indicates a minimum or maximum figure for the likely level of profits or losses for the current financial period and financial periods subsequent to that period, or contains data from which such calculation may be made, even if no particular figure is mentioned and the word profit is not used;

(b) is usually made when an applicant uses the following words or terms: improvement, "increase", "growth", "decline", "decrease", "similar" or "in line with". The use of these words or terms must not result in the statement becoming a specific profit forecast;

(c) this list is not exhaustive and applicants must consult with their sponsors to ascertain whether a statement is a general forecast.

(5) A profit estimate bears the same meaning as a general or specific forecast, with the exception that it relates to a financial period ended but for which no financial information has yet been published.

(6) When an applicant clearly states in an announcement that it has certain future targets or objectives that it would like to achieve, such shall not be interpreted as a profit forecast or estimate as referred to above, provided that the targets or objectives do not specifically relate to the current or next reporting period.

(7) A specific or general profit forecast or estimate of an applicant, or an undertaking that is or will become a material part of the issuer's group, which is included in any communication with shareholders is the sole responsibility of the directors and must—

(a) include the key assumptions that have been used in arriving at the forecast or estimate;

(b) make reference to the relevant previously published information, for instance any line item in the statement of profit or loss or other comprehensive income, statement of financial position or the statement of cash flows , to which it relates; and

(c) in the case of a specific profit forecast or estimate, must be reported on by the sponsors in accordance with section 24 (profit forecast).

(8) A dividend forecast must be treated as a profit forecast where the applicant 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 VFEX must be consulted.

(9) A profit forecast or estimate of an applicant, or an undertaking that is to become a significant part of an issuer's group, which is included in any communication with shareholders must be reported on by the issuer's auditors or accountants and by the issuer's sponsor as referred to in section 23 (financial reporting procedures). The applicant must compile its report in terms of International Standard on Assurance Engagements (ISAE) 3400 and IFRS.

(10) The period of the forecast or estimate should normally be to the end of an issuer's 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.

(11) A profit forecast included in a prospectus, a pre-listing statement or circular containing proposals to be put to shareholders in a general meeting concerning a refinancing or reconstruction of the issuer or its group, or in any other communication with shareholders, 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 entirely outside the influence of the directors;

(b) be readily understandable by investors;

(c) be specific about the particular aspect of the estimate or forecast to which they refer and about the uncertainty attaching to that aspect; and

(d) not relate to the general accuracy of the estimates such as sales estimates, expense estimates, underlying the forecasts.

(12) If a profit estimate is included in any of the documents referred to in subsection 9, the estimate may only be subject to assumptions in exceptional circumstances, and such exceptional circumstances must be explained.

SUB-PART C: REQUIREMENTS RELATING TO AUDIT

Circumstances when the auditors' report is required

239. The Auditor's report is required when—

(a) a report of historical financial information is required in terms of section 222 (1)(a) to (g);

(b) a report of historical financial information is prepared and presented on a voluntary basis, (except when it relates to previously published information of the applicant;

(c) pro forma financial effects or pro forma financial statements are prepared, except when that pro forma information only appears in an announcement;

(d) profit forecasts or estimates are prepared except where these are prepared in terms of section 238(2) and the VFEX has not exercised its powers as set out in section

238(6);

(e) it is required by subsection (1).

The auditor

240. (1) The auditor must be a registered public accountant in terms of the Public Accountants and Auditors Act [*Chapter 27:12*] or any other applicable law acceptable to the VFEX, and must have sufficient knowledge and experience in the application mentioned in this Part of these rules. The auditor must be independent of the issuer and, if relevant, the company which is the subject of the transaction. If the auditors have resigned, been removed or have not been re-appointed during the last three financial years and have deposited a statement with the issuer of circumstances which they believe should be brought to the attention of members and creditors of the issuer, details of such matters must be disclosed if material.

(2) The auditor must carry out his or her duties in accordance with the relevant standards issued by the International Auditing and Assurance Standards Board (IAASB) and relevant guidance issued by the Public Accountants and Auditors Board (PAAB) or such other similar board acceptable to the VFEX.

(3) The auditor must 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 immediatelypreceding the issue of the prospectus, pre-listing statement or circular;

(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;

(iii) a review opinion on interim financial information, where such information requires a review opinion;

(b) the pro forma financial information, in regard to whether—

(i) the pro forma financial information has been properly compiled in terms of these rules;

(ii) the basis of its preparation is consistent with the accounting policies of the issuer; and

(iii) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to section 235(1);

(c) a profit forecast, in regard to whether—

(i) the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast;

(ii) the forecast has been properly compiled on the basis stated;

(iii) theforecast hasbeen properlypresentedandallmaterialassumptions are adequatelydisclosed; and

(iv) the profit forecast is presented on a basis consistent with the accounting policies of the company or group in question;

(d) a profit estimate, in regard to whether—

(i) the estimate has been properly compiled on the basis stated;

(ii) the estimate has been properly presented and all material matters are adequately disclosed; and

(iii) the estimate is presented on a basis consistent with the accounting policies of the

company or group in question.

(4) Where the historical financial information has not previously been subject to an audit or where the auditor is not the auditor of the company, the auditor must audit, at a minimum, the historical financial information relating to the financial year preceding the issue of the prospectus or pre listing statement or circular, and review the historical financial information of prior periods.

(5) Where, in accordance with the requirements of subsection (3), an audit of the historical financial information is to be performed and the auditor is also the auditor of the company, he or she must review the audit working papers relating to the relevant historical financial statements.

Contents of the auditors' report

241. A reporting auditor's report, as set out in section 240, must comply with the applicable international standards issued by the International Auditing and Assurance Standards Board (IAASB).

Date of the auditor's reports

242. The auditor's report must be dated on the same day that the directors authorise the issue of the pre- listing statement or circular or the date that the pre-listing statement or circular is lodged with the Registrar of Companies, whichever is the earlier.

Review of prospectus or pre-listing statement or circular

243. The auditor should review the pre-listing statement or circular so as to ensure that its contents do not contradict the information contained in the auditors' report. The auditor must inform the VFEX, in writing, of any such contradictions.

Consent letters

244. (1) The auditor must submit a letter to the directors giving his or her consent to the inclusion of—

(a) the auditor's report(s) in the pre-listing statement or circular; and

(b) references to, or extracts from, the auditor's report(s) in the pre-listing statement or circular.

(2) The date of the consent letter should be —

(a) the day that the directors authorise the issue of the pre-listing statement or circular; or

(b) where applicable, the date that the pre-listing statement or circular is lodged with the Registrar of Companies whichever is the earlier.

(3) A statement must be included in the prospectus or pre-listing statement or circular that the auditor has given and has not withdrawn his or her written consent to the issue of the prospectus or pre-listing statement or circular, as the case may be, which contains the auditor's report in the form and context in which it appears.

Supplementary information

245. In addition to the requirements of IFRS, guidance issued by the Zimbabwe Accounting Practices Board or other accounting board acceptable to the VFEX and anyapplicable legislation, the following supplementaryinformation must, where applicable and material, be included—

(a) inrespect oftheperiodunderreviewandtheimmediatelypreceding comparableperiod, aheadline 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;

(b) in the case of mineral companies as defined in Part XII (mineral companies), summary information must be provided in the interim report disclosing any material changes to the information disclosed in compliance with sections 313 and 317 for the prior year or financial period ended, or an appropriate negative statement where there have been no material changes; and

(c) 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

246. If a change in the financial year is proposed, the VFEX must be notified in writing and consulted as to the period or periods to be covered by the interim report.

Basis of presentation

247. Interim and abridged reports must be presented on a consolidated basis and prepared in accordance with sections 222 (financial information to be presented).

Financial Reporting Monitoring Panel

248. (1) In this section—

"Financial Reporting Monitoring Panel(FRMP)" means apanelappointedbythe VFEXand the Zimbabwe Accounting Practices Board to investigate and consider complaints and advise the VFEX in relation to compliance by issuers with IFRS, the VFEX's required accounting practices in terms of these rules, and the accounting practices required by the CompaniesandOtherBusinessEntitiesAct[*Chapter* 24:31].

(2) If, after receiving advice from the FRMP, the VFEX is satisfied that an issuer has not complied with any of the requirements of this Part, the VFEX may, in its sole discretion—

(a) censure the issuer in accordance with Part II (authority of VFEX);

(b) instruct the issuer to publish or re-issue any information the VFEX may direct; and

(c) report any professionals involved with such non-compliance to PAAB or any other professional or relevant body.

Use of financial advisers by issuers

249. (1) In order to ensurethatthe requirementsof the applicable reportingstandardsare met and appropriately applied, each applicant or issuer is encouraged to make use of a financial adviser who is accredited as such by the SECZ or any other applicable regulatory body.

(2) The role of the financial adviser includes the following—

(a) when required to do so by the applicant or issuer, provide technical financial assistance and advice in support of the accounting applied by the issuer. The financial adviser is required to document the IFRS opinion issued;

(b) to act as a technical link between the VFEX, the FRMP and issuer in instances where the VFEX and the FRMP require interaction in relation to the IFRS reporting by the applicant; and

(c) it is suggested, but not required, that the applicant consult with and require the financial adviser to review the financial statements and other information of the applicant before their issue.

PART X

TRANSACTIONS RELATING TO ACQUISITIONS AND DISPOSALS

Application of Part

250. (1) In this Part, "reverse take-over" means a transaction, or series of transactions, in which an issuer acquires a business entity or an unlisted company or assets which would result in a fundamental change in the listed company's business; or a change in the listed company's board or controlling shareholder involving an alteration to its articles of association; and such a transaction is considered to be a new listing.

(2) This Part deals with transactions, principally acquisitions and disposals, by an issuer. It describes how they are categorised, what the requirements are for announcements and circulars and whether shareholder approval is required. It then considers additional requirements for take-overs and mergers.

(3) Twenty-ninth Schedule (detailed requirements for take over and mergers) sets out, in a table, certain requirements for the contents of Category 1 and Category 2 circulars.

References to transactions

251. (1)References in this Part to a transaction by an issuer—

(a) include a transaction by any subsidiary of the listed company;

(b) exclude a transaction in the ordinary course of the company's trading activities;

(c) exclude an issue of securities or a transaction to raise finance which, in either case, does not involve the acquisition or disposal of any asset of the listed company or of its subsidiaries; and

(d) include the written grant or acquisition of an option to acquire or dispose of assets as if the option had been exercised.

(2) An issuer which is in any doubt as to the application of the listings requirements contained in this Part must consult the VFEX at an early stage.

Categorisation and explanation of terms

252. (1) Any issuer considering a transaction must, at an early stage, consider the categorisation of the transaction.

(2) 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.

(3) The comparison of size is made by the use of the percentage ratios set out below. The different categories of transactions are—

(a) Category 3—a transaction where any aggregate percentage ratio is 5 *per centum* or more but each transaction is less than 20 *per centum*;

(b) Category 2—a transaction where any aggregate percentage ratio is 20 *per centum* or more but each transaction is less than 30 *per centum*;

(c) Category 1—a transaction where any aggregate percentage ratio is 30 *per centum* or

more;

(4) Figures used for categorisation purposes must be the aggregate market value of all those securities before the announcement of the transaction or, in the case of consideration in the form of a new class of securities for which an application to listing will be made, the issue price of such securities or, if no price can be determined for that new class of securities, the expected aggregate market value of the securities in that class.

(5) In cases of doubt as to whether a transaction is to be categorised under this section, the issuer must consult the VFEX at an early stage and must comply with any instructions the VFEX may give regarding the categorisation of the transaction.

Percentage ratios

253. (1) The percentage ratios are the figures, expressed as a percentage, resulting from each of the following calculations—

(a) consideration to market capitalisation—the consideration divided by the aggregate market value of all the equity securities of the listed company;

(b) dilution—the number of securities issued by an issuer as consideration for an acquisition compared to those in issue prior to the transaction;

(2) Where a transaction is to be settled partly in cash and partly in shares, its category size is to be calculated by first assessing the cash-to-market capitalisation percentage and then adding this percentage to the dilution percentage.

(3) The calculation showing all categorisation workings must be supplied to the VFEX when the announcement and circular are submitted for approval.

(4) Where either of the above calculations produces an anomalous result, or where the calculations are inappropriate to the sphere of activity of the issuer, the VFEX may disregard the calculation and may substitute other relevant indicators of size.

(5) The VFEX may require the issuer to provide a fair and reasonable opinion on transaction values, taking into account other ratios, or may use any other appropriate indicators of size to determine the category size of a transaction, and such indicators may include net asset valuations, discounted cash flow, statement of financial position and turnover.

(6) If either of the percentage ratios changes to the extent that the categorisation of the transaction is altered between the time the transaction is first discussed with the VFEX and the announcement, the issuer must inform the VFEX and must comply with any instructions the VFEX may give regarding the categorisation of the transaction.

Consideration

254. When calculating the consideration for a transaction—

(a) the consideration is the amount paid to the sellers but the VFEX may require the inclusion of further amounts, for instance where the purchaser agrees to discharge any liabilities, whether actual or contingent, of the sellers as part of the terms of the transaction;

(b) 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 based on the ruling price of such securities at the time the terms of the transaction are agreed;

(c) if deferred consideration is or may be payable in the future, the consideration is the maximum possible total consideration payable under the agreement. If that total

consideration is not subject to any maximum the transaction will normally be treated as a Category 1, notwithstanding the category into which it otherwise falls;

(d) if the transaction involves a new class of securities for which an application for listing will be made, the consideration is the product of their issue price or, if the issuer does not provide evidence of their listed price, some other appropriate value determined to the satisfaction of the VFEX.

Indemnities and similar arrangements

255. (1) Any agreement or arrangement with a party, not being a member of the issuer's group—

(a) under which an issuer agrees to discharge any liabilities for costs, expenses, commissions or losses incurred by that party, whether or not on a contingent basis; and

(b) which would be exceptional; and

(c) under which the maximum liability must be treated as a Category 1 transaction.

(2) For the purpose of this Part, 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.

Aggregation of transactions

256. (1) Transactions completed during—

(a) the 12 months prior to the date of the latest transaction; or

(b) the period since the date on which the most recent published audited statement of financial position was prepared; or

(c) the period since the publication of the latest pre-listing statement or circular;

whichever is the shorter, must be aggregated with the latest transaction for the purpose of determining the categorisation to apply to the latest transaction.

(2) In cases of doubt as to whether transactions must be aggregated under this section, the issuer must consult the VFEX at an early stage and must comply with any instructions the VFEX may give regarding the aggregation of the transactions.

(3) Where acquisitions are entered into during a period of 12 months which cumulatively exceed 100 *per centum* in either of the percentage ratios, the provisions relating to a reverse take-over provided for in the Twenty-ninth Schedule (detailed requirements for take over and mergers) must be applied.

(4) Without prejudice to the generality of subsections (1) and (2), transactions will normally only be aggregated in accordance with those sections if they—

(a) are entered into by the issuer with the same party or with parties connected with one another; or

(b) involve the acquisition or disposal of securities or an interest in one particular company; or

(c) together lead to substantial involvement in a business activity which did not previously form a part of the company's principal activities.

(5) If under subsection (1) the aggregation results in a Category 1 requirement for

shareholder approval, then that approval is required only for the latest transaction.

Category 3 requirements

257. (1) In the case of a Category 3 transaction the issuer must, without delay and in any event within four calendar days after the terms of the transaction are agreed and before it is implemented, publish an announcement setting out—

(b) particulars of the transaction, including the names or details of—

(i) any company or business which is the subject of the transaction; and

(ii) the ultimate beneficiary of the transaction; and

(iii) if the transaction is an acquisition, the sellers; and

(iv) if the transaction is a disposal, the purchasers; and

(v) the effective date of the transaction; and

(vi) any conditions precedent; and

(vii) any other significant terms of the transaction;

and

(c) a description of the business carried on by the listed company; and

(d) the consideration for the transaction, and how it has been or is to be paid or given, including the terms of any arrangements for deferred payment; and

(d) the value of the net assets that are the subject of the transaction, and any significant pro forma effect the transaction will have on the net assets and net tangible assets per share of the company; and

(e) the profits attributable to the net assets that are the subject of the transaction, and any significant pro forma effect the transaction will have on the historical earnings and headline earnings per share of the company; and

(f) the reason for the transaction; and

(g) in the case of a disposal of assets—

(i) the application of the sale proceeds; and

(ii) if securities formed part of the consideration received, a statement whether such securities must be sold or retained.

(2) The pro forma financial information required by subsection (1) paragraphs (d) and (e) must comply with the requirements of Part IX (financial information).

(3) In subsection (1), "significant" means a change of three *per centum* 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.

(4) If, pursuanttoa Category 3 transaction, securities havebeenacquiredinacompanywhich, as a result, becomes a subsidiary company, the listed company must give the VFEX a written undertaking that the constitutive documents of such a subsidiary company will be amended to conform to Tenth Schedule (requirements for articles of association). Such confirmation must also be included in the announcement in terms of subsection (1).

(5) If at any time after the publication of an announcement in terms of subsection (1), the issuer becomes aware that—

(a) there has been a significant change affecting any matter contained in that announcement; or

(b) a significant new matter has arisen which would have been required to be mentioned in that announcement if it had arisen when that announcement was being prepared;

the listed company must without delay, and in any event within hours after becoming aware of the change or new matter, advise the VFEX and publish a supplementary announcement :

(i) giving details of the change or new matter; and

(ii) containing 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 which would have been required to be mentioned in that earlier announcement if it had arisen when that announcement was being prepared.

(6) Where an issuer is required to publish a supplementary announcement in terms of subsection (5), the VFEX may require the issuer to ensure that—

(a) any person who assumed responsibility for any statement or assessment contained in the earlier announcement , or who was responsible for any assessment or forecast on the basis of which any such statement or assessment was made, assumes responsibility for any revision of that statement, assessment or forecast in the supplementary announcement ;

(b) any other person on whose statement, assessment or forecast anything in the supplementary announcement is based assumes responsibility for that statement, assessment or forecast.

(7) If as a result of any significant change or new matter referred to in subsection (5) the percentage ratios of the transaction are affected and the transaction requires re-categorisation into a higher category, the issuer must re-categorise the transaction accordingly.

Category 2 requirements

258. (1) Within 4 calendar days after the terms of a Category 2 transaction have been agreed, and before they have been implemented, the listed company must—

(a) publish an announcement complying with the requirements of section 257(1); and

(b) in the announcement state that a circular to shareholders will be issued in compliance with subsection (2);

and within 28 calendar days thereafter, despatch the circular to shareholders.

(2) The circular referred to in subsection (1) must comply with the general requirements relating to circulars set out in this Part and must include—

(a) the information required in the Twenty-ninth Schedule (detailed requirements for Take over and Mergers); and

(b) details of any service contracts of proposed directors of the issuer; and

(c) where the transaction involves a payment or consideration to be given for goodwill, a statement regarding the company's accounting policy towards goodwill as well as the reasons for such goodwill payment or consideration; and

(d) a statement giving the directors' opinions on the transaction; and

(e) the information required by the Twenty-ninth Schedule in relation to Category 2 circulars; and

(f) in the case of an acquisition of an interest in an undertaking which will result in—

(i) a consolidation of the net assets of that undertaking; or

(ii) a disposal of an interest in an undertaking which will result in the net assets of the

undertaking no longer being consolidated;

an accountants' report as set out in Part IX (financial information) is required;

(g) in the case of a transaction other than one referred to in subparagraph (f), a summaryof any relevant financial information, or a statement that none exists, together with confirmation that the directors consider that the value to the company justifies the price paid or received by it is required; and

(h) details required of all Category 3 announcements made since the publication of the company's
last—

(i) annual financial statements or interim report; or

(ii) pre-listing statement; or

(iii) Category 2 or Category1 circular; whichever is the most recent.

Category 1
Requirements

259. (1) In the case of a Category 1 transaction the issuer must comply with the Category 2 requirements as set out in section 258 (1) and (2), and in addition must comply with the requirements set out in subsections (2), (3) and (4).

(2) The agreement effecting a Category 1 transaction must be conditional upon the shareholders of the issuer approving the transaction in general meeting.

(3) The circular to shareholders must include a statement giving the directors' opinions on the transaction, a recommendation as to how shareholders should vote at the general meeting to approve the transaction and, where any directors are voting shareholders, an indication as to how those directors intend to vote at the general meeting.

(4) If the transaction results in an issue of securities which, together with any other securities of the same class issued during the previous three months would increase the securities issued by more than 30 *per centum*, then the issuer must include in the circular the information required to be disclosed for a pre-listing statement.

Reverse take-over requirements

260. (1) In the case of a transaction involving a reverse take-over, issuer must comply with the requirements of subsection (2) to (5).

(2) 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 Part V (conditions for listing).

(3) The applicant must make an announcement of a reverse take-over, which must contain adequate warning as to the uncertainty of whether the VFEX will allow the listing to continue following the acquisition. Suspension of the listed company will be considered by the VFEX pending more details.

(4) The company must prepare a Category 1 circular and listing particulars as though the companywere a new applicant, which circular must clearly advise shareholders whether or not the VFEX will continue to grant a listing to the issuer if shareholders approve the acquisition.

(5) If the Category 1 circular and listing particulars are not provided to shareholders within 30 calendar days of the announcement, the VFEX will suspend the listing of the company's securities.

Exceptions to reverse take-over requirements

261. In the case of a reverse take-over, if all the following conditions are satisfied, the acquisition will be treated as a Category 1 transaction—

(a) the subject of the acquisition is of a similar size to that of the acquiring company; and

(b) the subject of the acquisition is in a similar line of business to that of the acquiring company; and

(c) the enlarged group is suitable for listing; and

(d) there will be no change in the board or controlling shareholder of the acquiring company.

Contents of Category 1 and Category 2 circulars

262. (1) In addition to the requirements of sections 257 to 258, a Category 1 or Category 2 circular must include the information required by the table set out below, but where the circular is accompanied by or forms part of a pre-listing statement which itself contains the information required, such information need not be repeated.

(2) 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.

(3) Where the listed company 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 as enlarged by the securities for which listing is sought.

(4) Where a circular is required by this Part and pre-listing statements are required by Part VII, a single document may be issued which comprises pre-listing statements, provided that—

(a) it contains all the information required by this Part and Part VII (prelisting statements); and

(b) the document has been submitted to and approved by the VFEX prior to its publication.

(5) If securities are being issued as consideration for an acquisition and a Category 2 circular is required, then listing will not be granted for those securities until the circular has been distributed to shareholders.

(6) In the case of a Category 1 transaction, listing will not be granted until shareholders' approval has been obtained and, where necessary, any special resolution has been registered.

Takeovers and mergers

263. (1) Where an announcement or a cautionary announcement concerning a possible take-over or merger transaction is submitted to the VFEX for approval, a copy of the announcement must simultaneously be sent to the applicable regulatory authorities.

(2) A copy of all draft documentation that is sent to the applicable regulatory authorities for approval must be submitted to the VFEX together with a letter confirming that the relevant documentation has been submitted to the applicable regulatory authorities.

(3) The issuer must submit a written notification to the VFEX immediately upon approval being granted by the applicable regulatory authorities in respect of any documentation that is to be circulated to shareholders. The VFEX will consider granting approvals conditionally where regulatory approvals have not yet been granted but listings requirements have been met.

(4) A copy of the actual approved documentation must be sent to the VFEX together with the notification referred to in subsection (3).

(5) The detailed requirements relating to takeovers and mergers for are provided for in Twenty-ninth Schedule.

PART XI

TRANSACTIONS WITH RELATED PARTIES

Application of Part

264. (1) This Part provides certain safeguards against those security holders, directors 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 Part X (transactions).

(2) Where any transaction is proposed between an issuer, or any of its subsidiaries, and a related party, a circular to security holders and the approval of the security holders of the listed company in general meeting will normally be required.

(3) Any circular sent to security holders 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.

Definitions

265. (1) For the purposes of this Part, the following definitions apply—

"director" in relation to the definition of "related party" includes a person who 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 or any of the directors are or were accustomed to act;

"material security holder" means any person who is, or within the 18 months preceding the date of the transaction was, entitled, directly or indirectly by agreement or otherwise, to exercise or control 10 *per centum* or more of the votes able to be cast on all or substantially all matters at general meetings of the listed company, or any other company which is its subsidiary or holding company or which is a fellow subsidiary of its holding company;

"related party" means—

(a) a material security holder;

(b) any person who is, or within the 12 months preceding the date of the transaction was, a director of the listed company or any of its subsidiaries or its holding company or any subsidiary of its holding company;

(c) any advisor to the listed company which 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;

(d) any person, who is, or within the 12 months preceding the date of the transaction was, a member of key management of the company, by whatever position he may be

or may have been designated, and whether or not he is or was a director;

(e) an associate of the persons described in paragraphs (a) to (d);

"related party transaction" means a transaction, or any variation or novation of an existing agreement, between an issuer, or any of its subsidiaries, and a related party.

Consultation with the VFEX

266. (1) If an issuer or any of its subsidiaries proposes to enter into a related party transaction which will result in any vested or other interest or right being created for any related party, the listed company must consult the VFEX at an early stage. If the VFEX considers the related party to have a significant interest in, or influence over, the related party transaction, it may, at its sole discretion, impose the requirements set out in section 268. The relevant draft contract must be supplied to the VFEX, if requested.

(2) The VFEX 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.

Requirements for a related party transaction

267. (1) If the VFEX so decides, the listed company must in respect of a related party transaction—

(a) make an announcement containing—

(i) the information specified in Part XII (circulars, prelisting statements, prospectus and announcements);

(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) furnish the VFEX with a copy of the agreement;

(c) send a circular to its security holders containing the information required in section 271 (contents of circular);

(d) obtain the approval, by resolution, of its security holders 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 of the resolution will be subject to a requisite majority of the votes of shareholders other than the related party and its associates being cast in favour of the resolution; and

(f) submit to the VFEX a statement by an independent expert acceptable to the VFEX confirming that the terms of the proposed transaction with the related party are fair and reasonable to the security holders of the company.

(2) Where a 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 VFEX may require that the listed company either—

(a) take immediate steps to amend the relevant resolution by including the condition referred to in subsection (1)(e) and give notice of the amendment to shareholders by way of a circular containing also any information required by section 271 which was not contained in the original circular accompanying the notice of the meeting; or

(b) withdraw the notice of the meeting and convene a fresh meeting complying with subsection (1).

(3) If the VFEX decides not to impose the requirements set out in subsection (1) in respect of a related party transaction, the issuer must prior to completing the transaction—

(a) provide the VFEX with written confirmation from an independent professional expert acceptable to the VFEX that the terms of the proposed transaction with the related party are fair and reasonable as far as the shareholders of the issuer are concerned; and

(b) undertake in writing to the VFEX to include details of the transaction in the issuer's next published annual financial statements, circular or pre-listing statement interim financial statements, including the identity of the related party, the value of the consideration for the transaction and all other relevant circumstances.

Transactions not regarded as related party transactions

268. 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 transaction is an issue of new securities either—

i for cash by the issuer or any of its subsidiaries pursuant to an opportunity which, so far as is practicable, is made available to all holders of the listed company's securities or to all holders of a relevant class of its securities on the same terms other than those excluded in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]; or

ii made pursuant to the exercise of conversion or subscription rights attaching to a listed class of securities or previously approved by the issuer's shareholders in general meeting, and has been approved by the issuer's shareholders in general meeting;

(c) the transaction—

i involves the receipt of securities by a director of the issuer, its holding company or any of its subsidiaries; or

ii is a grant of an option to a director of the issuer, its holding company or any of its subsidiaries to acquire, whether or not for a consideration, new or existing securities of the issuer;

in accordance with the terms of an employees' share scheme which does not have the effect of conferring benefits only on directors of the issuer, its holding company or any of its subsidiaries;

(d) the transaction is a grant of credit, including the lending of money or the guaranteeing of a loan, to or from the related party—

i upon normal commercial terms in the ordinary course of business; or

ii in an amount and on terms no more favourable than those offered to employees of the group generally; and

iii has no conversion rights;

(e) the transaction is the grant of an indemnity to a director of the issuer or any of its subsidiaries to the extent permitted by the Companies and Other Business Entities Act [*Chapter 24:31*], or the maintenance of a contract of insurance to the extent contemplated by section 215 of that Act, whether for a director of the listed company

or for a director or any of its subsidiaries;

(f) the transaction is an underwriting by the related party of all or part of an issue of securities by the listed company or any of its subsidiaries, and the consideration to be paid by the listed company or any of its subsidiaries in respect of such underwriting is no more than the usual commercial underwriting consideration and is the same as that to be paid to the other underwriters, if any;

(g) the transaction is one where both of the percentage ratios referred to in section 252 (4) are equal or less than five *per centum*; or

(h) the transaction is one of a revenue nature in the ordinary course of the listed company's business.

Transactions relating to small related party transactions

269. In relation to small related party transactions, the listed company must—

(a) inform the VFEX in writing of the details of the proposed transaction;

(b) provide the VFEX with written confirmation from an independent professional expert acceptable to the VFEX that the terms of the proposed transaction with the related party are fair and reasonable as far as the shareholders of the issuer are concerned;

(c) publish details of the proposed transaction in accordance with Part XII (circulars, prelisting statements, prospectus and announcements), including a statement that paragraph (b) of this section has been complied with, that the transaction has been declared to be fair and reasonable, and that the fair and reasonable opinion statement 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 provided in section 267 (requirement for related party transaction), if the independent professional expert states that the transaction is not fair and reasonable.

Aggregation

270. (1) The VFEX will require all transactions to be aggregated which—

(a) are entered into by the issuer or any of its subsidiaries with the same related party or any of its associates in any twelve-month period; and

(b) have neither been approved by shareholders nor described in a circular complying with the requirements of section 271.

(2) If the transactions in aggregate would be classified as a Category 3 or larger transaction in terms of section 257, the VFEX shall require the company to comply with the requirements of section 271 in respect of the latest transaction and to disclose in the circular all relevant details of each of the transactions being aggregated.

Contents of circular

271. A circular relating to a related party transaction must comply with the general requirements relating to circulars set out in Part XII and must also include—

(a) a responsibility statement in accordance with section 192;

(b) in all cases, the information required by sections 209, 214, 248, 252, 254 and 255.

(c) in the case of a transaction where the related party is a director of the issuer or of its holding company or any of its subsidiaries or fellow subsidiaries, or an associate of such a director, the directors' interests in securities and transactions and the directors service contracts should be specified;

(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 and the nature and extent of the interest of such party in the transactions;

(e) in the case of an acquisition, or disposal of fixed property, or, in the case of a mineral company, an acquisition or disposal of minerals, mineral resources or mineral reserves as defined in Part XIII, an independent valuation including the value, the basis of valuation and the method of arriving at such value;

(f) a statement complying with Fifth Schedule by an independent professional expert acceptable to the VFEX as to whether the transaction is fair and reasonable insofar as the shareholders of the issuer are concerned, provided that such statement shall not be required if an independent valuation has been conducted and disclosed in accordance with paragraph (e);

(g) where applicable, a statement that the related party and its associates will not be taken into account in determining a quorum at the shareholders' meeting and 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;

(h) if the transaction also falls within Category 1 or Category 2, the information required to be included in Category 1 or Category 2 circulars respectively in terms of Part X;

(i) in the case of a transaction involving immovable freehold property or leasehold property, the applicable information required by Part XIV(property companies); and

(j) details of any other transactions entered into by the issuer, or any of its subsidiaries, with the same related party or any of its associates which have not been approved by the shareholders.

PART XII

CIRCULARS, PRE-LISTING STATEMENTS OR PROSPECTUSES AND ANNOUNCEMENTS

Application

272. (1) This Part sets out—

(a) the general requirements applicable to all circulars and announcements published by listed companies; and

(b) the specific requirements relating to the method of issue of securities to be listed.

(2) Where the circular 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 of this Part, the VFEX must be consulted at an early stage.

(3) When a new applicant or existing issuer issues a prospectus the presumption is made that, apart from compliance with the Act, the prospectus will also comply with and contain all necessary disclosures as if it were a pre-listing statement subject to compliance with these rules. For the purposes of this Part and its appendix any reference to a pre-listing statement includes reference to a prospectus, and *vice versa*.

(4) Parts X and XI detail the information to be included in announcements and circulars relating to transactions and related party transactions.

Contents of all circulars

273. Circulars and pre-listing statements sent by an issuer to holders of its listed securities

must—

(a) provide a clear and adequate explanation of their 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 who are in any doubt as to what action to take to consult appropriate independent advisers;

(c) state that where all the securities have been sold or transferred by the addressee, the circular and any other relevant documents should be passed to the person through whom the sale of transfer was effected, for transmission to the purchaser or transferee;

(d) state in which other official languages they are also available and where the translations may be obtained;

(e) include all the information published or to be published simultaneously with the circular or pre- listing statement concerned in any announcement issued in connection with the transaction to which the circular or pre-listing statement relates; and

(f) where new securities are being issued in substitution for existing securities, explain what will happen to existing documents of title;

(g) provide clear guidance in respect of any event requiring action by security holders, as follows—

(i) wherever reference is made to security holders or members of the company concerned, the procedures for security holders must be detailed;

(ii) the surrender of security certificates will only apply where applicable, and the surrender forms must state this;

(iii) in the case of nominee company security holders, the sponsor will automatically action the surrender of ownership title in accordance with the corporate action or after having received an election instruction;

(iv) thesalientdatesshouldincludeall the dates in the declaration data and finalisationinformation; and

(v) if new securities must be issued, security holders or members must be given the option to receive such new securities in certificated or dematerialised form.

Formal approval

274. (1) All other price sensitive announcements to be made must be submitted for review by the VFEX before publication and where necessary must be approved by the VFEX.

(2) Circulars and pre-listing statements may not be sent to shareholders until they have been approved by the VFEX.

Listing by introduction

275. Applicants seeking a listing by way of an introduction are required to publish an announcement complying with section 273 and prepare a pre-listing statement complying with section 276.

Announcements for introductions

276. The announcement referred to in this section must either contain the full

pre-listing statement as set out in section 273 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 announcement is not a full pre-listing statement, a statement to that effect; and

(f) the address at which the pre-listing statement is available.

Circular

277. A pre-listing statement must—

(a) in addition to the requirements of section 273(contents of all circulars), 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 VFEX, for the purpose of giving information to the public with regard to the company.";

(b) if the pre-listing statement is required as a result of a rights issue, it must in addition state the following on the front page—

"This rights issue circular incorporates listing particulars and is issued in compliance with the listing requirements of the VFEX, for the purpose of giving information to the public with regard to the company."; and

(c) contain the information described in Part VII (prelisting statements).

Placings

278. Companies seeking a listing by way of placing should publish and distribute, in accordance with section 274 (formal approval), a pre-listing statement complying with section 277(a) and (c) or a prospectus complying with section 272(2).

Offers for sale or subscription

279. Applicants seeking a listing by way of an offer for sale or subscription must publish an announcement complying with section 280 (1) and a prospectus complying with section 280(2).

Announcements for offers for sale or subscription

280. (1) An announcement must either incorporate the contents of the prospectus as set out in subsection (2) or contain at least 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 which are the subject of an offer are intended to be offered only to the members of a company or to holders of a specified class of securities, 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 specified class of security holders entitled to accept the offer; and

(iii) the last day on which members or specified class of security holders must register as such
in order to be entitled to receive the offer; and

(g) the last day for subscribing.

(2) The circular for an offer for sale or subscription should take the form of a prospectus and comply with the Companies and Other Business Entities Act [*Chapter24:31*] and Part VI as well as any regulations made under the Securities and Exchange Act [*Chapter 24:25*].

Renounceable offers

281. (1) The applicant in a renounceable offer is required to publish two announcements and a pre-listing statement as follows—

(a) the first announcement must contain at least the information required by section 180 (1);

(b) the second announcement must give—

(i) the date from which the pre-listing statement will be available and from whom it can be obtained; and

(ii) the date the applicant's issued securities and the letters of allotment will be listed;

(c) the pre-listing statement must contain the information set out in section 172 (requirements of prelisting statements regarding acquisition and merger issues);

(2) The listed company renouncing the securities to its shareholders must publish four announcements, according to the timetable set out in section 103 (timetable for publication of documents), containing the information referred to in this section.

(3) The announcements issued by the applicant and the issuer must be published together, and—

(a) the applicant's pre-listing statement must contain all the information contained in the announcements issued by the listed company; and

(b) the responsibility statement from the applicant's directors must cover all the information contained in announcement s issued by the listed company.

SUB-PART A: RIGHTS OFFERS AND CLAW-BACK OFFERS

Publication requirements

282. Listed companies seeking a listing for securities issued by way of a rights offer or claw-back offer must publish an announcements as provided in section 283(1) and, if a pre-listing statement is not required, issue a circular as provided in section 170 (issues not requiring pre-listing statements). The letters of allocation must comply with section 285.

Announcements for rights offers

283. (1) For announcements in accordance with the timetable set out in section

103 (timetable for publication of documents) must be issued though the announcements specified in subsections (2) and (3) and may be combined.

(2) The first announcement mustgive the last date for shareholders to register in order to participate in the offer.

(3) The second announcement must give the terms of the offer and a statement that application has been made to the VFEX for a listing of the renounceable letters and subsequent securities.

(4) The third announcement must—

(a) advise that the VFEX has granted a listing for the renounceable letters of allocation and subsequent securities;

(b) state the salient dates relating to the offer;

(c) state that copies of the circular or pre-listing statement will be available for inspection at the offices of the company's sponsors, as well as the company's transfer office and registered office and such other locations as may be appropriate, by the Friday prior to the Monday on which the listing of the letters of allocation commences; and

(5) Thefourth announcement mustgivethe number of securities taken up bythe shareholders of the applicant and the number of securities taken up by the underwriter (and the sub-underwriter where applicable).

Circular

284. (1) If a pre-listing statement is to be published in accordance with Part VII it must contain theinformation set out in section 172 (requirements for pre-listing statements regarding acquisition and merger issues).

(2) If a pre-listing statement is not required by section 168, a circular must be published containing the information required by the following sections of Part VIII—

Section	*Nature of statement*
175	Name and address
176	Share capital of the company
183	Directors and management
183 (1)(f)	Directors remuneration
190	Directors' interests in securities
191	Directors' interests in transactions
192	Responsibility statement
201	Market value of securities
111	Rights offers
175	Description of business
170	Prospects
208	Litigation
209	Report of historical financial information
238	Profit forecasts
214	Pro-forma statements
72	Corporate Governance
Part XVII	Documents and consents to be available for inspection and any other relevant information prescribed by the VFEX from time

Notes

1. ***The pro forma statements should include a pro forma statement of financial position, a pro forma statement of profit and loss and other comprehensive income, the effect on net asset value per share, net tangible asset per value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share.***

2. ***In certain instances Part VIII (listing particulars) may prohibit the issuer from showing income attributable to the rights issue or issue of shares for cash. If it would be misleading to show no income attributable to the rights issue or issue of shares for cash, the VFEX may grant the issuer dispensation from showing the income statement effects. In this instance the issuer must provide a detailed note setting out the proposed application of the funds.***

(3)In addition, the circular must contain details of all Category 3 transactions not previously notified

Letters of allocation

285. (1) The following information must be included on the letters of allocation—

(a) the salient details of the corporate action, printed on the front page of the letters of allocation; and

(b) the instructions in respect of acceptance and payment, sale and renunciation and registration.

(2) Where excess securities are made available, the application form must be printed in a different colour from the letters of allocation.

SUB-PART B: CAPITALISATION ISSUES AND SCRIP DIVIDENDS

Publication requirements

286. (1) Companies seeking a listing for securities issued by way of a capitalisation of reserves or an application of share premium or capital redemption reserve fund are required to comply with the relevant timetable in section 122.

(2) A circular must be sent to shareholders—

(a) containing the information set out in sections 126 and 273; and

(b) complying with the requirements of section 124, in the case of scrip dividends and section 119 for capitalisation issues.

(3) For a scrip dividend or a cash underpin by a third party for a capitalisation issue, the company seeking a listing is required to publish three electronic announcements—

(a) the first announcement must give the last date on which shareholders must be registered in order to participate in the scrip dividend or capitalisation issue, where applicable, and the exact cash value of the dividend or the exact ratio of the capitalisation issue;

(b) the second announcement must give the ratio of new securities offered to existing securities or the exact cash value of the underpin; and

(c) the third announcement must give details of the results of the scrip dividend and the fact that the dividend has now been declared or the level of acceptances of the cash underpin.

(4) For other capitalisation issues, the company seeking a listing is required to publish an announcement g i v i n g details of—

(a) the proposed capitalisation issue;

(b) the last date on which shareholders must be registered in order to participate in the capitalisation issue;

(c) the date on which the scrip arising out of the capitalisation issue will be issued;

(d) the number of shares that will be issued in relation to the number of shares already in issue; and

(e) the date on which the new number of shares generated by the capitalisation issue will be listed.

SUB-PART C: ISSUES FOR CASH

Publication requirements for issue of cash

287. (1) Companies seeking a listing for securities issued for cash must publish a circular containing the following—

(a) the notice of general meeting;

(b) full disclosure of the detailed effects of the proposed issue, including the effect on the net asset value per share;

(c) the disclosure required by sections 128 under Part VI (methods of bringing particulars to listing);

(d) if section 128(2) is applicable, a statement bythe directors of the company as well as an independent professional expert complying with Fifth Schedule and acceptable to the VFEX, certifying that in their opinion, after due and careful enquiry, the share issue is fair and reasonable and in the interests of the shareholders;

(e) an explanation for any discount to prevailing and recent market prices;

(f) a statement that to the knowledge of the directors and controlling shareholders, if any, the company is not the subject of an announced or expected take-over bid;

(g) the names and addresses of the subscribers to the issue for cash; and

(h) the sections of Part VIII(listing particulars) described in section 284 (2) above, other than section 202, unless a pre-listing statement is required in terms of Part VII (pre-listing statement), in which case the pre-listing statement should contain the information set out in that Part.

(2) After an issuer has issued equity securities in terms of an approved specific issue for cash, the issuer must 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 days prior to the date that the price of the placing was determined or agreed by the directors of the company;

(c) if the issue was to a related party, the name of the independent expert who prepared the required fair and reasonable statement, and where copies of such statement can be obtained; and

(d) the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share.

General issue for cash

288. (1) 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 meeting or annual general meeting; and

(b) the disclosure referred to in Part VI (methods and procedures of bringing securities to listing).

(2) After an issuer has issued equitysecurities in terms of an approved general issue for cash representing, on a cumulative basis within a financial year, 5 *per centum* or more of the number of equity securities in issue prior to that issue, the issuer must publish an announcement

containing full details of the issue and—

(a) the number of securities issued;

(b) the average discount to the weighted average traded price of the equity securities over the 30 days prior to the date that the price of the issue was determined or agreed by the directors of the company; and

(c) the effect of the issue on net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share.

SUB-PART D: REPURCHASE OF SECURITIES

Specific repurchases

289. . (1) For a specific repurchase of securities, the circular must, at the minimum, contain the following information—

(a) contents of all circulars (refer to section 273);

(b) general information including—

(i) directors and management (section 183);

(ii) major shareholders (section 181);

(iii) material change (section 142 (1) (b));

(iv) directors' interests in securities (section 190);

(v) share capital of the company (section 176);

(vi) responsibility statement (section 192); and

(vii) disclosure of litigation proceedings against applicant (section 208);

(c) the reason for, and method by which, the 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 names of such shareholders and the current shareholding of such shareholders and the names and details of the parties excluded from voting in terms of Part VI;

(e) in the case of a *pro rata* offer, a statement that shareholders 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 in Part V (Conditions for listing);

(f) the effect of the proposed repurchase on earnings per share, headline earnings per share, net asset value per share and tangible net asset value per share;

(g) a statement by the directors that after considering the effect of such repurchase—

(i) the 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) the 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 must be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;

(iii) the 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 section 145(1)(c)); and

(iv) the 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 section 212(1));

(h) a statement as to the source of funds to be utilised;

(i) a statement complying with Fifth Schedule, from an independent professional expert acceptable to the VFEX, indicating whether or not the premium paid is fair and reasonable to shareholders of the company if such premium is greater than five *per centum* of the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction was agreed; and

(j) in the case of a specific repurchase by an issuer from a related party as defined in section 265(1), a statement complying with Fifth Schedule , from an independent professional expert acceptable to the VFEX, indicating whether or not the repurchase is fair and reasonable to shareholders of the company.

(2) In the case of a *pro rata* offer, announcements must be made as stated in section 143(1).

(3) In the case of a specific repurchase from specific shareholders, the announcement must contain the following—

(a) the terms of the repurchase;

(b) the date of the general meeting at which the specific authority will be sought;

(c) the person or entity from whom the specific repurchase is to be made;

(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 effects of the repurchase on earnings per share, headline earnings per share, net asset value per share and tangible net asset value per share; and

(f) a statement that a circular containing details of the above will be dispatched to shareholders.

General repurchases

290. (1) If a company is seeking a general authority to purchase its own securities, the company must send to the holders of its securities a notice of general meetings, and a circular containing the following information—

(a) contents of all circulars (refer to section 273);

(b) general information including—

(i) directors and management (see section 183);

(ii) major shareholders (see section 181);

(iii) material change (see section 142 (1));

(iv) directors' interests in securities (see section 190);

(v) share capital of the company (see section 176);

(vi) responsibility statement (see section 192); and

(vii) litigation that the issuer may be involved in (see section 208);

(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—

(i) the 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 general meetings;

(ii) the 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 general meetings. For this purpose, the assets and liabilities must be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;

(iii) the share capital and reserves of the company and the group will be adequate for ordinary businesspurposes fora periodof 12 monthsafter thedateofthenotice of the general meetings (see section 145(1)(c)); and

(iv) the 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 general meetings (refer to section 212(1); and

(e) a statement in the resolution that such authorityis limited to sections 140 (1) (b), where derivatives are used.

(2) When a company has cumulatively repurchased five *per centum* 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 three *per centum* in aggregate of the initial number of that class acquired thereafter, an announcement must be made as soon as possible and 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 on which the securities were repurchased;

(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—

(i) the 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) the 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 must 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 section 145 (1)(c)); 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 section 212(1));

(g) a statement confirming that section 140(1)(b) has been complied with;

(h) the effects of the repurchase on earnings per share, headline earnings per share, net asset value per share and tangible net asset value per share; and

(i) the date on which the securities will be cancelled and the listing terminated, if

applicable.

SUB-PART E: PAYMENTS TO SECURITIES HOLDERS

Specific payments

291. . (1) In this section—

"specific payment" means a payment by a company to its securities holders which is not made pro rata to all the securities holders.

(2) Where an applicant seeks authority to make a specific payment, the circular to its securities holders must contain the following information—

(a) contents of all circulars (refer to section 273);

(b) general information including—

(i) directors and management (see section 183);

(ii) major shareholders (see section 181);

(iii) material change (see section 142(1));

(iv) directors' interests in securities (see section 190);

(v) share capital of the company (see section 176);

(vi) responsibility statement (see section 192); and

(vii) litigation that the issuer may be involved in (see section 208);

(c) the reason for the payment and method by which the company intends to make it;

(d) the effect on earnings per share, headline earnings per share, net asset value per share and tangible net asset value per share of the proposed payment;

(e) a statement by the directors that after considering the effect of such payment—

(i) the 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) the 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 must be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;

(iii) the 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 section 145(1)(c)); and

(iv) the 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 section 212 (1));

(f) the detailed terms of the payment; and

(g) 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.

(3) Where an applicant seeks authority to make a specific payment as defined in this section, an announcement must be published containing 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 and tangible net asset value per share; and

(e) that a circular containing details of the information specified in paragraphs (a) to (d) will be sent to securities holders.

General payments

292. (1) In this section—

"general payment" means a payment which a company makes *pro rata* to all its securities holders.

(2) If a company is seeking authority to make a general payment to its securities holders, a circular must be sent to the securities holders, together with a notice of general meeting, including the following—

(a) the contents of all circulars (refer to section 273);

(b) general information including—

(i) directors and management details (see section 183);

(ii) major shareholders (see section 181);

(iii) material change (see section 142(1));

(iv) directors' interests in securities (see section 190);

(v) share capital of the company (see section 176);

(vi) responsibility statement (see section 192); and

(vii) litigation that the issuer may be involved in (see section 208);

(c) a statement of the directors' intention regarding the utilisation of the authority sought;

(d) a statement by the directors that after considering the effect of the payment—

(i) the 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 general meetings;

(ii) the 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 general meetings.

For this purpose, the assets and liabilities must be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;

(iii) the 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 general meetings (refer to section 145(1)(c)); and

(iv) the 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 general meetings (refer to section 212(1)).

(3) Where a company seeks authority to make a general payment as defined in subsection (1), an announcement must be published containing the following information—

(a) the terms of the payment;

(b) the date of the general meeting at which the specific 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 and tangible net asset value per share.

SUB-PART F: VOLUNTARY LIQUIDATION

Circular on voluntary liquidation

293. (1) Where an issuer proposes to enter into voluntary liquidation, a circular approved by the VFEX must be despatched to its shareholders with the notice of general meeting, incorporating the following—

(d) a summary of the mechanics of the liquidation distribution and the payment procedure to be adopted;

(e) any applicable exchange control rulings or procedural guidelines;

(f) the taxation implications of the distribution;

(d) a pro-forma statement of financial position (refer to Part IX) if the issuer intends making more than one distribution to security holders or if it has entered into any Category 1 to Category 3 transactions;

(e) the effect of the voluntary liquidation on net asset value, net tangible asset value, earnings and headline earnings per share to the shareholder;

(f) the information required by section 273 (general requirements for all circulars); and

(g) the information required by section 218 (documents and consents to be available for inspection).

(2) If shareholders approve the voluntary liquidation, a written application by the company must be submitted for the termination of the listing on a stated date.

Sub-part G: Redemption of Securities

Circular of redemption of security

294. (1) Where an issuer proposes to redeem securities a circular must be despatched to its shareholders, with the notice of general meeting, giving the following information—

(a) a summary of the salient features, dates and rationale of the redemption, and steps to be followed by the shareholders;

(b) details as to the company's compliance with applicable laws and the terms and conditions of any approval granted by an appropriate regulatory body.

(c) the taxation implications of the redemption;

(c) the effect of the redemption on net asset value, net tangible asset value, earnings and headline earnings per share to the shareholder; and

(d) the information required by section 273.

(2) The requirements of subsection (1) may be waived by the VFEX where the redemption does not contain any options and must be redeemed on specific terms and at specific times.

SUB-PART H: CHANGE OF NAME OF AN ISSUER

Circulars of change of name of an issuer

295.(1) An issuer proposing to change its name must send two circulars approved by the VFEX to its shareholders with the following details—

a. thefirst circularshouldconvene thenecessarymeeting and givedetails of the resolutions shareholders will be asked to pass in order to affect the proposed

change of name; and

(b) the second circular must give the results of the resolutions and, if the resolutions have been passed, state—

(i) whether the change of name has been registered with the registrar of companies (if it has, a certified copy of the proof of change of name should be submitted to the VFEX);

(ii) the date from which the VFEX will give effect to the change of name;

(iii) the abbreviated name of the company; and

(iv) instructions as to the procedure to be adopted regarding existing share certificates or, where the shares have been dematerialised, any applicable proof of ownership.

(2) Where share certificates are being recalled, the second circular must be sent to shareholders at least two weeks prior to the date on which the company's securities are listed under its new name.

SUB-PART I: SUB-DIVISION OR CONSOLIDATION OF SECURITIES

Circulars on sub-division or consolidation

296. (1) An issuer proposing to subdivide or consolidate its securities must issue two circulars to shareholders—

a. the first circular must convene the necessary meeting and include the following information—

(i) details of the resolutions shareholders will be asked to pass in order to effect the subdivision or consolidation;

(ii) the reasons and rationale for the subdivision or consolidation;

(iii) a statement that application has been made to the VFEX for the amendment of the company's listing; and

(iv) the procedure to be adopted regarding existing share certificates if the special resolution is passed by shareholders and the VFEX has agreed to the amendment of the listing;

(b) the second circular must be sent to shareholders immediatelyafter the general meeting and include the following—

(i) the outcome of the meeting;

(ii) whether the application for the listing of the subdivided or consolidated securities has been granted by the VFEX;

(iii) the date from which the listing is to be amended; and

(iv) the procedure to be adopted in respect of the recall of the existing share certificates.

(2) An announcement embodying the details contained in subsection (1) (b) must be published.

(3) The VFEX will only consider applications in respect of share splits from companies whose securities have a high market price or are poorly traded so as to improve the marketability of the securities.

(4) No cash company will be permitted to split its securities if, as a result of such split, the net asset value or indicated market price after the split is reduced to below one cent per share.

SUB-PART J: REDEMPTION OF LISTED REDEEMABLE SECURITIES

Requirements

297. The following must be complied with in regard to the redemption of listed securities by an issuer —

a. the redemption must be effected in compliance with any applicable provisions of these rules and any other regulatory requirements such as a redemption of listed redeemable preference shares in terms of the Companies and Other Business Entities Act [*Chapter 24:31*], and must be authorised and effected in accordance with the listed company's constitutive documents;

b. a circular must be sent to holders of the redeemable securities containing the information set out in section 294(1), unless waived in terms of section 294(2); 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 approved by, the VFEX.

SUB-PART K: CHANGE OF TRANSFER SECRETARIES

Requirements

298. The following procedures are required when there is a change in the transfer secretaries of an issuer—

a. a notice advising members of the issuer's change of transfer secretaries, 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 VFEX in writing of the change and must include details in respect of the issuer's new transfer secretaries.

SUB-PART L: CAUTIONARY ANNOUNCEMENTS

Matters to be disclosed in cautionary announcements

299. Cautionary announcements must—

a. disclose all available details regarding the information that is the subject of the cautionary announcement; and

b. 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:

Provided that, when a company is unable to provide details on the subject of the cautionary announcement, the announcement should be substantially in the form of paragraph 20.1 of the Twentieth Schedule ("First cautionaryannouncement").

Progress reports following cautionary announcement

300. In all instances where a cautionary announcement has been published, the company must publish a progress report at least every 21 days until negotiations have either been finalised and shareholders informed of theoutcomeinthemannerrequiredintheserulesor havebeen terminated and shareholders informed accordingly. 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 the Twentieth Schedule ("Renewal of existing cautionary announcement").

Withdrawal of cautionary announcement

301. 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 set out in paragraph 20.3 of the Twentieth Schedule ("Withdrawal of cautionary announcement").

SUB-PART M: GENERAL MATTERS RELATING TO CIRCULARS, ANNOUNCEMENTS AND DOCUMENTS

Embargo placed on company announcements or circulars

302. To obviate leakage of information companies are not permitted to release for publication company announcements (including announcements, circulars and pre-listing statements) under a time embargo.

Release dates should be in agreement with the VFEX. 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 section 33, and circulars may not be released to a third party under a time embargo prior to it being approved by the VFEX and sent to shareholders and the VFEX Website.

Name or logo of broking firm on advertisements and documents

303. (1) The names of the sponsor or members of the VFEX may appear in any advertisement or document issued by or on behalf of any company. Where the names of members appear, the following words must be added after their names: "member of the VFEX."

(2) Where the name or logo of a broking firm appears on an advertisement or document, irrespective of whether the advertisement or document is in respect of a listed or unlisted company—

(a) the document or advertisement must be cleared with the VFEX;

(b) the document or advertisement must conform to these rules; and

(c) the document is subject to normal documentation fees, where applicable.

Circulars and announcements to be sent to all securities holders

304. If an issuer dispatches a circular, pre-listing statement or listing particulars or announcement to the beneficial owners of any particular class of security, the issuer must dispatch a copy or summary of the document to the beneficial owners of all other classes of securities in such issuer, unless the sponsor, with the concurrence of the VFEX, considers the contents of the document as irrelevant to them.

Communication with holders of bearer securities

305. If there is a need to communicate with beneficial owners of listed bearer securities, the issuer must release an announcement referring to the communication and give an address or addresses from which copies of such communication can be obtained by beneficial owners of bearer securities.

Responsibility of issuer for disseminating information

306. Where copies of annual financial statements, abridged annual financial statements, provisional reports, interim reports, pre-listing statements or 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 beneficial holders of its securities at the cost of the issuer.

Availability of pre-listing statements or circulars

307. Members of the VFEX may obtain copies of pre-listing statements or circulars by submitting a request to the sponsor for the number of copies required. It is then the duty of the sponsor to pass on such applications to the company, which is responsible for posting these copies promptly to the applicants.

SUB-PART N: ISSUE OF SHARES UNDER CONTROL OF DIRECTORS

Issue of authorised but unissued shares under control of directors

308. (1) Where a company is contemplating an increase of capital and the authorised but unissued shares are being placed under the direct control of the directors with no indication as to whom theywill be issued, the notice to shareholders must contain the following statement—

"*Noissue of thesesharesiscontemplated at the present timeandnoissuewillbemadewhich could effectively transfer the control of the company without prior approval of shareholders in general meeting*."

(2) The VFEX must be consulted prior to whatever transaction is contemplated before an issue of shares under the control of directors is made, and any instructions given by the VFEX must be complied with.

SUB-PART O: ODD-LOT OFFERS

Requirements for odd-lot offer

309. An issuer making an odd-lot offer to its securities holders must distribute a circular to securities holders, together with 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 section 160(odd-lot offers); and

(d) the procedure to be adopted by certificated shareholders with respect to their documents of title.

PART XIII

MINERAL COMPANIES

Definitions

310. In this Part

"competent person"—

a. Mean s aperson withaminimum offive years' experience relevant to thestyle of

mineralization and type of deposit under consideration and to the activity that

the person is undertaking; and

b. in relation to the preparation of a competent person's report, includes an individual, firm, company or other legal entity which has a director, partner or employee who—

(i) is professionallyqualifie d and is a member ingoodstanding of an appropriate professional association, institution or body acceptable to the VFEX; and

(ii) has, in the opinion of the VFEX, the necessaryprofessional experience insofar as it relates to the contents of the report;

"exploration" means all activities and operations (including, without limitation, aerial, geological, geophysical and photo geological surveys, the application of remote sensing technology, drilling, pitting and trenching, bulk sampling and trial mining) directed towards the reconnaissance, or discovery, location and delineation of, commercial mineral ore bodies, the evaluation of such ore bodiesincluding feasibility studies, viability and amenability studies, the acquisition, maintenance and administration of the relevant mineral titles and the administration of field offices for the performance of such activities;

"exploration company" means a company whose principal activity is that of exploration;

"exploration results" means the disclosure of exploration results compiled by a competent person;

"mineral" has themeaning given to it in the Mines and Minerals Act [*Chapter 21:05*] or any other relevant international legislation from where the issuer concerned has a primary listing ;

"mineral reserves" means that part of a mineral resource which has been analytically demonstrated to justify mining, taking account, at the time of the determination, all known mining, metallurgical, marketing, legal, environmental, social, economic and other applicable conditions;

"mineral resources" means a mineral deposit in such form and quantity that mining of a mineral may be feasible and the location, grade, quality and quantity of which are estimated from specific geological evidence;

"mining" means any excavation of the earth, including any portion under water or in any tailings, as well as any borehole, made for the purpose of winning a mineral or the exploration of any mineral deposit in any other manner;

"mining company" means a company whose principal activity is that of mining.

General

311. (1) Subject to this Part, these rules apply to mineral companies. Sections 312 to 316 apply exclusively to exploration companies. Sections 316 to 319 apply exclusively to mining companies. To the extent that a mineral company is both an exploration company and a mining company, all these provisions apply to it.

(2) If information required to be disclosed under this Part is confidential for legal or other reasons and the directors of a mineral company can show to the satisfaction of the VFEX that the mineral company's legitimate interests might be prejudiced if the information were to be disclosed, then the VFEX may grant a dispensation from the requirement to make the information public.

(3) A compliance checklist must be submitted to the VFEX with every competent person's report and must contain cross-references of the Requirements in this Part to the relevant parts of the report.

SUB-PART A: EXPLORATION COMPANIES

Criteria for listing

312. (1) The VFEX may admit to listing the securities of an applicant notwithstanding that the requirements of section 86(c) are not satisfied, if—

a. the provisions of section 86(a), (b), (e) and (f) are satisfied;

(b) the applicant undertakes or proposes to undertake exploration;

(c) the applicant demonstrates to the satisfaction of the VFEX that the applicant's managers have satisfactory experience in exploration; and

(d) the applicant demonstrates to the satisfaction of the VFEX that the applicant is entitled to explore for the relevant minerals.

(2) The VFEX shall require all applicants to have issues underwritten.

Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by exploration companies

313. In addition to the requirements of Parts VII and IX, pre-listing statements, listing particulars, prospectuses and circulars prepared by exploration companies must contain the following information or documents—

a. a competent person's report, complying with section 314(2) and (3) and, if in the opinion of the VFEX the competent person is not independent of the issuer, the pre-listing statement must clearly disclose the nature of the relationship or interest;

(b) details of all management and service agreements;

(c) the names of the issuers' directors and technical advisers;

(d) details of any direct or indirect interest, beneficial or non-beneficial, which each director, competent person and related party has or, within two years preceding the date of the pre-listing statement, had—

(i) in any asset (including a 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 of any legal proceedings that may have an influence on the issuer's rights to explore for minerals, or a statement that there are no such proceedings, if that is the case;

(f) a glossary of the terms used in the pre-listing statement; and

(g) a detailed statement of—

(i) the exploration funding requirements for at least two years following publication of the pre- listing statement;

(ii) the exploration expenditure incurred to date or budgeted for; and

(iii) the projected adequacy of capital raised for exploration purposes.

Competent persons' reports

314. (1) An issuer may appoint more than one competent person and each competent person's report must comply with subsections (2) and (3)

(2) A competent person's report must—

(a) state the full name, address, professional qualifications and relevant experience of the competent person and the name and address of the professional association, institute or body of which he or she is a member;

(b) in the case of a firm, company or other legal entity, state the entity's full name and address and the full name, professional qualifications and relevant experience of the key director, partner or employee who has prepared the report, and the name and address of the professional association, institution or body of which he or she is a member;

(c) be dated less than nine months prior to the date of publication of the pre-listing statement or circular and signed by the competent person or the person or persons authorised to sign the report on behalf of the firm, company or other legal entity, and by the key director, partner or employee who has prepared the report;

(d) be updated prior to publication of the pre-listing statement or circular if further data becomes available, unless the pre-listing statement or circular sets out and explains the effect of such further data;

(e) if the competent person is not independent of the issuer, clearlydisclose the nature of the relationship or interest; and

(f) contain a paragraph stating that all requirements of this Part have been complied with, or that certain paragraphs were not applicable and provide a list of such paragraphs.

(3) The competent person's report must include a description of—

(a) 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

(b) the agreements, concessions, consents, permissions, permits or authorisations, required and where those have been obtained, and details of their principal terms and conditions;

(c) a statement detailing exploration results to date including the names of every organisation 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 (such as reverse circulation, rotary air blast, diamond drilling) and details (such as core diameter) and the measures taken to maximise sample recovery and ensure the representative nature of the samples;

(ii) with respect to logging: a statement as to whether samples have been logged to a level of detail to support appropriate mineral resources estimation, mining and metallurgical studies and the nature of the logging , whether qualitative or quantitative in nature;

(iii) with respect to drill sample recovery: whether sample recoveries have been properlyrecorded and results assessed, in particular whether a relationship exists between sample recovery and grade and sample bias (such as preferential loss or gain of fine or course material);

(iv) with respect to other sampling techniques: the nature and type of sampling (such as cut channels, random chips) including measures taken to ensure the samples are representative and the precise location and unique numbering of each sample;

(v) with respect to sub-sampling techniques and sample preparation: 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 adoptedforall sub-sampling stages to ensure that the samples are as representative as possible. 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 and details of the use of twinned holes, deflections or duplicate samples;

(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, a discussion of the quality and adequacy of topographic control and, where appropriate, locality plans;

(viii) with respect to data density and distribution: a description of the data density for reporting of exploration results including whether the data density and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the mineral resource or mineral reserve estimation procedure and classification applied and when applied, sample compositing;

(ix) with respect to audits or reviews: the results of any audits or reviews of sampling techniques and data used;

(x) with respect to exploration work done by other parties: acknowledgement and detailed appraisal of exploration by such parties;

(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), including 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 or minimum grade truncations (such as cutting off 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, a full report of its nature: if not known and only the down-hole lengths are reported, a clear statement to this effect such as "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 widths to avoid a misleading reporting of exploration results;

(xv) with respect to other substantive exploration data: details of other exploration data, if meaningful and material, including 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: an outline of the nature and scale of planned further work (such as additional exploration);

(d) with respect to the issuer's mineral resources and reserves, a statement of—

(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) ageneraldescriptionofthemethodsbywhichthedetailsundersubsection(3) were estimated;

(iv) the anticipated mining tonnages, grades or volumes;

(v) the planned processing tonnages, grades or volumes, and the other principal assumptions relating to any forecast revenues and operating costs; and

(vi) theestimation andreportingofmineralresources detailing, where applicable, the following—

A. 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, and the data validation procedures used;

B. with respect to geological interpretation—a description of the geological model used and inferences made from this model and a discussion of sufficiency of data density to assure continuityof mineralisation and provide an adequate database for the estimation procedure used;

C. with respect to estimation and modelling techniques—

I 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;

II the availability of check estimates, previous estimates or mine production records and whether the mineral resource estimate takes appropriate account of such data;

III the assumptions made regarding recovery of by-products;

IV in the case of block model interpolation, the block size in relation to the average sample spacing and the search employed;

V assumptions behind modelling of selective mining units;

VI the process of validation, the checking process used, the comparison of model data to drill-hole data, and use of reconciliation data if available;

VII detailed description of the method used and the assumptions made to estimate tonnages and grades (section, polygon, inverse distance, geostatistical, or other method);

VIII description of how the geological interpretation was used to control the mineral resource estimates;

IX a discussion of the basis for using or not using grade cutting or capping;

X if a computer method was chosen, a description of programs and parameters used;

XI a detailed description of geostatistical methods used and a justification of the method chosen;

XII a discussion of the geostatistical parameters, including the variogram and their compatibility with the geological interpretation. Experience gained in applying geostatistics to similar deposits should be taken into account;

D. 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;

E. 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;

F. 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;

G. with respect to tonnage factors (*in situ* bulk densities)—whether assumed or determined; if assumed, the basis for the assumptions and if determined, the method used, the frequency of the measurements, the nature, size and representativeness of the samples;

H. with respect to classification- 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 or grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data and whether the result appropriatelyreflects the competent person's view of the deposit; and

I. with respect to reviews or audits: the results of anyaudits or reviews of mineral resource estimates;

(e) where applicable, a statement to the effect that—

(i) an environmental management programme as required by law has been approved by the responsible ministry concerned and the cost of such programme;

(ii) pendingthe approval of an environmentalmanagement programme, temporary authorisation to commence operations has been obtained; or

(iii) an extension of time within which to obtain approval of an environmental management programme has been granted;

(f) in respect of the issuer's exploration activities to date, a statement—

(i) of the nature of any relevant geophysical and geological evidence;

(ii) where applicable, of the results of drilling and sampling, stating the number of holes drilled, sample pits or trenches and their location, with a description of their current status, and a statement whether or not those results support the existence of the relevant minerals; and

(iii) where applicable, of the names or the organisations that carried out the investigation and analysis;

(g) in respect of the issuer's future exploration activities, a description of the general methods to be employed for exploration; and

(h) in respect of each major property, maps and plans demonstrating its location, the nature and extent of workings thereon and all principal geological features.

Announcements and circulars

315. (1) In addition to any other requirements under these rules, announcements by exploration companies must—

b. insofar as they relate to any mineral deposit, include any information available to the issuer concerning the characteristics of the deposit;

c. insofar as they relate to mineral resources or reserves, include a description of the nature of mineralisation; and

(c) insofar as they relate or refer to a competent person's report—

(i) be approved in writing in advance of publication by the relevant competent person; and

(ii) if in the opinion of the VFEX, the competent person is not independent of the issuer, clearly disclose the nature of the relationship or interest between them.

(2) In addition to any other requirements under these rules, circulars in respect of Category 1 and Category 2 transactions by exploration companies must—

(a) include a competent person's report complying with sections 314 (2) and (3), if the information in such a report is relevant to the subject matter of the circular;

(b) if a competent person's report is included and the competent person is not, in the opinion of the VFEX, independent of the issuer, clearly disclose the nature of the relationship or interest between them; and

(c) include a glossary of the terms used in the circular.

SUB-PART B: MINING COMPANIES

Criteria for listing

316. The VFEX may admit to listing on the Board the securities of an applicant notwithstanding that the requirements of section 86 (c) are not satisfied, if—

(a) the provisions of section 86 (a), (b), (d), (e) and (f) are satisfied;

(b) the applicant undertakes or proposes to undertake mining;

(c) the applicant demonstrates to the satisfaction of the VFEX that the applicant's managers have satisfactory experience in mining; and

(d) the applicant demonstrates to the satisfaction of the VFEX that the applicant is entitled to mine the relevant minerals.

Contents of pre-listing statements, listings particulars, prospectuses and circulars prepared by mining companies

317.(1) The provisions of section 313 (1) apply, with any necessary changes, to mining companies, save that the competent person's report must also comply with subsection (3).

(2) In addition to the requirements of Part VII and the requirements of section 313 (a) to (f), an estimate of the mining and other related funding requirements for at least two years after publication of the pre-listing statement must be included in the pre-listing statement, listing particulars, prospectuses and circulars prepared by mining companies.

(3) Particulars of the estimated cash flow for either the two years after publication of the pre-listing statement or the period until the end of the first full financial year in which mining is expected to be conducted on an economic scale and relevant revenue, cost, capital expenditure, tax and other material financial details required to enable the calculation of such cash flow must be included in the documents referred to in this section.

Competent persons' reports

318.(1) The provisions of sections 314 (1) and (2) apply, with any necessary changes, to the contents of a competent person's report for mining companies. In addition, the competent person's report must include—

a. in respect of 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 subparagraph (ii) were estimated;

iv. the anticipated mining tonnages or volumes; and

v. the processing volumes or tonnages, together with the other principal assumptions relating to forecast revenues and operating costs;

(b) a statement in relation to the issuer, providing—

(i) the production policy, including production rates of sites, mines and wells where production has already been commenced;

(ii) the estimated production rates relating to new mines, or re-workings, or new drilling, or work-overs;

(iii) an estimate of the working lives of each major property;

(iv) an indication of the bases on which these estimates have been arrived at; and

(v) the qualifications and experience of the key technical staff employed or to be employed;

(c) the date on which mining commenced or is expected to commence on the issuer's major properties;

(d) an indication of the progress of actual working, including an analysis in narrative and numerical form of previous exploration, development and mining carried out on the issuer's major properties;

(e) a commentary on the reasonableness of the directors' forecasts, if any, of the rates of mining of the issuer's major properties;

(f) a commentary on the ownership, type, extent and condition of plant and equipment which is significant to the issuer's operations and which is currently in use on the issuer's major properties;

(g) information on significant additional plant and equipment which will be required to

achieve the forecast rates of mining;

(h) an assessment of the value of the plant and equipment owned by the issuer currently in use for mining, save that such an assessment will not be required if a statement is made confirming that the directors do not consider the plant and equipment to be of significance to an investor's assessment of the issuer's operations;

(i) basic information or valuation bases relating to all key criteria which may be used in arriving at a valuation based on a discounted cash flow mining model, also known as a net present value mining model.

(2)A statement setting out any additional information required for an appraisal of any special factors affecting the mining businesses of the issuer, including difficulties of access to, or in recovery of, mineral resources and reserves and special circumstances, such as difficulties in transporting or marketing the ore which may affect the economic viability of the project, or an appropriate negative statement must be included in the competent person's report.

Announcements and circulars

319. The provisions of section 315 apply, with any necessary changes, to mining companies.

PART XIV

PROPERTY COMPANIES

Definitions

320. In this Part—

"gross assets" means the net book value of a company's assets before deducting outstanding mortgages;

"property" means immovable property, whether owned or leased;

"property company" means a companyprimarily engaged in activities relating to property, including—

a. the holding of properties and development of properties for letting and retention of investments; and

b. the purchase or development of properties or both;

"net annual rent" means the income generated by any property attributable to the company as estimated by an external valuer—

(a) ignoring any special receipts or deductions arising from the property; and

(b) before taxation, including tax on profits and any allowances for interest on capital or loans;

"net book value" means the value of properties after adjusting their cost to reflect any depreciation or other adjustment so as to reflect the figure at which those properties are shown in the books of account;

"published valuation" means the valuation referred to in the issuer's annual financial statements or pre-listing statement or circular, whether produced independently or by the directors and stated as such;

"external valuer" means a practising independent property valuer who is a member of the Institute of Valuers of Zimbabwe or a similar body accepted by the VFEX.

Additional information for listing

321. A property company's pre-listing statement must, to the extent relevant, include the information required by Part VII (pre-listing statements), and in addition includes—

a. a summary of the property portfolio including location, tenancies, vacancies, material lessees, rent, lease expiry, review date, option to review, escalation, average property yields and current replacement costs. (Pie charts and bar charts may be used to illustrate the respective sectorial and geographical spread of properties in the property portfolio and leases falling due for renewal or review);

(b) financial details, including—

(i) a three-year profit history, which may be on an aggregated pro forma basis for the most recent financial period and on an individual basis for material properties for the last three financial years;

(ii) statements of financial position for the last two years, which may be on an aggregated pro forma basis for the most recent financial period and on an individual basis for material properties for the last two financial years; and

(iii) a valuation report in accordance with sections 323 to 329;

(c) details, in respect of each of the promoters, managers, trustees and directors of the applicant or any subsidiary or holding company, of—

(i) any direct or indirect beneficial interest in any property held by the applicant or to be acquired out of the proceeds of the issue, where any of them is or has contracted to become a tenant of any part of the property; and

(ii) any relationship between any of them and another person where a duty in relation to that other person conflicts, or may conflict, with a duty to the applicant; and

(d) in the case of a property managed by agents, details of their name, business address, terms of contract, remuneration, experience and qualifications.

SUB-PART A: VALUATION REPORTS

Requirement for a valuation

322.(1) A valuation report prepared by an external valuer must be obtained by—

a. a property company which is a new applicant;

b. a company, if it makes an acquisition or disposal of property which is a Category 1 or Category 2 transaction or is a related-party transaction within the meaning of Part X and Part XI, respectively;

c. a listed property company which owns property constituting security for debt securities that must be listed; or

d. a listed property company which refers to the valuation of property in pre-listing statements or circulars.

(2) Where a valuation report is included in a pre-listing statement or circular, there must also be a statement reconciling that valuation with the equivalent figure included in the listed company's latest published statement of financial position.

Valuation report

323.(1) A property company's valuation report must be prepared by an external valuer.

(2) The valuation report to be included in a property company's pre-listing statement or circular must—

(a) state in respect of each property—

(i) the valuation;

(ii) its address;

(iii) the nature and date of the valuer's inspection;

(iv) a brief description (such as land or buildings, approximate site and floor areas);

(v) existing use (such as shops, offices, factories, residential);

(vi) relevant planning permissions;

(vii) any material contravention of statutory requirements;

(viii) tenure (owned or leased, giving the term of any lease);

(ix) vacancies in any leased property;

(x) the main terms of tenants' leases or sub-leases, including repairing obligations;

(xi) the approximate age of any buildings;

(xii) the present capital value of the property in its existing state;

(xiii) the terms of any inter-group lease on any property occupied by the group, with an identification of the property;

(xiv) any other matters which materially affect the value of the property, including any assumptions and any information on contamination; and

(xv) the source of information on the property and verification of the information;

(b) state the name, address and professional qualifications of the valuer;

(c) be dated and state the effective date on which each property was valued;

(d) state any assumptions underlying the valuation;

(e) 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, separate valuations including a reconciliation of the costs and values; and

(f) in cases where directors have been beneficially interested, whether directly or indirectly, in any acquisition or disposal of any of the properties during the two years preceding the valuation, 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. Alternatively, the information on beneficial interests of directors, whether direct or indirect, may be given elsewhere in the pre- listing statement or circular.

Valuations of property in course of development

324. Where the valuation is in respect of land currently being developed or in respect of which definite development plans have been formulated for execution in the near future, the following additional information must be given in the property company's 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 when the development is expected to be completed and an estimate of letting or occupation dates;

(c) the estimated total cost of carrying out the development, including 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;

(d) the open market value of the land and buildings in their existing state as at the date of valuation; and

(e) the estimated capital values of the land and buildings 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.

Valuation of property occupied for purposes of business: *investment property*

325.(1) Property which is occupied for the purposes of a business should normally be valued at open market value for its existing use. Where open market value for an alternative use materially exceeds this basis, the alternative use valuation should be stated but the costs of cessation and removal should be estimated by the directors and shown in the valuation report.

(2) Property that is occupied for the purposes of a business must be valued in accordance with the relevant IFR standard or any other accounting framework acceptable to the VFEX.

External property

326. If a property company owns property outside Zimbabwe, that property must be stated separately, its basis of valuation clearly identified and a valuer's report given.

Rentals used in valuations

327. In respect of each property which is rented out by the company, the current net annual rent and the estimated future net annual rent at a named date where it differs

materially from the current net annual rent must be included in the valuation report, based on its current open market rental value.

Other general matters

328. (1) Where the issuer can satisfy the VFEX that it is a property trading company, certain requirements of these rules do not apply to it. In such a case the VFEX should be consulted.

(2) Where a valuation is referred to in the pre-listing statement or a Category 1 or Category 2 transactions circular or a circular relating to a transaction with a related party, a copy of the valuation report must be made available for inspection by shareholders.

Summary of valuations

329. The valuation report must include a summary of the number of properties and the aggregate of their valuations must be split to show the separate totals for the properties that are owned and those that are held by the company under a lease. Negative values must be shown separately and not aggregated with the other valuations. Separate totals must be given for properties valued on an open market basis and on a depreciated replacement cost basis, and for any external properties.

SUB-PART B: PROPERTY UNIT TRUSTS

Nature of property unit trusts

330.(1) Unit trust schemes in property shares are regulated by the Collective Investment Schemes Act [*Chapter 24:19*] and must also comply with these rules.

(2) A property unit trust is restricted to investment in the shares of property-owning companies (fixed property companies) and in approved securities, pending investment of cash resources into property. After the initial issue of units, a property trust may only issue further units by way of rights issues to existing unit holders or in consideration for the acquisition of a property investment, subject to the requirements of the VFEX.

(3) Where an issuer can satisfy the VFEX that it is a property unit trust, certain of these rules relating to property companies do not apply to it. In such a case the VFEX should be consulted.

Management Company

331.(1) A management company must—

a. be formed solely for the purpose of establishing, carrying on or managing unit trust schemes in property shares and issuing unit certificates under those schemes, and must confine its activities solely to those purposes;

b.be registered as a public company under the Companies And Other Business Entities Act [*Chapter 24:31*];

c. have a paid up share capital and non-distributable reserves which together amount to not less than USD$1 000 000,00 actually employed or immediately available for employment in its unit trust business: and

d. registered by the Securities and Exchange Commission or a similar regulatory body.

(2) A management company and its directors must not directly or indirectly derive any pecuniary advantage or personal interest from the acquisition or sale by the management company or by a fixed property company of any securities or underlying fixed properties of the property unit trust except as provided in the Collective Investment Schemes Act [*Chapter 24:19*], other relevant laws and the trust deed governing the property unit trust.

The trust deed

332. A unit trustschemeinpropertysharesis governedbyatrustdeedenteredinto between the management company and the trustee. The trust deed sets out, among other things, the responsibilities, investment policy and restrictions of the management company, and the trustee's responsibilities which include custody of underlying securities and ensuring that the management company complies with the provisions of the trust deed. A trustee must be qualified under the Collective Investment Schemes Act [*Chapter 24:19*] to act as a trustee.

Additional information for listing unit trusts

333. The requirements for the listing of a unit trust scheme in propertyshares must include the information required by Part VII (pre-listing statements), in so far as it is relevant, and must include—

a. registration approval of the scheme under the Securities and Exchange Act [*Chapter 24:25*] or any other applicable legislation;

b. a valuation report for the scheme property portfolio;

c. tthe total number of units to be issued, the issue price per unit, the number to be subscribed for to finance the initial property portfolio and other relevant details regarding the amount—

i. to be acquired by the management company;

ii. to be issued to the vendors of any property acquired, or to be acquired; and

iii. to be offered for subscription, placing or public offer;

d. details of the management company including its shareholders, capital resources, professional and other appointments;

e. details relating to the acquisition of the initial propertyportfolio, includingdetails of all immovable property held by every property company of which there are shares included in any of its portfolios, showing separately, in the case of each such property, the net price or valuation at which it was acquired by the fixed property concerned, and any other expenditure incurred by the company in connection with the acquisition thereof, such as agent's commission and transfer costs;

f. the details required by sections 323 to 329 (valuation report);

g. details of the issue including, *inter alia*, the terms, conditions, offer period and listing dates;

h. the salient provisions of the trust deed; and

i. details of underwriting.

PART XV

SPECIAL TYPES OF ISSUERS

SUB-PART A: PYRAMID COMPANIES

Classification as pyramid company

334. (1) Any new applicant must make full disclosure to the VFEX of any factors which could render it a pyramid company, and any existing issuer must consult the VFEX before entering into any commitment, arrangement or agreement which could

render it a pyramid company in relation to another issuer.

(2) The VFEX will classify a company as a pyramid company where—

(a) the company—

(i) may exercise or cause the exercise of 50 *per centum* or more of the total voting rights of the equity securities of another listed company ("listed controlled company"); and

(ii) derives 50 *per centum* or more of its total attributable income before tax from such listed controlled company;

or

(b) the company's shareholding in the listed controlled company represents 50 *per centum* or more of its total assets.

(3) The VFEX may, in exceptional circumstances, classify a company as a pyramid company where, in the VFEX's opinion, the company holds or proposes to acquire a shareholding in a listed controlled company which represents or will represent 50 *per centum* or more of the pyramid company's total assets, or produces, or is expected to produce, 50 *per centum* or more of its total attributable income before tax.

(4) The VFEX 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.

(5) In the event of a company being classified as a pyramid company in terms of subsection (2), the VFEX will take into account the provisions of this section when considering whether or not to grant a listing to, or to maintain a listing of a company which is to become, a pyramid company.

Listing of pyramid companies

335. (1) Applications may be made to the VFEX for the listing of a pyramid company if the pyramid company is a result of an unbundling or partial unbundling transaction. Where the listing of a pyramid company is the result of a partial unbundling, the VFEX will give the pyramid company six months from the date of the unbundling to introduce alternative assets that satisfy the criteria for listing in Part VII. Failure to meet this requirement may result in the company's suspension and the ultimate termination of its listing.

(2) The VFEX will not grant a listing to a pyramid company formed as the result of an unbundling transaction, or maintain the listing of a company which is to become a pyramid company as a result of an unbundling transaction—

(a) where the company is or will become a second-stage pyramid company (the pyramid company of another listed pyramid company), unless the VFEX, after being provided with full details of the circumstances, is satisfied that the second-stage pyramid will emerge (or has emerged) fortuitously as a result of a merger or take-over, the prime purpose of which was not the creation of a second stage pyramid company;

(b) unless—

(i) the minority holders of equity securities in the listed controlled company are offered equity securities on the same terms as are applicable to the controlling shareholders of the listed controlled company in proportion to their holdings in the listed controlled company; or

(ii) the controlling shareholders of the pyramid company give an irrevocable written undertaking to the VFEX that they will not enter into any affected transaction

in relation to the pyramid company unless the other party to such affected transaction undertakes to the VFEX to make a comparable offer to the holders (excluding the pyramid company) of the equity securities in the listed controlled company;

(c) unless the listed controlled company has been listed for more than two years or it satisfies each of the following criteria—

(i) 50 *per centum* or more of the listed controlled company's total assets or 50 *per centum* or more of its total attributable income before tax is derived from operations which have been listed for at least 12 months;

(ii) the listed controlled company is not classified by the VFEX to be a pyramid company;

(iii) the management who control the listed controlled company held such control 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 have been predominantly the same for the period referred to in subparagraph (iii);

(v) the listed controlled company has issued audited financial statements covering the period referred to in subparagraph (iii) that have not been qualified by the listed controlled company's auditors; and

(d) unless the cover of the circular relating to the creation of the pyramid company contains a warning that it will reduce the effective voting influence of shareholders in the listed controlled company.

(3) The VFEX may re-classify a listed pyramid company which ceases to meet the percentages referred to in section 334(2) (classification of pyramid companies).

(4) The VFEX will not permit a listed controlled company to acquire securities in its listed pyramid company.

SUB-PART B: REDEVELOPMENT ENTITIES

General

336. In evaluating the listing of a redevelopment entity, the VFEX will have regard to the fundamental principle that the principal objective of the re-development entity is the provision of assistance, through investment, loans or other means acceptable to the VFEX to persons, communities or undertakings which, in the opinion of the VFEX, would make a positive contribution to the socio-economic development of the country or a defined community.

Criteria for listing of redevelopment entities

337. (1) The VFEX may admit a redevelopment company to listing, subject to conditions which mayinclude requirements that are additional to those contained in other Parts of these rules, notwithstanding that the normal requirements regarding details of assets and liabilities and profit history are not given.

(2) The VFEX may admit a redevelopment company to listing notwithstanding that its assets may consist wholly or substantially of cash or short-dated securities.

SUB-PART C: INDUSTRIAL—DEVELOPMENT STAGE SECTOR

General

338. The VFEX may, in its discretion, list as development listed companies substantial

industrial companies that are in the development stage if they comply with the criteria for a listing set out in section 86(1), even if they do not have a satisfactory profit history in terms of section 86(1)(c). In exercising its discretion the VFEX will have regard to the guidelines and requirements set out in this section and section 340.

Procedure for listing industrial development sector

339. Prior to the submission of an application for a listing as a development listed company, the following procedure must be followed—

a. a memorandum giving a summary of the nature of the applicant's business, *modus operandi*, business plan and prospects (based on market segment growth, competitive analysis and market share) and details of the experience of its management, must be submitted to the VFEX through a sponsor; and

(b) after consideration of the memorandum, the VFEX will decide in principle whether it will consider, without commitment, a full application for a listing.

Criteria for listing

340. Applicants seeking a listing of a company as a development listed companymust satisfythe following criteria—

a. the applicant must have a subscribed permanent capital prior to offering any securities to the public of at least US$1,5 million including reserves but excluding minority interests, revaluations of assets that are not supported by a valuation by an independent professional expert acceptable to the VFEX and prepared within the last six months, and intangible assets;

(b) although a profit history is not necessary, the applicant must provide a forecast of future profits or losses in respect of at least one year after completion of the development stage, together with such supporting reports or opinions as may be required by the VFEX;

(c) the criteria set out in section 86 (b), (d), (e), and (f); and

(d) at the beginning of the prospectus or pre-listing statement there must be a warning, in bold letters, that the applicant is still in the development stage and that it does not have a profit history which meets the criteria for a listing.

Miscellaneous

341. The following miscellaneous requirements apply in respect of the listing of a company as a development listed company—

(a) except as modified by sections 338 to 340 and by the VFEX, the listings requirements apply in respect of such companies;

(b) in the event of an issuer seeking to raise capital after its initial listing, the relevant circular or pre-listing statement must carry a warning complying with section 340(d).

SUB-PART D

Bonds disclosure requirements

342. (1) Listing particulars and supplementary listing particulars must not be published before they have been formally approved by the VFEX.

(2) Where a prospectus relating to the securities is required, the prospectus must comply with the requirements of the Companies And Other Business Entities Act [*Chapter*

24:31] and generally include—

(a) details of the financial instrument including name, issue price, coupon rate, date interest is payable, date of issue, and total amount;

(b) resolutions of the issuing authority;

(c) details of approval from government in issues involving local authorities, parastatals and government- controlled entities such as Zimbabwe Electricity Regulatory Authority (ZERA) established by the Electricity Act [*Chapter 13:19*] and the Grain Marketing Board (GMB) established by the Grain Marketing Act [*Chapter 18:14*];

(d) details of the underwriter (including sub-underwriter where applicable) and guarantors;

(e) full details of the intended use to which proceeds from the issue will be put;

(f) full disclosure of the directors and principal officers of the issuer and the positions they hold, and of the issuer's legal advisors, auditors and bankers;

(g) details of reduction and reducing amounts;

(h) details of revenue and capital against which the security is charged and the revenue cover for interest with suitable audited certification and financial accounts;

(i) the transfer secretaries, their address, telephone number and any other contact details;

(j) the period for which the offer is open;

(k) the address where copies of the prospectus are available;

(l) the name of sponsor;

(m) a directors' responsibility statement;

(n) details of any convertibility of loans;

(o) non-resident participation and any exchange control requirements;

(p) the risks associated with the bond issue; and

(q) relevant warning statements to potential investors, for example forward-looking statements.

(3) Advertisements may be in the abridged form. The listing particulars must be published in at least two national newspapers of wide circulation prior to the listing and on the VFEX website.

PART XVI

INVESTMENT ENTITIES

Application of Part

343. Investment entities include investment companies, private equity companies, active private equity funds, investment trusts, unit trusts and private companies whoseprincipal activity is the investment in securities or any other scheme that is deemed by the VFEX to be an investment scheme for the purpose of this Part.

General

344.(1) Subject to this sections and section 345, these rules apply to investment entities.

(2) In evaluating a listing of an investment entity, the VFEX must have regard to the followingprinciples—

(a) the persons responsible for managing the investments must have acceptable qualifications and adequate experience;

(b) applicant must have an acceptable risk management policy;

(c) the applicant must not, to a significant extent, speculate in securities; and

(d) an applicant must have an investment management policy with guidance on what is considered material, and changes to the policy must require shareholder approval.

Criteria for listing

345. (1) The VFEX may admit to listing the securities of an applicant as an investment entitynotwithstanding that the entity does not comply with the main board listings criteria in Part V but meets the requirements in this Part.

(2) For subsection (1) to apply, the applicant must satisfy the following criteria—

(a) the applicant must comply with the criteria set out in section 86 except that, if it is not able to satisfy fully the criteria set out in section 86(c) (three years' audited profit history) it must satisfy the VFEX 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 securities, and that the investment entity or any of its subsidiaries, will not conduct any trading activity that is material to the group as a whole. Materiality in this case means a threshold of 3 *per centum*;

(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 those companies and funds conform to the principal objectives 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 that a majority of the directors are not 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*per centum*, unless the VFEX, in its discretion exercised after taking account of the relevant experience of the management company, otherwise decides; and

(f) the applicant must disclose its portfolio to security holders on a quarterly basis.

Contents of pre-listing statements and prospectuses

346. The requirements of Part VII apply to investments entities, but the following information must be provided, where 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 greater than 5 *per centum* of the fund, and of at least the ten largest investments—

i. giving a brief description of the business; and

ii. stating—

1. whether the securities held by the investment entity are listed and, if so, the name of the securities exchange;
2. the proportion of share capital owned;
3. the cost of the investment;
4. the market value of the investment or, if the investment is not listed, a valuation by the directors of the investment entity and the date of such valuation;
5. the income received during the year, highlighting any abnormal income;
6. any extraordinary items; and
7. the proportionate underlying net assets attributable to the investment;

g. an analysis of anyprovision for diminution in value of investments, giving 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 analysisofanyunrealised profit stating separatelythose between listed andunlisted investments;

(i) details of the name of the group or company which manages the investments and an indication of the terms and duration of their appointment, the basis for their remuneration and details of their investment experience;

(j) the net asset value per share and tangible net asset value per share;

(k) a description of the risk associated with the investment; and

(l) any other requirements prescribed by the specific industry or the VFEX from time to time.

Annual financial statements

347. In addition to the information specified in Part IX (Financial information), an investment entity must report the information required by section 346 (contents of pre-listing statements) in its annual financial statements.

Investment policy statement ("IPS")

348. The investment policy of an investment entity must be stated in its pre-listing statement or prospectus and thereafter all material changes to such policy must be approved by security holders in a general meeting. The IPS should be available for inspection at the investment entity's registered office.

PART XVII

DOCUMENTS TO BE SUBMITTED TO THE VFEX

Application of Part

349. This Part outlines the documents to be submitted to the VFEX when corporate actions are undertaken and contains the Schedules that are referred to in this Part.

General information

350. For the guidance and information of companies it should be noted that—

(a) documents submitted by companies must be copies, which become the property of the VFEX and are not returnable;

(b) any proposed amendments must be submitted for approval by the VFEX before they are published;

(c) if an application for listing is not made within 9 months of the examination of the applicant's articles of association, then the articles of association must be re-submitted for examination for which a further fee may be payable; and

(d) drafts of documents to be sent to shareholders which have been approved by the VFEX will not be regarded as final documents until the documents dispatched to shareholders are in conformity, other than in minor respects, with the draft approved by the VFEX.

Documents to be submitted through sponsor

351. Any document which requires the prior approval of the VFEX or action to be taken by the VFEX, must be submitted through a sponsor if it deals with any of the following matters—

(a) acquisitions;

(b) all announcements other than abridged annual financial statements, interim reports, notices of Annual General Meetings, Notifications of Director Appointments, Resignations or Retirement, Notifications of Senior Executive Appointments and Director Declarations;

(c) applications for the listing of additional securities or amendments to listings or termination of listings;

(d) reverse listings;

(e) capitalisation issues;

(f) changes of name;

(g) conversion of securities;

(h) debenture issues;

(i) disposals;

(j) explanatory statements;

(k) constitutive documents or amendments thereof;

(l) new classes of securities;

(m) new listings;

(n) notices of extraordinary general meetings;

(o) pyramid companies or changes of control;

(p) "rescue" operations;

(q) rights and claw-back offers;

(r) schemes of arrangement, reorganisation, restructuring or unbundling;

(s) share incentive or option schemes or amendments thereto;

(t) "cash company" operations and reverse take-overs;

(u) standby offers;

(v) sub-divisions or consolidations of securities;

(w) take-overs and mergers;

(x) termination of listings at the issuer's request;

(y) transfer of listings;

(z) trustee deeds or their amendments; or

(aa) any other document bearing the logo of a sponsor.

Time at which documents are deemed to have been lodged

352. If a document is received by the VFEX on or before 1000 hours Central African Time (CAT) on any business day it will be deemed to have been lodged at 1000 hours CAT on that business day and, if it is received by the VFEX after 1000 hours CAT on any business day, it will be deemed to have been lodged at 1000 hours on the following business day ("the lodgement time").

SUB-PART A: PROCEDURE FOR APPROVAL OF DOCUMENTS

Initial submission for informal comments

353.(1) A copy of a document required to be approved by the VFEX in terms of these rules should be submitted to the VFEX as early as possible for informal comments, together with payment of the appropriate inspection fee, where applicable.

(2) Within two business days of the lodgement time, the VFEX must provide the relevant sponsor with its informal comments on the document.

Approval Procedure

Documents Requiring Management Approval

354.(1) Once the informal comments of the VFEX have been incorporated into the draft document, it may be submitted to the VFEX for further review or approval by VFEX Issuer Regulation.

(2) Within 48 hours of the deemed lodgement time for approval, the VFEX may—

(a) grant the approval sought, if the documents are found to be in accordance with these rules; or

(b) refuse to approve and return the documents to the sponsor with comments, if they are not in conformity with these rules, or without comments if an incomplete set of documents was submitted or the inspection fee was not paid.

(3) In the event of a refusal in terms of subsection (2), the sponsor may re-submit the documents after incorporating the VFEX comments or rectifying the omission, whereupon that subsection will again apply.

(4) The procedures under subsections (2) and (3) will apply until the VFEX grants the approval, but if the documents are returned to the sponsor after the third submission, the VFEX may charge an additional inspection fee amounting to 50 *per centum* of the original inspection fee for every subsequent submission.

(5) The following documents shall be approved for publication by the VFEX Issuer

Regulation –

i. All Notices & Announcements

ii. Trading Updates

iii. Financial Statements & Audit Reports

iv. Cautionary Statements

Formal approval by the Listing Committee

355. (1) For documents or transactions requiring Listing Committee approval, the following procedure shall apply;

a) The sponsor shall submit transaction documents for review by VFEX Issuer Regulation;

b) VFEX Issuer Regulation shall provide comments to the documents if any;

c) The sponsor shall resubmit the transaction documents after attending to the comments raised by VFEX Issuer Regulation;

d) Upon review of the resubmitted documents, if the VFEX Issuer Regulation is satisfied with the revised transaction documents, it shall submit the revised transaction documents together with its recommendations to the Listings Committee;

e) The Listings Committee may either approve or refuse to approve the transaction with or without conditions.

f) Where an approval has been granted, the sponsor shall be required to submit the final version of the transaction documents to the VFEX Issuer Regulation before they are published or circulated.

g) The VFEX Issuer Regulation shall only authorize the sponsor to publish or circulate the transaction documents if they comply with the decision and conditions, if any, issued by the Listings Committee.

h) Where an approval is not granted by the Listings Committee, the same procedures outlined in this section shall be repeated.

(2) It is the responsibility of practitioners and companies to ensure that the above procedure regarding the approval of documents can be accommodated within the timetables set out in the listings requirements. Depending on the complexity of the t ransaction, the Practitioners are also advised that the VFEX Issuer Regulation may require more than 48 hours to review a transaction and as such, they should consult the VFEX's Issuer Regulation on applicable timelines to enable them to structure their transaction timetables accordingly.

Annotation of drafts

356. All submissions for approval, must be annotated in the margin to indicate which specific paragraph numbers of these rules have been complied with. All submissions subsequent to the first submission must be marked up to reflect changes from the previous submission. All documents must be submitted via the VFEX web portal or by electronic mail.

Documents requiring approval

357. The following documents must be approved by the VFEX prior to being announced—

(a) all announcements including dividend announcements, interim and annual financial statements;

(b) Part I, Part II and Part III documents for new applicants;

(c) pre-listing statements and prospectuses;

(d) circulars relating to—

(i) rights issues;

(ii) capitalisation issues;

(iii) category 1 or category 2 transactions;

(iv) reverse take-overs;

(v) related-party transactions;

(vi) changes of name;

(vii) subdivisions and consolidations of securities;

(viii) issues for cash;

(ix) voluntary liquidations;

(x) redemptions of securities;

(xi) increase of authorised share capital;

(xii) amendments to memoranda and articles of association;

(xiii) any other corporate action requiring shareholder approval; and

(xiv) documents sent to shareholders in terms of an applicable code of corporate governance.

(2) The documents referred to in subsection (1) will be scrutinised by the VFEX in order to ensure, as far as may be possible in the circumstances, that all relevant facts are adequately disclosed in the clearest manner possible, and approval of the documents will be granted on this basis.

(3) Unless otherwise specified, documents referred to in subsection (1), together with a copy of the applicable exchange control approval (refer to section 370), must be submitted via the VFEX web portal or by electronic mail for approval by the VFEX.

(4) Approval of documents by the VFEX will not in any way reflect the VFEX's views as to whether the underlying transactions which are the subject of such documents are fair or reasonable. Neither does such approval constitute a guarantee by the VFEX of the accuracy of the contents of such documents.

SUB-PART B: DOCUMENTS TO BE SUBMITTED BY NEW APPLICANTS

Documents to be submitted

358. (1) New applicants are required to submit the documents described in this section and section 357.

(2) Notwithstanding that all documents are to be submitted in electronic form, the VFEX may request an applicant or an issuer to submit physical copies.

Part 1 documents

359. (1) The following documents are classified as Part I documents—

(a) the formal application for listing complying with First Schedule ;

(b) an explanation of how the required spread of shareholders referred to in section 86(e) and (f) is to be achieved;

(c) the proposed pre-listing statement dated and signed by the directors of the company or their alternates, or under power of attorney, and a statement of the proposed date and details relating to its publication;

(d) if the pre-listing statement is a prospectus, a certificate from the company's legal practitioners stating that the requirements of the Companies and Other Business Entities Act [*Chapter24:31*] have been complied with;

(e) if the pre-listing statement contains an accountants' report, a statement from the accountant that the contents of the pre-listing statement do not contradict the information contained in the accountants' report;

(f) where an offer is not being made in conjunction with the application for listing—

(i) a list of shareholders; and

(ii) an analysis of shareholders, distinguishing between public shareholders and those detailed in section 85 (public shareholders);

(g) where applicable, the underwriting agreement (including sub-underwriting agreement where applicable) and—

(i) a statement that the underwriting agreement will become irrevocable no later than 1630 hours CAT on the day prior to the pre-listing statement being made available, or the last day to register where a rights offer circular is being made available;

(ii) a statement of evidence that the underwriter is in a position, as at the date of signing the underwriting agreement, to meet the commitments in terms of the underwriting agreement and any other underwriting or similar agreements running concurrently with the present commitment;

(iii) a statement of the number of securities offered to the public and the number of securities offered other than to the public;

(iv) a statement of the number of securities offered as a preferential right to any other persons and a brief summary of such offer ;

(v) a statement of the minimum subscription (if any) in terms of the pre-listing statement; and

(vi) written confirmation that the underwriting agreement provides that the underwriting consideration will not be paid until the underwriting commitments have been met;

(h) a notarially certified copyoftheconstitutive documents of theapplicant embodying any amendments required by the VFEX and complying with Tenth Schedule;

(i) the debenture trust deed, if debentures must be listed;

(j) a specimen, which must be cancelled by mutilation, of the share certificate, allotment letter, or other document in which it is desired to deal prior to the issue of shares or other security. The share certificate must comply with Eleventh Schedule (requirements for certificates of title);

(k) a statement whether the company's securities are listed on any exchange outside Zimbabwe and, if so, particulars of that listing; and, if an application for listing on any securities exchange has been refused or deferred details of the refusal or deferral;

(l) a list of other companies of which the directors are also directors or have been directors during the past five years, and the nature of business conducted by such companies;

(m) the draft placing document and, where an issue of securities is being made by means of a placing, an audited list of share or debenture holders as at the date of listing;

(n) all details concerning any planned price stabilisation exercise;

(o) a notarially certified copy of the applicant's certificate of registration, and certificate to commence business, if the company was registered within the last two years. Where the applicant is registered outside Zimbabwe it must furnish a notarial copy of the certificate of registration as a foreign company;

(p) the general undertaking by the company in the form of a resolution of the board of directors, certified by the chairman and complying with Seventh Schedule (general undertaking) ;

(q) original copies of any experts' consents appearing in the pre-listing statement or prospectus;

(r) Electronic copies of a statement by the issuer's company secretary stating—

(i) the applicant's registered address and post office box number, if applicable;

(ii) the address and post office box number, if applicable, 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 applicant's financial year ends;

(v) the approximate date on which the applicant's annual financial statements will be issued;

(vi) the approximate date on which the applicant's annual general meeting will be held;

(vii) the approximate date on which notices of the applicant's annual general meeting will be issued; and

(viii) the approximate date of declarations and date of payment of dividends;

(s) payment of the documentation and listing fee as set out in Part XVIII (fees);

(t) details of any dividend recommended or declared, but not yet paid as at the date of application;

(u) a signed copy of Ninth Schedule (mechanical signature and certificates of title) dealing with mechanical signatures on certificates of title; and

(v) a signed copy of Thirteenth Schedule (requirements for certified deeds) dealing with requirements for certified deeds and other temporary documents of title.

(2) Should amendments be required by the VFEX to a Part I document, the amended document must be submitted and approved by the VFEX prior to publication.

Part II documents

360. The following documents are classified as Part II documents, and must be received by the VFEX no later than 48 hours before the date of listing unless the listing timetable approved by the VFEX precludes such submission, in which case the relevant Part II documents must be submitted to the VFEX with the Part III documents—

(a) a certificate by the company's legal practitioners, auditors, merchant bankers or sponsors certifying that the pre-listing statement published was in accordance with the signed pre-listing statement approved by the VFEX or, if not, then in what respects it did not so conform;

(b) a notarially certified copy of any prospectus to be published in connection with the issue, dated and signed by the directors of the company, or in their absence, by their alternates, or by persons making the offer;

(c) details of and confirmation from the sponsor and issuer that the required spread of shareholders (refer to section 86(e) and (f)) has been achieved;

(d) proof of publication of the pre-listing statement or announcement on the applicant's website;

(e) three copies of the published pre-listing statement or circular;

(f) a notarially certified copy of the applicant's constitutive documents embodying any amendments required by the VFEX. (These documents may be submitted within such extended period as may be agreed to by the VFEX, on the company's written application setting out the circumstances);

(g) a notarially certified copy of the applicant's certificate of registration, and certificate to commence business, if the company was registered within the last two years. A company registered outside Zimbabwe must furnish a notarial copy of its certificate of registration as a foreign company;

(h) a specimen (cancelled by mutilation) of the share or debenture certificates or other securities in which it is proposed to deal;

(i) the general undertaking by the company in the form of a resolution of the board of directors, certified by the chairman complying with Seventh Schedule ;

(j) the statutory declaration complying with Eighth Schedule ;

(k) a copy of every prospectus or statement in lieu of a prospectus issued during the past three years;

(l) where the issue of securities was achieved by way of a placing, a letter by the sponsor stating that the provisions of Part V (conditions for listing) have been complied with;

(m) copies of any experts' consents appearing in the pre-listing statement;

(n) Electronic copies of a statement by the company's secretary stating—

(i) the company's registered address and post office box number, if any;

(ii) the address and post office box number, if any, 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 company's financial year ends;

(v) the approximate date on which the company's annual financial statements will be issued;

(vi) the approximate date on which the company's annual general meeting will be held;

(vii) the approximate date on which notices of the company's annual general meeting will be issued; and

(viii) regardingdividends, the approximate date ofdeclarations, date of closingof transfer registers and date of payment;

(o) payment of the listing fee as set out in Part XVIII (fees);

(p) details of anydividend recommended or declared, but not yet paid, as at the date of the application;

(q) mechanical signatures on certificates of title as prescribed in Ninth Schedule; and

(r) requirements for certified deeds and other temporary documents of title (refer to Thirteenth Schedule).

NOTE: Where any of these Part II documents are available at the date of submission of Part I of the application, they should be submitted together with Part I documents.

Part III Documents

361. The following documents are classified as Part III documents and must be submitted to the VFEX within 14 days after the date of listing—

d. a certificate signed by the auditors, certifying that the capital and any premium thereon, issued—

(i) since the date of the last annual financial statements presented to shareholders; or

(ii) ifno annual general meetinghas yet been held, sincethe dateofincorporation ofthe company; have been subscribed and deposited with the company's bankers for the company's account;

(b) an audited list of all securities holders, by each class of security if applicable, showing the securities held by each security holder as at the date of listing;

(c) a statement detailing—

(i) the number of securities applied for by the public;

(ii) the number of securities allotted and the basis of allotment; and

(iii) the number of securities taken up by any underwriter, sub-underwriter or place;

(d) an analysis of securities held by shareholders including—

(i) the number of shareholders in Zimbabwe and the total number of securities held, exclusive of those referred to in subparagraphs (iii) and (iv);

(ii) the number of shareholders outside Zimbabwe and the total number of securities held, exclusive of those referred to in subparagraph (iii) and (iv);

(iii) the number of shareholders who are employees and beneficiaries of any trust or scheme for their benefit, and the total number of securities held by them;

(iv) details of securities held by the directors, controlling shareholders, associates of such directors or controlling shareholders, associates of the company, vendors, promoters and underwriters (including sub-underwriters where applicable); and

(v) the combined total of securities held by all shareholders.

SUB-PART C: DOCUMENTS TO BE SUBMITTED BY ISSUERS

Offers for sale and subscription

362. In the case of offers for sale and subscription, the following documents or information must be submitted to and approved by the VFEX before listing can be granted—

(a) the circular or pre-listing statement;

(b) an original copy of the signed accountant's report and relevant consent letters;

(c) the information with respect to underwriting described in section 359(1)(g);

(d) the application for listing complying with First Schedule;

(e) copies of any exchange control approvals required;

(f) copies of any experts' consents appearing in the circular or pre-listing statement;

(g) the appropriate documents and listing fees required by Part XVIII;

(h) the director's declaration for each director of the applicant as set out in Twenty-first Schedule; and

(i) all details concerning any planned price stabilisation exercise.

Rights and claw-back offers

363. In the case of rights and claw-back offers, the following documents or information must be submitted to and approved by the VFEX before listing can be granted—

(b) the circular or pre-listing statement;

(c) the information with respect to underwriting described in section 359(1)(g);

(d) the application for listing complying with Second Schedule;

(e) the provisional allotment letter;

(f) copies of any exchange control approvals required;

(f) copies of any experts' consents (refer to section 217) appearing in the circular or pre-listing statement; and

(g) the appropriate documents and listing fees required by Part XVIII.

Capitalisation issues and scrip dividends

364. In the case of capitalisation and scrip dividends, the following documents or information must be submitted to and approved by the VFEX before listing can be granted—

(d) the circular;

(e) the application for listing complying with Third Schedule;

(f) 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 in the record date (fractions will be paid out in cash);

ii the ratio of application; and

iii if no late postal elections will be accepted, as statement to that effect;

(g) copies of any exchange control approvals required;

(e) copies of any experts' consents (refer to section 217) appearing in the circular; and

(f) the appropriate documents and listing fees required by Part XVIII.

Issues for cash

365. The following documents or information must be submitted to and approved by the VFEX before listing can be granted for an issue for cash—

(a) the circular;

(b) the application for listing complying with Sixth Schedule;

(c) a statement detailing all issues of securities in the previous three years;

(d) copies of any exchange control approvals required;

(e) copies of any experts' consents (refer to section 217) appearing in the circular; and

(f) the appropriate documents and listing fees required by Part XVIII.

Acquisitions and disposals

366. In the case of acquisitions and disposals, the following documents or information must be submitted to and approved by the VFEX before listing can 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 listed company and the company being acquired;

(e) the application for listing, if applicable, complying with Fourth Schedule;

(f) copies of any exchange control approvals required;

(g) an audited analysis of shareholders subsequent to the transaction;

(h) copies of any experts' consents (see section 217) appearing in the circular or pre-listing statement;

(i) the appropriate documents and listing fees required by Part XVIII; and

(j) independent valuation reports.

Periodical returns

367.(1) Company secretaries must diarise all periodical information and documents required by the VFEX as set out in subsections (2) and (3). In the interests of registered, unregistered and future shareholders it is essential that the information and documents be sent to the VFEX in order that accurate information concerning the company may be promptly disseminated.

(2) Every issuer must advise the VFEX, in writing, of—

(a) any increase in or reduction of authorised share or loan capital. Such notification must be accompanied by a notarially certified copy of the certificate from the Registrar of Companies showing registration of the change of capital;

(b) any increase of issued share capital and any issue of new securities. Where the new securities are of the same class as securities already listed, the procedure described in this Part is to be followed;

(c) any declaration of dividends or rights and dates of closing of transfer registers, and the rate of non- resident shareholders tax, if applicable, or non-declaration of preference or ordinary dividends;

(d) changes in its board of directors;

(e) change of company secretary;

(f) change of address of its registered or transfer offices;

(g) "stops" placed against transfer of its securities;

(h) liquidation or reconstruction of the company and the dates of the closing of the transfer registers;

(i) any change in its sponsor; and

(j) all corporate actions.

(3) An issuer must furnish the VFEX promptly with the following—

(a) An electronic pdf copy of—

(i) notices of annual general meetings, including the dates of the closing of the transfer registers, if relevant;

(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 reports; and

when published or announced to the public.

(b) an electronic pdf copy of the minutes of annual general meetings or general meetings, which should be furnished within 30 days of the holding of the meeting.

(c) evidence that special resolutions have been registered bythe registrar of companies, where special resolutions have been passed by shareholders;

(d) notifications of any announcements required by any other securities exchange on which the listed company, or any of its subsidiaries, are listed; and

(e) an electronic copy, in a format prescribed by the VFEX from time to time, of all notices issued which may be regarded as being of importance to investors.

(4) Listed companies must submit for the VFEX's prior approval—

(a) draft circulars, timetables and other documents, as enumerated in the various Parts of these rules; and

(b) proposed alterations to their articles of association; and

(c) proposedalterationstoshare certificate orproposednewshare certificates. All specimen certificates submitted must be cancelled by mutilation.

SUB-PART D: DOCUMENTS IN RESPECT OF VARIOUS TRANSACTIONS

Extensions of listed options

368. In regard to an extension of an option in respect of listed securities, the company must submit to the VFEX for approval—

(a) a draft of the electronic announcements on the extension and the results of the shareholders' meeting, which announcements should be published at least six weeks prior to the expiry date;

(b) a draft of a circular to registered option holders and to shareholders in the form of an electronic notice to shareholders to obtain their sanction or, if the power of extension has been delegated to the directors, 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) an electronic copy of the proposed alteration or endorsement to be used on the option certificate as required by the Twelfth Schedule;

(d) a written application for the extension of the listing, stating—

(i) 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; and

(iv) that all options issued have been granted a listing; and

(e) the application, accompanied by—

(i) a certified copy of the resolution extending the options;

(ii) 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; and

(iii) an electronic copy of the circular, approved by the VFEX and issued to registered option holders and shareholders.

Expiry of listed options on securities or on other conversion rights

369. (1) An issuer must give the VFEX notice at least 30 days before the expiry date of any option or conversion rights in respect of securities, stating—

a. the date on which the options or conversion rights expire, and requesting the removal of the options from the list 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 must be published at least 6 weeks prior to the expiry date.

(2) An issuer must apply to the VFEX without delay for the listing of securities which have been issued on the exercise of options.

Exchange control approval

370. Where necessary the exchange control clearance must be obtained by the issuer and filed with the VFEX as early as possible.

Change of name of listed company

371. (1) Before changing its name, an issuer must obtain preliminary approval from the VFEX for the proposed new name and the proposed new abbreviated name to be used on the board.

(2) For the purposes of subsection (1), an application must be submitted to the VFEX together with the drafts of both circulars (refer to Part XII) for approval of—

(a) acceptance of the new name; and

(b) consequent amendment of the listing.

(3) An application referred to in subsection (2) must 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.

(4) An application referred to in subsection (2) must be accompanied by—

(a) a copy of the certificate from the registrar of companies giving approval of 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

372. The following documents pertaining to executive and staff share schemes should be submitted to the VFEX for prior approval—

(a) a draft copy of the incentive or option scheme, which must comply with Fourteenth

Schedule;

(b) the trust deed, if applicable; and

(c) a draft of the circular or notice relating to the adoption or amendment of the scheme.

Repurchase of securities

373. The following documents must be submitted to and approved by the VFEX before approval will be granted for a repurchase of securities under Part VI—

(a) the circular;

(b) the application for cancellation of shares complying with Twenty-second Schedule;

(c) original copies of any exchange control approvals required;

(d) original copies of any experts' consents (refer to section 217) appearing in the circular; and

(e) the appropriate documents and fees required by Part XVIII.

Payments to securities holders

374. The following documents or information must be submitted to and approved by the VFEX before approval will be granted for a payment to securities holders in terms of Part VI—

a. the circular;

b. any application for listing, if applicable;

c. original copies of any exchange control approvals required;

(d) original copies of any experts' consents (refer to section 217) appearing in the circular; and

(e) the appropriate documents and fees required by Part XVIII.

Subdivision or consolidation of securities

375. The following information must be submitted to and approved by the VFEX before approval will be granted for a subdivision or 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) a new specimen share certificate;

c. original copies of any exchange control approvals required; and

d. the appropriate documents and listing fees required by Part XVIII.

Odd-lot offers

376. The following documents or information must be submitted to and approved by the VFEX before approval will be granted for an odd-lot offer to securities holders in terms of Part VI—

a. the circular;

b. the application for listing;

c. original copies of any exchange control approvals required; and

d. the appropriate documents and listing fees required by Part XVIII.

Letters of application and letters of allotment

377. Where listing is desired in respect of letters of application, letters of allotment or other similar documents, the proposed timetable (schedule of dates) should be submitted to the VFEX for approval prior to the closing of the transfer registers of the issuer. The procedure to be adopted should be discussed with the VFEX by the sponsor.

PART XVIII
FEES

Original listing fees

378. (1) Where the VFEX has, subject to the provisions of the Securities and Exchange Act [*Chapter 24:25*], granted an application made by an issuer for securities issued by him or her to be included in the official list, the issuer shall pay to the Exchange.

In the case of equity securities—

a. the fees for the listing shall be calculated and paid as stated in Twenty-third Schedule;

b. the monetary value of securities shall be determined as follows—

i. number of securities listed multiplied by the higher of the issue price or the middle market price on the date of signature of the agreement; and

ii. introductions which no price is attributable to the securities will be deemed to have a value calculated by multiplying the number of securities listed by the closing price on the first day of trading;

c. in the case of an issuer who is the government or a municipality, town or statutory body, an original listing fee stated in Twenty-third Schedule shall be charged in respect of each class of security concerned;

(2) The above-mentioned fees shall be payable at the time of application, except, in the case of an introduction when they are due on the day following the listing.

Additional listing fee

379. Where the VFEX has, subject to the provisions of the Securities and Exchange Act [*Chapter 24:25*], granted an application made by an issuer for securities issued by him or her to be included in the official list, which securities belong to a class of security issued by him or her in respect of which such an application has previously been granted, the issuer shall, within a period fixed by the VFEX, pay to the Exchange an additional listing fee stated in Twenty-third Schedule in respect of those securities:

Provided that, if the issue of those securities does not entail an increase in the registered share capital of the issuer, no additional listing fee shall be payable.

Annual sustaining and inspection fees

380. (1) An issuer of listed securities shall pay the annual sustaining and inspection fees to the Exchange by the date set by the VFEX.

(2) An annual sustaining fee, except the calendar year in which the listing was granted, is calculated as prescribed in Twenty-third Schedule.

(3) A current list of inspection fees is contained in Twenty-third Schedule.

PART XIX
DUAL LISTINGS AND LISTINGS BY FOREIGN COMPANIES

General

381.(1) A prospective issuer seeking a dual listing on the VFEX may decide where it intends to have its primary or secondary listing or listings:

Provided that the VFEX may, in accordance with these rules, classify the issuer's listing on the VFEX as a primary or secondary listing.

(2) Where appropriate, an applicant which seeks a dual listing must be registered as a foreign company in terms of the Companies and other Business Entities Act [*Chapter 24:31*] before making application for a listing on the VFEX.

SUB-PART A: PRIMARY LISTINGS

Conditions for primary listing

382. An issuer seeking a primary listing on the VFEX must fully comply with these rules.

SUB-PART B: SECONDARY LISTINGS

Conditions for secondary listing

383.(1) An issuer seeking a secondary listing on the VFEX must—

a. comply with the conditions for listing as set out in Part V and, unless otherwise stated in these rules, must disclose full details of the issuer in the pre-listing statement. The conditions for listing in Part V must be read taking into account the jurisdiction in which the issuer is incorporated;

(b) confirm that it has a primary listing on another exchange and that it has the subscribed capital, as defined in section 86(a) of these rules; and

(c) confirm that the primary listing referred to in paragraph (b) is at least on an equivalent board or exchange to that for which application is being made on the VFEX. The VFEX will therefore not grant a secondary listing to an issuer that has a primary listing on a junior or secondary market of an exchange.

(2) Where an issuer has a secondary listing status, it will be required to comply with the listings requirements of the exchange where it has its primary listing, save as otherwise specifically stated in these rules.

(3) On application, the issuer must confirm to the VFEX that it is in full compliance with the requirements of the exchange or competent authority on which it has its primary listing. The VFEX will require a letter of support from the relevant exchange or competent authority.

(4) The VFEX will not grant a listing or list securities which are not listed in the country of incorporation or in the country of primary listing, unless the issuer can demonstrate that the absence of such a listing is not due to any negative or problematic circumstances, events or regulatory issues.

(5) Issuers must appoint and maintain, in accordance with Part III, a sponsor based in Zimbabwe or any other jurisdiction acceptable to the VFEX.

(6) An issuer must have the required spread in accordance with section 86(e) and (f).

Pre-listing statements

384. (1) An issuer must produce a pre-listing statement in compliance with the relevant provisions of these rules, except as otherwise specifically stated in these rules. Where the disclosure requirements of Part VII relate to continuing obligations, the VFEX may allow the

issuer to address this in the context of the requirements of the exchange where it has its primary listing. The procedure for approval as contained in Part XVII (documents to be submitted to VFEX) is applicable in such cases.

(2) The issuer must disclose in the pre-listing statement headline earnings per share and diluted headline earnings per share, together with an itemised reconciliation between headline earnings and the earnings used in the calculation.

(3) The VFEX will, for purposes of the pre-listing statement, accept financial information prepared in accordance with the accounting frameworks in Twenty-seventh Schedule.

(4) For purposes of the pre-listing statement, the VFEX may accept extracts of financial information which have been prepared in accordance with subsection (5), provided that—

(a) the information was published subsequent to the issuer being granted a listing on the exchange where it has its primary listing and in accordance with that exchange's listings requirements;

(b) the extracts are in compliance with IAS 34 or the equivalent standard of frameworks listed in Twenty-seventh Schedule; and

(c) the pre-listing statement contains full details of the issuer's accounting policies.

(5) Notwithstanding sections (3) and (4), the issuer must, through its sponsor, obtain a formal ruling from the VFEX on the exact presentation of the financial information in the pre-listing statement.

(6) For purposes of the pre-listing statement, the VFEX will accept a competent person's report required by Part XIII which has been prepared within the 9months prior to listing on the VFEX, but such a report must be approved by the VFEX.

(7) The VFEX may allow issuers to modify the relevant Part I and II documents required by Part XVII where full compliance would be in conflict with the requirements of this Part or the exchange where it has its primary listing.

Continuing obligations

385.(1) The VFEX will allow the requirements of the primary exchange to take precedence in relation to issuers with a secondary listing on the VFEX, except that—

a. the annual financial statements and any other communication with shareholders must state where the primary and secondary listings of the issuer's securities are;

(b) when an issuer wishes to release any information on another exchange, it must ensure that such information is also released on VFEX website and that such release takes place no later than the equivalent release on the other exchange:

Provided that, if the VFEX is not open for business, it must ensure that such information is released through the VFEX website at the commencement of business on the next business day. The announcement must be submitted in accordance with Nineteenth Schedule (corporate actions and other regulatory information submission);

(c) issuers must publish, interim and year-end results, headline earnings per share and diluted headline earnings per share together with an itemised reconciliation between headline earnings and the earnings used in the calculation; and

(d) issuers must advise, and obtain approval from, the VFEX with regard to the timetables for corporate actions.

(2) The issuer must, by no later than 31 January of each year, submit details of the volume and value of securities traded over the preceding 12 months on all exchanges where it has a

listing, in order for the VFEX to consider the issuer's continued secondary listing status.

(3) If both the volume and value of securities traded on the VFEX over the preceding 12 months exceeded 50 *per centum* of the total volume and total value of securities traded on all exchanges where the issuer has a listing, then the issuer's listing status on the VFEX in respect of those securities may be converted to a primary listing. The converse applies when both the volume and value of securities traded on the VFEX was 50 *per centum* or below.

(4) The issuer must advise its shareholders, by releasing an announcement on the VFEX data portal, each time that its listing status is changed.

Dual listings

386.(1) A company with a dual listing must immediately notify the VFEX in writing of any suspension or termination of listing on any other exchange on which it has securities listed.

(2) If an issuer decides to move its primary listing from the VFEX to another exchange but keeps a secondary listing on the VFEX, it must comply fully with the relevant provisions of this Part and obtain the approval of its shareholders. A majority 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, must be cast in favour of such a resolution. A secondary listing on another exchange only requires the approval of the issuer's directors.

(3) An issuer that has applied and has been granted permission for its VFEX-listed securities to be listed on another exchange must ensure that the securities will be accepted for transfer, without delay, if presented in any of the centres in which the securities are listed.

Foreign companies

387. A foreign company with a listing on the VFEX must, whilst it remains listed on the VFEX, appoint and maintain the appointment of, a person authorised to accept service of process and notices on its behalf in Zimbabwe and must notify the VFEX of such appointment and of its termination. In the event of termination, another person must immediately be appointed and the VFEX notified. In any notification under this section, the following details must be provided to the VFEX—

a. the name of the person appointed and the person's address for service of process and notices;
b. the person's business and, if different, his or her residential address;
c. the person's business and residential telephone number; and
d. the person's facsimile number and e-mail address;

and the company must notify the VFEX without delay of any change in the above particulars.

Dual listed companies' structure

388. (1) A dual listed companies' structure applies to an aggregated group, with combined businesses, accounted for under two separately listed companies, one housing the Zimbabwean-based businesses, with its primary listing on the VFEX, and the other housing the external business entities the overseas listed company with its primary listing on another exchange acceptable to the VFEX. If the primary listing of the overseas listed company is not on the VFEX, then it must have a secondary listing on the VFEX. The Zimbabwean issuer and the overseas issuer together comprise the dual listed company structure.

(2) All conditions for listing in Part V of these rules must be complied with in respect of each company comprising the dual listed company structure in order to be listed on the VFEX.

(3) The proportion of the combined business that each company comprising the dual listed company structure represents should be discussed with the VFEX well in advance of implementing

the dual listed company structure in order to obtain the necessary consents or rulings in principle.

(4) The companies in the dual listed companystructuremust be able to demonstrate that they participate in the control of the combined business. This must be proved by a formal agreement or veto rights or any other mechanisms acceptable to the VFEX.

(5) Every company comprising the dual listed company structure is required to comply with all continuing obligations.

(6) The provisions on related-party transactions set out in Part XI apply to the companies comprising the dual listed company structure, but not in respect of transactions necessary to constitute the DLC structure or transactions between the companies comprising the dual listed company structure or their respective groups.

(7) Variations to any agreement governing the relationship between the companies comprising the dual listed company structure are considered to fall within Part XI.

(8) Transactions undertaken bythe companies comprising the dual listed companystructure are subject to the transaction requirements set out in Part XI. The categorisation tests must be calculated by comparing the whole of the target with the whole of the dual listed company structure.

(9) The provisions of these rules relating to controlling shareholders apply to a controlling shareholder of any company comprising the dual listed company structure.

(10) Common accounting policies must be used for the companies comprising the dual listed company structure.

(11) Aggregated annual financial statements must be published in accordance with financial standards for the aggregated dual listed company structure. In the event that the annual financial statements published for the aggregated dual listed company structure are not in accordance with financial standards, a comprehensive reconciliationto fi standards must be publishedandpresented inthecurrencyoffice inuse in Zimbabwe. Annual financial statements for the companies comprising the dual listed company structure may be published as supplementary information to the aggregated accounts of the dual listed company structure.

(12) Interim financial information, on an equivalent basis to subsection (11), on the aggregated dual listed company structure and for the separate companies, respectively, must be published.

(13) Where an announcement is required, it must be released in accordance with the relevant exchange's requirements and simultaneously on both the VFEX and the overseas listed company's exchange.

(14) With respect to any calculations, categorisations, or measurements in terms of the listings requirements applicable to any company comprising the dual listed companystructure, the dual listed company will be regarded as one combined entity.

PART XX

DEPOSITORY RECEIPTS

Definitions

389. In this Part—

"depository" means a bank or other institution acceptable to the VFEX which issues depository receipts representingthe securities of an issuer that are held in trust bythe depository in the issuer's localmarket. The depository may also act as a registrar, transfer agent and corporate actions agent and may cancel or issue the depository receipts for withdrawal or for deposit of the securities in accordance with a deposit agreement with the issuer for a sponsored programme;

"depository receipt" or "DR" means an instrument representing an issuer's securities, where the instrument confers rights in respect of such securities;

"fully covered", in relation to DRs, means DRs that at all times represent the issuer's underlying securities held by the depository or its custodian, or any collateral held in terms of any pre-release arrangement;

"sponsored DR" means a DR that is established at the direction of an issuer and in accordance with a deposit agreement between the issuer and the depository.

General

390. The VFEX must be consulted at an early stage before formal application is made for the listing of DRs. Depending on the nature and structure of any particular issue, the VFEX may modify the requirements set out in the following sections or may apply additional requirements.

Sponsor

391. The issuer of DRs must comply with the provisions of Part III relating to the appointment of a sponsor.

Criteria for the listing of DRs

392.(1) For DRs to be listed—

(a) the DRs must be sponsored;

(b) the DRs must be issued by a depository that is independent of the issuer;

(c) the securities of the issuer must be held by a trust administered by independent trustees representing the interests of the holders of the DRs. The securities may, however, also be held by the depository or through a vehicle other than a trust, provided the VFEX is satisfied that such vehicle or depository provides similar protection to safeguard the securities and, in particular, that the powers and duties of the directors or, in the event that the vehicle is not a company, the persons with corresponding duties and powers in relation to that vehicle, are limited as if the directors were trustees. Thus, the provisions of this paragraph and paragraph (d) that apply to trustees and trusts must apply with any necessary changes to the directors and to the vehicle used to hold the securities;

(d) the entity referred to in paragraph (c) must hold in trust, for the sole benefit of the holders of DRs, the securities to which the DRs relate, all rights relating to the securities and all the money and benefits that it may receive in respect of them, subject only to payment of remuneration and proper expenses of the entity;

(e) the DRs must be fully covered at all times;

(f) the DRs must be fully paid up and freely transferable;

(g) the securities which the DRs represent must be free from all liens and any restrictions on the right of transfer to the depository;

(h) there must be a duly signed deposit agreement in place between the issuer, the depository and the custodian, if applicable;

(i) 20 *per centum* of the DRs for which application for listing has been made must be held by the public and the number of public DR holders must be at least 50; and

(j) the entity referred to in paragraph (c) must be independent from the issuer, unless otherwise agreed to by the VFEX, and it must be protected against dissolution or loss of assets should the issuer become insolvent.

(2) An issuer must—

(a) demonstrate to the VFEX that it meets the listings requirements set out in subsections (1);

(b) be in full compliance with all the requirements of the exchange on which it has its listings; and

(c) make arrangements to the satisfaction of the VFEX to ensure that sufficient DRs are available on the Zimbabwean DR register.

(3) The depository must satisfy the VFEX that it has the relevant expertise to arrange an issue of DRs or has access to such expertise.

The deposit agreement

393. The deposit agreement must provide for—

a. the appointment of the depository by the issuer with authorisation to act on behalf of the issuer in accordance with the deposit agreement;

b. the status of DRs as instruments, representing ownership interests in securities of an issuer, that have been deposited with the depository;

(c) the status of beneficial holders of DRs as the legal owners of those DRs;

(d) the role of the depository to issue DRs as agent of the issuer and to arrange for the deposit of the securities which the DRs represent;

(e) the duties of the depository, which must include the duty to keep in Zimbabwe and make available for inspection a register of holders of DRs and the transfers of the DRs, as well as the duty to keep a record of the deposits of securities which the DRs represent, the issue of DRs, the cancellation of DRs and the withdrawal of securities;

(f) the role and duties of the custodian, if applicable, appointed by the depository to hold the deposited securities for the account of the depository on behalf of the holders of the DRs, segregated from all other property of the custodian;

(g) the mechanism for the issue and registration of DRs by the depository upon receipt of securities in the issuer and the form of the DR;

(h) the right of DR holders to surrender DRs to be cancelled in exchange for the delivery of the shares which the DRs represent, subject to payment of any applicable charges and taxes and any other legal or regulatory restrictions;

(i) the right of DR holders to corporate action entitlements. The deposit agreement should address the rights, if any, of the parties to, and the procedures to be followed in, cash distributions, distributions of shares, rights issues or any other distribution accruing to the securities which the DRs represent, in accordance with Part VI and Part XII or in any other manner acceptable to the VFEX;

(j) to the extent applicable, the right of DR holders to exercise the voting rights attached to the securities represented by the DRs and the procedures by which DR holders will be notified of shareholder meetings or solicitations of proxy votes and their entitlement to issue instructions to the depository as to how to exercise their voting rights;

(k) the manner in which any corporate action or other re-classification of the issuer's securities will be represented by and accrue to the DRs in accordance with the principle that holders of DRs must be treated as having generally equivalent rights to holders of the securities which the DRs represent;

(l) the procedures by which the depository or the custodian, at the direction of the depository will, in consultation with the issuer, fix corporate action dates in accordance with Part VI;

(m) the procedures by which the depository will, at the direction of the issuer, despatch to holders of DRs copies of all notices, reports, voting forms or other communications sent by the issuer to its shareholders and make available for inspection at its principal office, and at the office of the custodian and sponsor, copies of any such notices, reports or communication received from the issuer which information is also made available on the issuer , depository's websites and the VFEX website;

(n) the conditions and processes for the issue of new DRs if any DR instrument is lost, destroyed, stolen or mutilated;

(o) the obligations of holders of DRs, including any liabilities for taxes and other charges and the obligation to disclose the beneficial ownership of the DRs on request of the issuer, the depository or the VFEX;

(p) a clear statement of the fees and charges payable by holders of DRs, including fees and charges payable to the depository and the custodian, if applicable;

(q) procedures for the replacement or removal of the depository or the custodian by,

or with the consent of, the issuer, including the obligation to inform DR holders by advance announcement of any prospective resignation, removal and replacement of the depository or custodian;

(r) the obligation to inform DR holders in advance of, and to seek their prior consent to, any material changes to their existing rights and obligations under the deposit agreement by achieving a 75 *per centum* majority of the votes cast in favour of such material change by all DR holders entitled to vote, present or represented by proxy at the general meeting convened to approve such material change;

(s) procedures for the amendment of the deposit agreement; and

(t) the governing law of the deposit agreement. If that law is not Zimbabwean law, it must be one that is generally used in accordance with international practice and is acceptable to the VFEX.

Pre-listing statements

394. An issuer must produce a pre-listing statement or prospectus and, in addition to the requirements of Part VII, include the following—

a. in respect of the issuer and the depository—

i. their full names;

ii. the place and date of their incorporation;

iii. the full names and addresses of their directors or, if the issuer is not a company, the persons with corresponding duties and powers in relation to the issuer of the DRs;

b. a statement that—

i. the VFEX's approval of the listing of the DR is not to be taken in any way as an indication of the merits of the issuer or of the DR;

ii. the directors verified and are responsible for the accuracy and truth of the contents of the documentation; and

c. the names and addresses of the advisers and transfer secretaries of the issuer, if any;

d. an explanation of the tax implications to the DR holder; and

e. a risk statement on the front of the pre-listing statement substantially to the effect that—

"Prospective purchasers of any DRs must ensure that they understand fully the nature of the product and the extent of their exposure to risks and that they consider the suitability of DRs as an investment in light of their own circumstances and financial position";

f. full details of the deposit agreement as required by section 394; and

g. any other details that the VFEX may consider appropriate.

Continuing obligations

395.(1) The issuer must ensure—

a. the continued suitability of the DR for listing;

(b) that prior notification, in accordance with the procedures outlined in the deposit agreement, is given to holders of DRs of any material change to the deposit agreement;

(c) that application is made for the additional listing or withdrawal of listings of DRs in compliance with these rules;

(d) that the pre-listing statement or prospectus and the deposit agreement is made available on the issuer's and depository's websites;

(e) that a quarterly report is madeto the VFEX giving a reconciliation of the amountof DRs outstanding at that time, the amount of underlying securities that such DRs represent and confirmation that the amount of DRs in issue did not exceed the authorised amount at any point in time during the quarter, in terms of the DR listing documentation;

(f) compliance with the provisions set out in section 383; and

(g) where the DRs must be held in dematerialised form, that the issuer or the depository are approved by and comply with the central securities depository rules and directives.

(2) Where an issuer whose securities or DRs are listed on a foreign exchange wishes to release any information on that exchange, it must ensure that the information is also released through VFEX website and that such release take place no later than the equivalent release on that other exchange:

Provided that if the VFEX is not open for business, it must ensure that such information is released through VFEX website at the commencement of business on the next business day.

Documents to be submitted to the VFEX on application for listing

396. In an application for listing of DRs, the following documentation must be submitted to the VFEX for approval through a sponsor—

a. the pre-listing statement or prospectus;

b. the approval from relevant regulatory authorities;

c. the deposit agreement, depository agent agreement, and custody agreement;

d. the formal application for listing complying with First Schedule;

(e) confirmation in writing from the depository that the applicant has been approved in terms of the depository's rules and directives; and

(f) such other information as may be requested by the VFEX.

Announcements

397. After the VFEX has approved an application for listing of the DRs, the issuer of the DRs must publish an announcement within five business days prior to listing, containing—

a. the information referred to in Part XII in respect of the issuer of the DRs;

b. the period of marketing, if applicable, and the expected date of listing;

c. a statement that the VFEX has approved the listing;

d. the ISIN under which the DR will trade; and

e. places where copies of the DR pre-listing statement and deposit agreement can be obtained.

PART XXI
SUSTAINABILITY INFORMATION AND DISCLOSURE

Board responsibility

398. The issuer shall be required to disclose in the chairman's statement the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability issues.

Sustainability reporting

399. (1) The issuer must disclose its sustainability policy, including mitigation of risks, sustainability performance data and other material information which deepens stakeholders' understanding of corporate performance.

(2) The issuer should provide a balanced and objective view of their performance by including both positive and negative impacts on environment and society, how it relates to its stakeholders and contribute to sustainable development. The issuer is encouraged to apply internationally accepted reporting frameworks (refer to section 402).

(3) Where other frameworks are adopted, consideration should be taken that the framework provides—

(a) benchmarks and performance measurement systems that allow comparison over time;

(b) guidance on key performance indicators and data which should be measured.

Disclosure of Sustainability Information

400. (1) The Company shall provide sustainability information either:

(a) in an annual report, showing a holistic presentation combining or integrating financial and non-financial disclosures (environmental and social issues) reflective of the company's corporate practices;

(b) where an integration framework has been used, both frameworks and standards for integration and sustainability reporting should be acknowledged. In the event that a company adopt the Integrated Reporting Framework, all sustainabilityinformation should be referenced to a standalone comprehensive sustainability report prepared separately and available to stakeholders; or

(c) a standalone sustainability report giving a comprehensive disclosure of environmental and social issues and the report should be referenced in any reporting of annual financial statements by providing a summary of sustainability information linked to the standalone report.

Reporting Standards and Guidelines

401. (1) The VFEX encourages the adoption of internationally accepted reporting frameworks, such as the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines or Standards, in disclosing the company's sustainability performance. The GRI Sustainability Reporting Guidelines or Standards are globally applicable and sets out general principles and indicators that listed companies can use to measure and report their economic, environment and social performance.

(2) The Company shall apply the latest versions of GRI Guidelines or Standards to the level applicable to its context and nature of operation.

(3) Where other standards or guidelines acceptable to the Exchange have been used, section 399 shall be used to evaluate the framework before adoption.

Industry or sector specific reporting requirements

402. Some issuers operate in industries that are extremelysensitive to environmental and social issues such as oil and gas, mining and metals sector which high environmental and social exposure and impacts warrant specialized reporting frameworks for meaningful assessments of organisational risk and performance. Such companies are required to—

(a) adopt industry-specific reporting framework; or

(b) the GRI Sector Supplements for selected industries; or

(c) such internationally and nationally recognized reporting frameworks.

Independent assurance

403. Independent assurance is not a mandatory step in the process of sustainability reporting. Where an independent assurance report is provided, the following should be provided—

(a) an independent assurance statement published along the sustainability report, with the following information provided—

(i) sustainability assurance standards used;

(ii) qualification and expertise of the practitioner, reporting standards used, signature and name of assurance practitioner, employing organisation and reporting date.

FIRST SCHEDULE

(*Sections 359, 362 and 396*)

APPLICATION FOR LISTING BY NEW APPLICANTS

1.1 The application should 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 Victoria Falls Stock Exchange ("VFEX") and also between the directors * or 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 VFEX and that in giving the General Undertaking referred to in section 360 of the listings requirements of the VFEX (" the listings requirements "), the company* or description of entity applying for listing if not a company* and its directors* or description of office equivalent to directors* undertakes 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 in the Republic of Zimbabwe;

(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;

(ii) the amount of the share capital issued and to be issued in conjunction with the application of each class of share, and the number of those securities in each class, also indicating clearly in respect of which securities listing is applied for; and

(iii) the nominal amount (if applicable) and number of securities in each class of the authorised but unissued capital of the applicant;

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

(i) offered to the public for subscription (either by the applicant or otherwise), and the date the offer was made;

(ii) applied for, and the date the offer closed (where this information is available at the date of application); and

(iii) issued or allotted, and the date of issue or allotment (where this information is available at the date of application). If an issue is being made in conjunction with this application, the opening and closing dates of the offer, the date of allotment and the date of issue of the certificates of title to be stated;

(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 of the securities;

(h) a statement as to the section of the List in which listing is applied for, and the abbreviated name of the applicant. Such abbreviated name must not exceed 4 characters, inclusive of spaces;

(i) an undertaking by the applicant in the form of a directors', or equivalent, resolution, that the documents referred to in sections 360 and 361 will be submitted within the period specified therein; and

(j) where the applicant is a bank or bank controlling company, a statement that the primary Act under which the company will be regulated is the Banking Act [*Chapter 24.20*].

1.2 The application must be signed by the secretary and a director, or equivalent, of the applicant and the sponsor.

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 fees.

SECOND SCHEDULE (*Section 363*)

APPLICATION FOR LISTING OF SECURITIES RESULTING FROM RIGHTS OFFERS, CLAW-BACK OFFERS AND RENOUNCEABLE OFFERS

2.1 The application for the listing of securities resulting from a rights offers, claw-back offers, and renounceable offers should include:

(a) description and the number of renounceable letters for which a listing is applied for, and the relevant dates, in accordance with the relevant timetable in Part VI;

(b) description and number of securities for which a listing is applied, and the relevant dates in accordance with relevant dates in PART VI;

(c) brief description of the offer;

(d) date on which renounceable letters and the circular or pre-listing statement will be posted;

(e) date on which certificates will be issued;

(f) last day for splitting and that the renounceable letters will be split as often as required;

(g) date on which the offer closes;

(h) the authorised and issued share capital of the applicant prior to the issue of the rights of claw-back securities;

(i) the issued capital after the issue of the rights, renounceable or claw-back securities;

(j) in addition to the above information the following undertakings must be given—

(i) all renounceable letters dispatched by the applicant to registered shareholders will be sent by electronic mail; and

(ii) all acceptances of the offer sent by email by the beneficial holders will be accepted by the applicant provided the electronic mail bears the date of a day on or before the closing of the offer and provided such acceptances are received within 3 business days of the closing of the offer.

(k) the number of securities held in treasury;

(l) the date on which the securities must be allotted and issued; and

(m) the date on which the renounceable letters must be allotted and issued.

2.2 The application must be signed by the secretary and a director, or equivalent, of the applicant and the sponsor.

2.3 The application must be accompanied by a resolution of the directors, of the applicant authorising the application for listing together with the relevant listing fee.

THIRD SCHEDULE (*Section 364)*

APPLICATION FOR LISTING OF SECURITIES RESULTING FROM CAPITALISATION ISSUES OR SCRIP DIVIDENDS

3.1 The application must state—

(a) the number of securities resulting from a capitalisation or scrip dividend issue for which a listing is applied;

(b) the date from which the listing is to commence;

(c) that the capitalisation or scrip dividend securities rank *pari passu* with the other issued securities of the applicant;

(d) the date on which the capitalization or scrip dividend securities must be allotted;

(e) the date on which the certificates of title must be issued;

(f) the authorised and issued share capital of the applicant prior to the issue of the capitalisation or scrip dividend securities;

(g) the issued capital after the issue of the capitalisation or scrip dividend securities; and

(h) the number of securities held in treasury.

3.2 The application must be signed by the secretary and a director of the applicant and the sponsor.

3.3 The application must be accompanied by a resolution of the directors of the applicant authorising the application for listing together with the relevant listing fee.

FOURTH SCHEDULE (*Section 366*)

APPLICATION FOR LISTING OF SECURITIES RESULTING FROM ACQUISITIONS, TAKE-OVERS, MERGERS, SHARE INCENTIVE SCHEMES AND CONVERTIBLE SECURITIES

4.1 The following basic information should be given in the application for the listing of securities—

(a) description and number of securities for which a listing is applied and the date of listing;

(b) reason for allotment and issue;

(c) date of allotment;

(d) date of issue of certificates;

(e) a statement that the securities subject to the application 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 which are subject to 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 regards to shares that are being issued in respect of the achievement of a profit warranty, reference to the date and medium (such as. publication or in the annual financial statements) in which the details of the transaction were announced;

(j) where the application relates to a vendor consideration placing confirmation that the issuer has complied with section 137;

(k) the issue price of the securities; and

(l) the number of securities held in treasury.

4.2 The application must be signed by the secretary and a director, of the applicant and by the sponsor.

4.3 The application must be accompanied by a resolution of the board of directors, of the applicant authorising the application for a listing together with the relevant listing fee.

4.4 An application for share incentive scheme shares must include a statement confirming whether the scheme has been approved by the VFEX and shareholders and, if it is utilising a previously approved block listing, the balance of shares in issue and the balance of the block listing (dollar value) before and after the block listing. The application for block listing should also include the previous application letter submitted by the issuer to the VFEX.

4.5 Where application is made to the VFEX to list securities which are the subject of a profit warranty, a letter submitted by the issuer's auditor confirming that the conditions required for the shares to be allotted and issued have been met, is to be submitted to the VFEX 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.

FIFTH SCHEDULE (*Sections 128, 142, 271, 287 and 289*)

PART A

INDEPENDENT FAIRNESS OPINIONS

Scope of this Schedule

The objectives of this Schedule are as follows:—

(a) to provide sponsors and issuers with certainty, at an early stage of the process, as to the acceptability or otherwise to the VFEX 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

(b) to ensure consistent and detailed reporting practices with regard to fairness opinions.

As the issues of independence and competence 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 receives 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 VFEX, 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 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 paragraph 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 sponsor on behalf of the issuer, must submit to the VFEX—

(a) a declaration of independence completed by the nominated independent professional expert, in the form set out in Schedule 5A;

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

(a) the independence of the nominated independent professional expert; or

(b) the competence of the nominated independent professional expert with regard to the particular transaction; or

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

5.4 The VFEX undertakes to give the sponsor its approval or disapproval for the appointment

of the independent professional expert within 120 hours of receipt of the duly completed declarations required in paragraph 5.2 above. No documentation will be accepted for review

by the VFEX 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 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 or herself that he can rely upon the valuation.

5.6 The VFEX'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, emphasize critical matters upon which it has relied in arriving at the opinion.

5.7 The VFEX only requires that the expert opine on the fairness of a transaction though 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 VFEX listings requirement in terms of which the opinion 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 paragraph 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 keyvalue drivers, sensitivities performed and assumptions used;

(j) if applicable, a summary of the manner in which the independent professional expert has satisfied itself 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 anyother parties involved in the transaction, and the independent professional expert, as required by paragraph 5.1(b) above and as identified in the declaration completed in terms of paragraph 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 adviser if in any doubt as to the merits or otherwise of the transaction;

(q) the opinion;

(r) the independent professional expert's name (including registration number if the expert

is registered anywhere with any professional body), 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 VFEX 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 paragraph 5.8(j) 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 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 VFEX has the right, but not the obligation, to request the independent professional expert to—

(a) clarify any aspect of the statement; or

(b) expand the statement so as to address any issues of concern to the VFEX.

PART B

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 Issuer, Regulation
Division, VFEX Limited,
44, Ridgeway North,
Highlands,
Harare.

……..……..…….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 VFEX for the purpose of confirming to the VFEX 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 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 or associate or subsidiary of .....

I, ... [insert full names] being a ..... [insert relationship to expert such as director or 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 communicationamongst 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 holding discussions with our legal compliance department.

2. *Shareholding by directors, partners, employees and any 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 and *per centum*)	US dollar 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 the above holdings will compromisethe 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 six 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 or any other 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;

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

Theexpertdoesnotbelievethattheseholdingswillcompromisetheindependenceoftheexpertbeca use .....[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 or any other 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 six 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 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 six 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, 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 *per centum* 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 *per centum* 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, 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 six 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 (and any company in the issuer's holding company's group) and the staff of the issuer, who beneficially, directly or indirectly hold five *per centum* or more in the share capital of the expert or the experts holding company are as follows:

Name of	Nature of	Holding (number of shares)	Name of registered holder and beneficial owner and relationship of beneficial owner person holding and *per centum*) 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 hold 5 *per centum* or more in the share capital of the expert 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 which may affect the expert's 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 *per centum* 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 *per centum* of the budgeted fees of the expert for the current financial year.

If the expert is unable to provide a positive confirmation to (i) 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 must 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 must 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 VFEX 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 Issuer Regulation Division, VFEX Limited,
44, Ridgeway North,
Highlands,
Harare.

……..…….…….20……..

Full name of the independent professional expert:..... ("the expert")

I, ... [insert full names] being a ..... [insert relationship to expert such as director or 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 VFEX Limited with regard to ..... [insert brief description of the transaction] ("the transaction").

2. The expert has been briefed by……, who is a ..... [insert position such as. director] of the issuer, and…… [insert name of company] who is the issuer's adviser 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 number of years of 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 paragraph 5 below must also be provided).

4.

(a) The expert has all the necessary competencies to carry out this assignment (as detailed in paragraph 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 set out in the Schedule 5B declaration submitted to the VFEX on..... , a copy of which is attached.

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 VFEX Issuer Regulation Division 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

To: The Issuer Regulation

Division, VFEX Limited,

44, Ridgeway

North,

Highlands,

Harare.

……..……..20….

Fullname of the issuer:

.....

I, ……., [insert full names], being a.....[insert relationship to issuer such as. 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 VFEX Limited 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. Theissuerdidnot approach theindependent professional expertin order to agree a price at which theindependent 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 or did not retain their services for the reasons given below:

Name of firm approached and contact details	Reason for appointing or 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 competence to execute this assignment.

8. The issuer will inform the Issuer Regulation Division 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 VFEX contacting the parties set out in paragraph 5 above and waives, in favour of the VFEX, its right to confidentiality in respect of its dealings with such parties, in order for the VFEX 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 sponsor: ……..…….…. I, ……[insert full names], being a ..... [insert relationship to sponsor such as. director] and duly authorised on behalf of the sponsor to give this declaration, declare that the sponsor:

(a) has ensured that the issuer understands the declaration that it has signed;

(b) has made sufficient enquiries 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 VFEX 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 sponsor]

SIXTH SCHEDULE (*SECTION 365*)

APPLICATION FOR LISTING OF SECURITIES RESULTING FROM AN ISSUE FOR CASH

6.1 The application must state:

(a) the number of securities for which a listing is applied;

(b) the date from which the listing is to commence;

(c) the securities rank *pari passu* with the other issued securities of the applicant;

(d) the date on which the securities must be allotted;

(e) the date on which the certificates of title must be issued;

(f) the authorised and issued share 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 bythe listings requirements to approve the issue of securities 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 must be issued at.

(n) the issue price of the securities; and

(o) the number of securities held in treasury.

6.2 Where applicable, the application must be accompanied by a fairness opinion on the issue from an independent professional expert acceptable to the VFEX.

6.3 The application must be signed by the company secretary and a director, of the applicant and by the sponsor.

6.4 The application must be accompanied by a resolution of the directors, 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.

SEVENTH SCHEDULE

(*Sections 76, 359 and 360*)

GENERAL UNDERTAKING

The following provisions should be contained in the general undertaking by the issuer which should be in the form of a resolution of directors certified by the Chairperson:

7.1 That the issuer will not apply for the loan, or return, of any document submitted in support of the application for listing, and that all such documents will become the property of the VFEX.

7.2 That the issuer agrees that in the event of the application for listing being granted such listing shall be subject to the listings requirements which now are or hereafter may be in force.

7.3 That by listing on the VFEX, the issuer shall be obliged to use the VFEX Depository for clearing and settlement and all other related services.

7.4 That the issuer will engage Transfer Secretaries registered by the Securities and Exchange Commission of Zimbabwe and approved by the VFEX.

7.5 That no restrictions are placed on the transfer of fully paid securities other than when the relative statutory requirements prevail.

7.6 A statement if companies do or do not propose to introduce the "*Temporary Documents of Title"* procedure and that no charge will be made in Zimbabwe for transfer of securities or the splitting of certificates of title.

7.7 That no charge will be made in Zimbabwe for the registration of any powers of attorney or letters of administration.

7.8 That the articles of association of the issuer and its subsidiary companies comply with the listings requirements.

7.9 That securities in each class for which listing is applied rank *pari passu* in respect of dividends, rights and in all other respects. 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 meetings, and in all other respects; and

(d) they are entitled to a dividend at the same rate and for the same period, so that at the next ensuing distribution the dividend payable on each share will amount to exactly the same.

7.10 That in the event of a further issue being underwritten, the issuer will disclose with the issue the information which is required under section 187.

7.11 That in the event of any further offer of securities to shareholders, powers of renunciation will be granted in respect of any rights accruing to shareholders and an application for listing of the provisional documents will be made within sufficient time before the closing of the share registers. Should it be desired to depart from this procedure, the consent of the VFEX must be obtained.

7.10 That the minutes of all shareholders' meetings, either general or special, will be read at the next succeeding meeting of shareholders at the request of any shareholders at the meeting, if the proceedings of such meeting have not been made available.

7.11 That should the directors of the issuer declare a final dividend prior to the publication of the annual accounts, the dividend notice given to shareholders will contain a statement of the ascertained or estimated combined net trading profits of the issuer and its subsidiaries for the year, and also particulars of any amounts appropriated from reserves, capital profits, accumulated profits of past years, or other special source, to provide wholly or partly for the dividend.

7.12 That where the issuer is already listed or is subsequently granted a listing on another securities exchange and notification of any preliminary or other announcement is made by the issuer from time to time to that securities exchange copies of all such notifications will be made available simultaneously to the VFEX.

7.13 That the issuer will, in future, furnish the VFEX with three copies of the issuer's annual financial statements when they are issued for distribution to broking members.

7.14 That all communications from the issuer to the VFEX will be by letter, and will emanate from the secretary of the issuer or any other duly authorised persons to whom all correspondence from the VFEX should be addressed.

7.15 That in the event of the company being placed in corporate rescue or liquidation, whether voluntary or compulsory, provisional or final, the issuer will immediately notify the VFEX of this fact.

7.16 Should the issued share capital of the issuer for which listing is applied, consist of securities without distinctive numbers, the following additional undertakings are required:

(a) that 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, *that is*—

(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 meetings and in all other respects; and

(iii) they are entitled to dividend at the same rate and for the same period, so that on the next ensuing distribution and the dividend payable on each share will amount to exactly the same;

(b) that 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 listing is granted and other securities in the capital of the issuer, formal notice will be given to the VFEX of the intentions with full particulars of all relevant facts;

(c) that where the directors have resolved to convene a shareholders' meeting to consider a special resolution for the consolidation or subdivision of securities or for the increase of the authorised share capital of the issuer notice thereof will, within 48 hours of the passing of the directors' resolution be given in writing to the VFEX. Notice in writing must also be given to the VFEX within 48 hours of the issue by the issuer of additional securities of any class. In either case, full particulars of all relevant facts and copies of all relevant documents, resolutions and circulars must be incorporated in or, in the case of copies, accompany, the notice.

(d) regarding such issued share capital, compliance will be made with any requirements of the VFEX necessary for the maintenance or grant of listing, as the case may be for such capital, especially that an application for listing for new securities ranking *pari passu* will be made within 30 days from date of issue;

(e) that the issuer will accept for registration transfer deeds containing no distinctive numbers where the relative certificates of title, issued prior to the cessation of distinctive numbers, bears distinctive numbers, and vice versa; and

(f) where the securities, which are the subject of this application are also listed on any other securities exchange evidence must be submitted that such listing is in respect of securities without distinctive numbers.

EIGHTH SCHEDULE

(*Section 360*)

STATUTORY DECLARATION

The sworn declaration by the Chairman and company secretary must state, to the best of their knowledge, judgment and belief, arrived at after due and careful enquiry, where applicable, the following particulars:

8.1 That all documents required by the Companies and other Business Entities Act [*Chapter 24:31*], 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, or amount of stock or debentures issued for cash to the public, with price of issue and the actual amount per share paid thereon in cash.

8.5 The number of securities, or amount of stock or debentures allotted for a consideration other than cash.

8.6 That the certificates, or debentures 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.

8.7. That, where applicable, the purchase of any assets have been completed, their transfer registered in the name of the issuer and the purchase money 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, where applicable, a debenture trust deed has been executed and completed, the effect of such trust deed, and the nature of the security created thereby in favour of the debenture holders or debenture stockholders.

8.9 That all monies refundable in respect of any application or where no allotment has been made, have been refunded to the applicants.

8.10 That foreign companies will open and maintain a transfer office in Zimbabwe during such time as the securities are listed on the VFEX.

8.11 That all documents specified in section 218 have been or are lying open for inspection in the manner prescribed.

8.12 That there are no other circumstances arising from the application which should be disclosed to the VFEX.

NINTH SCHEDULE

(*Sections 359 and 360*)

MECHANICAL SIGNATURES ON CERTIFICATES OF TITLE

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

Victoria Falls Stock
Exchange Harare

Dear Sir or Madam

MECHANICAL SIGNATURES

The Boardundertakes thatnomechanicalsignatures will beaffixed to certificates issuedinrespect of the securities or stock of the issuer unless the following conditions are complied with:

The means of affixing such signatures shall be by (here insert the method to be employed).

Suitable blocks or dies bearing the facsimile signatures of the several directors and, of the secretary or transfer secretary, shall be procured at the cost of the 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 signatures, is enclosed.

Yours faithfully

CHAIRMAN.

TENTH SCHEDULE *(Sections 257 and 359)*
REQUIREMENTS FOR ARTICLES OF ASSOCIATION

No application for listing shall be considered until the articles of association (or other instrument constituting or defining the constitution of the applicant) ("*The articles*") has been approved by the VFEX.

These documents must be in English and must comply with the requirements in respect of an applicant or in respect of any of the applicant's subsidiary companies whose securities are not sought to be separately listed.

The requirements laid down are not exhaustive. The VFEX shall not allow any provisions contained in the articles which may in any way restrict free dealings in the securities, which may in the VFEX's opinion be unreasonable or which are unlawful.

There must be no provision in the applicant (issuer's) or its subsidiary companies' Articles that is in conflict with any provision in these rules or that prevents the enforcement of any provision in these listings rules. In the event that the Articles contain such a provision, the applicant must amend the Articles of the applicant or its subsidiaries.

This does not prevent the VFEX from taking action against the relevant parties in terms of Part I of these rules.

Contents of articles of association—applicants

Preference securities

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

No further securities ranking in priority to or *pari passu* with the existing preference shares of any class shall be created or issued without the consent in writing of the holders of 75 *per centum* 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 and at which members holding in the aggregate not less than 1 or4 of the total votes of all the members holdings securities in that class entitled to vote that meeting are present in person or by proxy and the resolution has been passed by not less than 3 or4 of the total votes to which the members of that class present in person or by proxy are entitled.

Unissued securities

10.2 Provision should be made in the articles that unissued equity securities shall be offered to existing shareholders pro rata to their shareholding unless issued for the acquisition of assets. The articles may however in addition to the above provide that the shareholders in general meeting may authorise the directors to issue unissued securities or give options to subscribe for unissued securities as the directors in their discretion may think fit, provided this has been approved by the VFEX.

Signing of certificates of titles

10.3 The provisions of theCompanies and Other Business Entities Act [*Chapter 24:31*] shall constitute the VFEX requirements for the signatures of certificates of title.

Calls on securities - foreign company

10.4 Neither the directors nor the company must be given power on the issue of securities to make any difference between the holders of the same class of share in 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 a foreign company for the payment of calls at the branch office in Zimbabwe.

Lien upon securities

10.7 The articles must not give a company power to claim a lien on fully paid securities and the lien upon partly paid securities must be limited to the amounts owing upon partly paid 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:

"Every instrument of transfer 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 which may be lodged, produced or exhibited with or to 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 etc., when called upon by the directors to do so will not be permitted.

Share warrants to bearer

10.12 Provision should not be made for the issue of a new share warrant in place of one lost unless suitable documentation is provided to the satisfaction of the directors of the company concerned.

10.13 Where the memorandum prohibits the issue of share warrants and the articles make provision for the issue etc., thereof the following clause should 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 should provide that, subject to the Act, the company may not pay commission exceeding 5*per centum* to any person in consideration of his 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 for:

(a) increase of capital;

(b) consolidation of securities;

(c) conversion of securities into stock;

(d) sub-division of securities;

(e) cancellation of securities;

(f) reduction of capital;

(g) conversion of securities into no par value and *vice versa*;

(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.

10.16 Provision should be made that new securities created shall be offered to the existing shareholders pro rata to their shareholding or that new securities are only to be disposed of or dealt with as directed by a general meeting of shareholders. Subject to the listings requirements of the VFEX, the articles may however in addition to the above provide that the shareholders in general meeting may authorise the directors to issue the new securities as the directors in their discretion may think fit.

10.17 The clause in the articles dealing with the reduction of capital should not provide that capital shall be re-paid upon the basis that it may be called up again; and

Provision should be made that in the case of any issue of a fraction of a security, that fraction may be sold for the benefit of the shareholder in such manner as the directors may determine.

Borrowing powers

10.18 The article should provide that the borrowing powers of the Board are limited so that the aggregate amount at any one time owing in respect of monies borrowed by the company and its subsidiary companies (exclusive of inter-company borrowings) shall not exceed a reasonable fixed amount which must be related to the issued and paid up capital of the company except with the consent of the company in general meeting by ordinary resolution, and that the directors will procure that the aggregate amount at any one time owing in respect of monies borrowed by the company will not without such consent exceed that same limit.

Notice of meeting

10.19 In the articles of a foreign company provision should be made that if the notice be given by surface mail at least 30 days' notice of a meeting shall be given to all shareholders entitled to notice if such notice is sent from the registered office of the company and at least 21 days' notice if the notice is sent from a branch office in Zimbabwe or by air mail from the registered office of the company.

10.20 In the articles of all companies provision should be made for sending notices of meetings to the VFEX at the same time as notices are sent to shareholders.

10.21 The articles should provide that an accidental omission to give notice of any meeting to members shall not invalidate any resolution passed at any such meeting.

General meetings

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

10.23 The quorum at a general meeting must be as detailed in 10.54.

Voting at general meetings

10.24 In the case of a foreign company the articles should make provision for depositing proxies at the branch office in Zimbabwe.

Directors

10.25 The articles of association must provide that the number of directors shall be in line with the provisions of the Companies and Other Business Entities Act or any other laws accepted by the VFEX.

10.26 The articles should 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.

10.27 The articles should 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.

10.28 If the articles contain a provision that directors may be employed in any other capacity in the company or as a director or employee of a company controlled by or subsidiary to this company a further provision should be made to the effect that his or her appointment and remuneration in respect of other such office must be determined by a disinterested quorum of directors.

10.29 The articles should 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 shall be required to perform extra services or to go to reside abroad or otherwise shall be specifically occupied about the company's business, he or she shall be entitled to receive a remuneration to be fixed by a disinterested quorum of directors which may be either in addition to or in substitution for any other remuneration.

10.30 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 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 or she is appointed may provide that he or she shall not, while he or she 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 of retirement of directors provided that less than half of the directors may be appointed to any such position on the condition that they shall not be subject to retirement by rotation.

10.31 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 of the holding of the meeting for nominations to reach the company's office.

10.32 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.

10.33 The directors shall be entitled to elect a chairman and deputy chairman and determine the period for which they shall hold office. A resolution signed by directors (or their alternatives, if applicable) who are present at the time when the resolution in question is signed by the first of such directors, whose number is a majority of the directors for the time being in office and not less than a quorum for a meeting of directors, inserted in the minute book, shall be as valid and effective as it had been passed at a meeting of directors.

Any such resolution may consist of several documents, each of which may be signed by one or more directors (or their alternates, if applicable) 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

10.34 The articles should provide that the company in general meeting or the directors may declare dividends. However, the company in general meeting should not be able to declare a larger dividend than that declared by the directors.

10.35 It should be noted that dividends must 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. A period of 14 days at least should be allowed between the date of declaration or date of confirmation of the dividend whichever is the latter, and the date of the closing of the transfer registers in respect of such dividend.

10.36 A provision to the effect that dividends which remain unclaimed for 12 years may become the property of the company will be permitted. Monies other than dividends due to shareholders must be held in trust by the company indefinitely until lawfully claimed by the shareholder.

10.37 The articles of a foreign company may provide that the directors may retain any dividend or bonus upon which the company has a lien and may deduct from dividends or bonus all claims or sums of money which may be due on account of calls.

Annual financial statements

10.38 Provision should be made in the articles of a company incorporated in Zimbabwe for a copy of the annual financial statements to be sent to shareholders at least 21 days before the date of the meeting at which it will be considered.

10.39 In the articles of a foreign company provision should be made that a copy of the Statement of Financial Position will be sent to all shareholders at least 30 calendar days before the date of the meeting at which it will be considered if sent by surface mail from the registered office of the company and at least 21 calendar days before that date if sent from the branch office in Zimbabwe or by air mail from the registered office.

Notices

10.40 Notices must be sent to all registered members. Notices to the holders of share warrants,

unless the conditions of issue provide that such holders are to receive notices, shall be given by advertisement in the town or district where the registered office of the company is situated.

Members registered address

10.41 A clause in the articles to the effect that members shall register an address in Zimbabwe or in some other country will be permitted.

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

Advertisement of notices

10.43 In addition to the notice to be sent to all registered shareholders a provision that notice by advertisement shall be published and should be published on the issuer's website and VFEX website. The articles should provide accordingly.

Content of articles of association—(subsidiary companies)

Unissued securities

10.44 Provision shall be made in the articles that unissued securities shall be offered to existing shareholders pro-rata to their shareholding, unless issued for the acquisition of assets. The articles may, however, in addition to the above, provide that the shareholders in general meeting may authorise the directors to issue unissued securities and give options to subscribe for unissued securities as the directors in their discretion may think fit, provided this has been approved by the Committee.

Calls on securities—foreign company

10.45 Neither the directors nor the company must be given power on the issue of securities to make any difference between the holders of the same class of share in the amount of calls to be paid and the time of payment of such calls.

Lien upon securities—foreign company

10.46 The articles must not give a company power to claim a lien on fully paid securities and the lien upon partlypaid securities must be limited to amounts owing upon partly paid securities.

Transfer of securities

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

10.48 The following provision must be made in the articles:

"Every instrument of transfer shall be left at the transfer office of the company at which it is presented for registration accompanied by the certificate of the securities so transferred 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, which 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 notice the company shall be entitled to give effect to any instrument signed under the authority to sign and certified by any office of the company as being in order before the giving and lodging of such notices.".

Transmission clause

10.49 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 etc., when called upon by the directors to do so will not be permitted.

Share warrants to bearer

10.50 Provision should not be made for the issue of a new share warrant in place of one lost unless suitable documentation is provided to the satisfaction of the company concerned.

10.51 Where the memorandum prohibits the issue of share warrants and the articles make provision for the issue etc., thereof the following clause should 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."

Capital

10.52 Provision should be made that new securities created shall be offered to existing shareholders pro-rata to their shareholding or that new securities are only to be disposed of or dealt with as directed by a general meeting of shareholders. The articles may, however, in addition to the above provide that the shareholders in general meeting may authorise the directors to dispose of the new securities as the directors in their discretion may think fit, subject to the provisions of the Act and to the listings requirements of the VFEX.

Borrowing powers

10.53 That the directors may, from time to time at their discretion raise or borrow to secure the payment of any sum or sums of money for the purposes of the company, provided that the total amount owing by the company in respect of monies so raised, borrowed or secured shall not exceed the amount authorised by its listed holding company.

Quorum at general meetings

10.54 The articles must provide that quorum at a general meeting and at an adjourned or postponed meeting shall be at least two members, present in person or by proxy, of whom one member shall be the representative of the holding company, or if a company is a wholly owned subsidiary the representative of the holding company shall suffice.

Directors

10.55 The articles should 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.

10.56 The articles should 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.

10.57 If the articles contain a provision that a director may be employed in any other capacity in the company or as a director or employee of a controlled or subsidiary company, a further provision should be made to the effect that his appointment and remuneration in respect of such other office must be determined by a disinterested quorum.

10.58 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 of the holding of the meeting for nominations to reach the company's office from any part of Zimbabwe.

10.59 If the quorum of directors is two the chairperson shall not be permitted to have a casting vote if only two directors are present at a meeting of directors.

10.60 The directors shall be entitled to elect a chairperson and a deputy chairperson as well as determine the period for which they shall hold office.

10.61 A resolution signed by all directors (or their alternates, if applicable) 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, each of which may be signed by one or more directors (or their alternates, if applicable) 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).

10.62 Life directorships are not permissible.

Dividends

10.63 The articles should provide that the company in general meeting or the directors may declare dividends. However, the company in general meeting should not be able to declare a larger dividend than that declared by the directors.

10.64 A provision to the effect that dividends which remain unclaimed for 12 years may become the property of the company will be permitted. Monies other than dividends due to shareholders must be held in trust by the company indefinitely until lawfully claimed by the shareholder.

10.65 The articles of a foreign company may provide that the directors may retain any dividend or bonus upon which the company has a lien and may deduct from dividends or bonus all claims or sums of money which may be due on account of calls.

Notices

10.66 Notices must be sent to all registered members. Notices to the holders of share warrants unless the conditions of issue provide that such holders are to receive notices, shall be given by advertising in Harare and in the town or district where the registered office of the company is situated, if such registered office is situated outside Harare, in a daily newspaper in English and one other official language. The articles should provide accordingly.

Members' registered addresses

10.67 A clause in the articles to the effect that members shall register an address in Zimbabwe or in some other country will be permitted.

Contents of Articles for issuers

10.68 The following provisions must be included in the Articles of issuers, unless otherwise indicated below:

Unissued securities

10.69 Unissued equity securities shall be offered to existing shareholders, pro rata to their shareholdings, unless such securities must be issued for an acquisition of assets. However, the Articles must 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 deem fit, provided that such corporate action(s) has been approved by the VFEX and are subject to these Listings Requirements.

Transferability of securities and transfer of securities

10.70 (a) Securities for which listing is sought must be fully paid up and freely transferable, unless otherwise required by statute. The VFEX will not list shares that are not fully paid for upon listing.

(b) All authorities to sign transfer deeds granted by holders of securities for the purpose of transferring securities that may be lodged, produced or exhibited with or to the company at any of its transfer 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.

Ratification of ultra vires acts

10.71 The proposal of any resolution to shareholders in terms of the Act must be prohibited in the event that such a resolution would lead to the ratification of an act that is contrary to these rules, unless otherwise agreed with the VFEX.

Rules

10.72 The directors' power to make, amend or appeal rules as contemplated in the Act must be prohibited.

Preferences, rights, limitations and other share terms

10.73 (a) Securities in each class for which listing is applied must rank pari passu in respect of all rights. It must be noted that a statement that "securities in each class rank pari passu" shall be understood to have the meaning attributed thereto in terms of section 44(1) of these rules.

(b) Every holder of an ordinary share must have one vote in respect of each share that he holds and must be entitled to vote at every general or annual general meeting, whether in person or by proxy.

(c) Any amendment to the Articles must be approved by a special resolution of ordinary shareholders, save where such an amendment is ordered by a court in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]. Amendment, for the avoidance of doubt, shall include, but shall not be limited to:

(i) the creation of any class of shares;

(ii) the variation of any preferences, rights, limitations and other terms attaching to any class of shares;

(iii) the conversion of one class of shares into one or more other classes;

(iv) an increase in the number of securities of a class;

(v) a consolidation of securities;

(vi) a sub-division of securities; or

(vii) the change of the name of the company;

(d) If any amendment relates to the variation of any preferences, rights, limitations and other terms attaching to any other class of shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of shares in that class at a separate meeting. In such instances, the holders of such shares may be allowed to vote at the meeting of ordinary shareholders subject to paragraph (c) above. No resolution of shareholders of the company shall be proposed or passed, unless a special resolution, of the holders of the shares in that class, have approved the amendment.

(e) In addition to the above and for the avoidance of doubt, if there are listed cumulative or listednon-cumulativepreference 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 without *a special resolution passed at a separate general meeting of such preference shareholders*.".

(f) Preferences, rights, limitations or other terms of any class of shares of an issuer must not be varied and no resolution may be proposed to shareholders for rights to include such variation in response to any objectively ascertainable external fact or facts as provided for in the Companies and Other Business Entities Act [*Chapter 24:31*].

(g) Subject to the provisions of paragraph (c) above, the Articles may provide that holders of preference shares shall have the right to vote at any general or annual general meeting of the listed company—

(i) during any special period, as provided for in (iii) below, during which any dividend, any part of any dividend on such preference shares or any redemption payment thereon remains in arrears and unpaid; or

(ii) in regard to any resolution proposed for the winding-up of the company or the reduction of its capital;

(iii) the period referred to in paragraph (i) above shall be the period commencing on a day specified in the Articles, not being more than six months after the due date of the dividend or redemption payment in question or, where no due date is specified, after the end of the financial year of the company in respect of which such dividend accrued or such redemption payment became due.

Capitalisation issues

10.74 Any capitalisation issue by an issuer must at least be subject to the fulfilment of the requirements set out in the Act. The issuer's Articles may not call for any less stringent requirements.

Scrip dividend and cash dividend elections

10.75 The grant of the right of election must not be prohibited by the Articles.

Payments to securities holders

10.76 Payments to securities holders must be provided for in accordance with these rules and must not provide that capital shall be repaid upon the basis that it may be called up again.

Other corporate actions

10.77 The following corporate actions must be provided for in the Articles, in accordance with these rules:

(a) Issue of shares for cash and options and convertible securities granted or issued for cash;

(b) Repurchase of securities;

(c) Alteration of share capital, authorised shares and rights attaching to a class of shares.

Debt instruments

10.78 The granting of special privileges to holders of debt instruments, such as attending and voting at general meetings and the appointment of directors, must be prohibited.

Resolutions and meetings

10.79 (a) The notice periods referred to in this paragraph and paragraph (b) below are not applicable where the company adheres to the Act. The passing of a special resolution is to be subject to the approval of at least 75*per centum* of the votes cast by all equity securities holders present in person, or represented by proxy, at the general meeting or annual general meeting convened to approve such resolution and must be subject to a minimum notice period of 21 calendar days.

(b) An ordinary resolution is to be subject to a minimum notice period of 21 calendar days.

(c) There must be no prohibition or restriction on the issuer from calling any meeting for the purposes of adhering to these rules.

(d) Notices of general or annual general meetings must be delivered to each shareholder entitled to vote at such meeting and who has elected to receive such documents.

(e) Provision must be made for delivering notices of meetings to the VFEX at the same time as notices are sent to shareholders. A provision must be included in the Articles that such notice must also be announced through the VFEX website.

(f) Once a quorum has been established, all the shareholders of the quorum must be present at the meeting to hear any matter that must be considered at the meeting.

Lien upon securities

10.80 Any power by the company to claim a lien on securities must be prohibited.

Transmission clause

10.81 A provision to the effect that securities registered in the name of a deceased or insolvent holder 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.

Commission

10.82 The company may not pay commission exceeding 10 *per centum* to any person in consideration for their subscribing or agreeing to subscribe, whether absolutely or conditionally, for any securities of the company.

Record date

10.83 The record date for all transactions must be as set out in these rules.

Directors

10.84 (a) The minimum number of directors shall be in line with Companies and Other Business Entities Act and other relevant laws acceptable by the VFEX.

(b) The Articles may provide for the nomination of one or more directors by any person who is named in the Articles or determined in terms of the Articles provided that any shareholder will have the right to nominate directors. Such a person must not be entitled to appoint or remove any director.

The appointment of all directors shall be subject to shareholder approval at any general or annual general meeting (provided the meeting is conducted in terms of the Act). The Articles may provide for the appointment of alternate directors in terms of the Act.

(c) The appointment of a director, to fill a casual vacancy or as an addition to the board, must be confirmed by shareholders at the next annual general meeting.

(d) Should the number of directors fall below the minimum provided in the Articles, the remaining directors must, as soon as possible, and, in any event, not later than three months from the date that the number of directors falls below the minimum, fill the vacancies or call a general meeting for the purpose of filling the vacancies. A failure by the listed company to have the minimum number of directors during the three-month period does not limit or negate the authority of the board of directors or invalidate anything done by the board of directors or the company. After the expiry of the three-month period, the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of shareholders.

(e) 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 major subsidiary of, the company and, in such event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of directors.

(f) The directors may 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, if any director is required to perform extra services, to reside abroad or be specifically occupied about the company's business, he may 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 payable.

(g) In a new company, all the directors are to retire at the fi annual general meeting. Thereafter, at least one third of non- executive directors must retire at the company's annual general meeting (or other general meeting held on an annual basis). These retiring members of the board of directors may be re-elected, provided they are eligible. The board of directors, through the nomination committee, should recommend eligibility, taking into account past performance and contribution made.

The directors shall be entitled to elect a chairman, deputy chairman or any vice chairman and to determine the period for which they, respectively, shall hold office. Where 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.

(i) A decision that could be voted on at a meeting of the board of directors of a company may, instead, be adopted by written consent of a majority of the directors, given in person or by electronic communication, provided that each director has received notice of the matter to be decided. Such resolution, 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).

(j) Life directorships and directorships for an indefinite period are not permissible.

Dividends

10.85 (a) Dividends are declared by the directors in accordance with the Act.

(b) It should be noted that dividends must 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 latter.

(c) The company must hold all monies due to shareholders in trust but subject to the laws of prescription.

Members registered address

10.86 A provision in the Articles to the effect that members shall register an address in Zimbabwe or in some other country, will be permitted.

Annual financial statements

10.87 A copy of the annual financial statements must be distributed to shareholders at least 21 calendar days before the date of the annual general meeting at which they will be considered.

Additional provisions applying only to foreign companies

10.88 (a)Provision must be made for depositing proxy forms at the branch office in Zimbabwe.

(b) Neither the directors nor the company must 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.

(c) 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.

(d) Provision must be made for the payment of calls at the branch office in Zimbabwe.

(e) The directors may retain any dividend or bonus upon which the company has a lien and may deduct from dividends or bonuses all claims or sums of money that may be due on account of calls.

(f) A provision that compels members to register an address in the foreign country of the foreign company is prohibited.

10.89 Articles for subsidiary companies of issuers:

The following provisions apply to the Articles of subsidiary companies of issuers—

(a) The issuer must ensure that the provisions of the Articles of its subsidiaries do not frustrate the issuer in any way from compliance with its obligations in terms of these rules.

(b) Nothing contained in the Articles of a subsidiary of an issuer shall relieve the issuer from compliance with these rules.

ELEVENTH SCHEDULE

(*Section 359*)

REQUIREMENTS FOR CERTIFICATES OF TITLE

The following are the requirements for certificates of title with respect to the certificated environment:

Size

11.1 Minimum and maximum sizes of certificates of title—

(a) breadth minimum 250mm, maximum 300mm; and

(b) depth minimum 200mm, maximum 275mm, or as agreed with the VFEX.

Name

11.2 (a) The name of the company should 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, as such the word "AND" should be printed, and not the abbreviation "&" and the word "LIMITED" should be printed and not the abbreviation "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.

(b) A name of a company may not be a registration number.

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 in 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.

VFEX code

11.8 All certificates of title should bear the VFEX code where applicable. 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 VFEX 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 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*" etc.

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 constitutive documents. Where special rights and obligations pertain to the securities, as in the case of preference shares and debentures, salient details of these rights and conditions should 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.

Certificates of title to indicate re-construction

11.12 Where securities have been subdivided, reduced, 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 should use a different colour and series of numbers.

Address of registered and transfer offices

11.13 The physical and postal addresses in Zimbabwe of the registered and transfer offices of the company must be stated.

Signatures on certificates of title

11.14 The provisions of the Companies And Other Business Entities Act [*Chapter 24:31*];shall constitute the VFEX requirements for the signatures on certificates of title.

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

Certificates cancelled by mutilation

11.16 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

11.17 Specimen certificates of title submitted will be retained by the VFEX and will not be returned to the applicant.

TWELFTH SCHEDULE (*Section 368*)

REQUIREMENTS FOR OPTION CERTIFICATES IN RESPECT OF LISTED OPTIONS

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

12.1 The term of option—

(a) the minimum period during which an option may be exercised shall be not less than one calendar month. The company must advise option holders at least six weeks prior to the date upon which options may be exercised; and

(b) in cases where the option 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 option.

12.2 Upon exercise of the option, the securities to be allotted by the company in satisfaction of the option shall rank *pari passu* and in all respects be identical 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 within twenty-one (21) days of the option having been exercised.

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 a specific period the company shall undertake not to fix a record date for a dividend, a rights offer, capitalisation issue, capital reconstruction or offer to purchase (take-over bid) on ordinary shares which will fall within that period. In other cases holders of the options shall be precluded from exercising their options between the date of declaration of dividend and the record date for such purposes.

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 sanction of the holders of the options and the holders of such of the following securities as may be issued as at the date it is proposed to amend the conditions of issue—

(a) ordinary shares or ordinary stock, other than non-voting;

(b) convertible securities;

(c) securities with inherent option rights; and

(d) participating securities.

12.9 The holders of the options shall be advised simultaneously with the notification of the holders of ordinary shares or stock of a contemplated rights issue or bonus issue and of a specified date by which they must exercise their options in order to participate in the rights issue or bonus issue. The ratio for the rights issue or bonus issue shall not be determined until after the date referred to above and a subsequent date shall be determined as being the record date for the rights issue or bonus issue.

12.10 In a capital reconstruction, the ratio of—

(a) the total number of securities which may be issued on the exercise of the option to the total number of securities issued; and

(b) the issue price per ordinary share or stock 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.

THIRTEENTH SCHEDULE (*Sections 359 and 360*)

REQUIREMENTS FOR CERTIFIED DEEDS AND OTHER TEMPORARY DOCUMENTS OF TITLE

The application to be submitted by companies for approval to issue certified deeds and other temporary documents of title must take the following form:

The Victoria Falls Stock Exchange

Harare

Dear Sir

CERTIFIED TRANSFER DEEDS AND OTHER TEMPORARY DOCUMENTS OF TITLE

On behalf of my company I hereby apply for the approval of your Committee to the introduction by my company of certified
transfer procedure as covered by your rules in respect of all listed securities of this

company which at present consist of: (number).....ordinary shares

(number).....preference shares

..... (Description)

and number of any other class of security to which the system can be applied, and any additional securities of the same class(es) which may be granted a listing in the future.

The Board has passed a resolution authorising the adoption of the system of certification in Zimbabwe and if and when applicable on an interchange basis with offices elsewhere and it has made the necessary arrangements regarding the signing of certifications. The company agrees that the Committee's approval shall be subject to the Listings Requirements.

Without in any way limiting the application of the Listing Requirements referred to above, the company undertakes:

(a) that section 60 of these rules shall be deemed to form part of this undertaking; and

(b) that certificates foranyof the above securities will be issued in such denominations as may be expedient (not necessarily in 100's) and that transfer deeds in the required denominations will be certified against such of the following documents as may be issued from time to time by the company:

(i) certificates of title;

(ii) transfer receipts;

(iii) postal acknowledgements;

(iv) removal (or transmission) receipt (where branch registers are maintained);

(v) balance receipts (or tickets);

(vi) split balance receipts (or tickets);

(vii) bearer share reconversion receipt;

(viii) interchange receipts; and

(ix) letters of allocation or allotment and similar new issue documents after allowing

a period for renunciation; provided any document referred to above shall have

been surrendered prior to delivery of the relative scrip;

(c) that in the company's discretion certified transfer deeds may be updated. That no other temporary documents of title
will be updated. (Delete if not applicable); and

(d) that provided the documents of title are in order the relative certified deeds or other temporary documents of title will be issued within 24 hours of lodgment. That, upon request, temporary receipts which shall be surrendered upon delivery of the certified deeds or other temporary documents of title, will be issued to persons who lodge documents of title.

The certified transfer deed procedures will apply to Zimbabwe registrations and to interchange between Zimbabwe and name(s) of foreign country(ies) in which additional transfer office(s) is/are situated.

I enclose for approval a specimen of the certifications to be applied by or on behalf of the company.

Once these have been approved they will not be altered without notifying your exchange.

Kindly advise me of your Committee's decision in due course.

Yours faithfully

CHAIRPERSON

Notes:

Companies should satisfy themselves that they are adequately covered under their forged transfer policies in respect of certified deeds and other temporary documents of title.

FOURTEENTH SCHEDULE (*Sections 138 and 372*)

REQUIREMENTS FOR EXECUTIVE AND STAFF

SHARE SCHEMES

The following provisions apply, with appropriate modifications, to all schemes involving the purchase of securities or the issue of shares or other securities (including options) by listed companies (or trusts formed for this purpose in terms of the Companies And Other Business Entities Act [*Chapter 24:31*]) to, or for the benefit of, employees. They apply also to schemes of all subsidiaries of listed companies.

The VFEX 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 listed company 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 VFEX restricts the definition of participants to persons involved in the business of the group including non-executive directors;

(b) the aggregate number of securities which may be utilised for purposes of the scheme which must be stated together with the percentage of the issued share capital that it represents at that time (limited to 10*per centum* over a five year period);

(c) a fixed maximum number 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, sub-division, consolidation of securities or reduction of capital, for adjustment of the purchase, subscription or option price of 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 or she was previously entitled:

(a) the issue of securities as consideration for an acquisition or a waiver of pre-emptive 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 The trustees may not be participants under the scheme.

14.5 Shares shall upon release to participants rank *pari passu* in all respects with the existing issued shares of the company.

14.6 Application must be made for a listing of those securities of a class already listed at the time of the issue.

14.7 The scheme document, if not circulated to the shareholders, must be available for inspection for at least 14 days prior to the shareholders meeting, at the company's registered office or such other places as the VFEX may agree.

14.8 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.

14.9 The listed company must, in respect of its own scheme or its subsidiary companies schemes, summarise in its annual financial statements the number of securities which 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.

14.10 Details of options held and exercised by the directors should be disclosed separately and annually.

14.11 The issuer shall submit to the VFEX on an annual basis, a detailed summary of the number of securities which maybe 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. The summary shall be submitted at the time the annual report is submitted to the VFEX.

FIFTEENTH SCHEDULE (*section 177*)

REQUIREMENTS FOR TRUST DEEDS IN RESPECT OF DEBENTURES

The following are the requirements for trust deeds in respect of debentures:

Special provisions

15.1 Trust deeds in respect of debentures must contain provisions to the following effect, that—

(a) where provision is made that the debenture shall be repayable at a premium either at a fixed rate or at any time upon notice having been given, the debenture shall not in the event of the company going into voluntary liquidation be repayable at less than the premium then current;

(b) a provision that debentures may be issued with special privileges as to allotment of securities, attending and voting at general meetings, appointment of directors or otherwise, will be permitted if the clause contains a proviso that such special privileges etc., shall not be afforded save with the sanction of the company in general meeting;

(c) where debentures are subject to periodic redemption such redemption shall be in units and not in the reduction of nominal value;

(d) there be a fixed initial period of not less than one year during which redemptions may not take place;

(e) where there is a sinking fund and the company has the right to buy for sinking fund purposes, it shall not anticipate its sinking fund requirements by more than one year;

(f) redemption conditions shall remain unaltered unless sanctioned by general meetings of ordinary shareholders and debenture holders;

(g) where power is reserved to purchase redeemable debenture, purchases shall not be made by the company or the trustee at a price which is higher than the market price. Debentures so purchased shall be cancelled. The company's obligation to redeem and pay off the debentures shall be reduced by the par value of the debentures so cancelled; and

(h) the last day of registration for interest payments, conversion, and redemption rights must be a Friday. However, if the Friday is a holiday, then the previous business day will be the date for registration.

Conversion

15.2 The right of conversion must be authorised by ordinary shareholders in general meeting.

15.3 The earliest redemption date must not be earlier than the final conversion date or alternatively the holder shall be issued with an option certificate where redemption takes place at an earlier date than the final conversion date.

15.4 Conversion rights may not be exercised between the date of declaration of dividends or rights on the underlying security and the record date for such purposes.

15.5 The date of the final closing of the registers for conversion or redemption shall not be earlier than the final conversion date or redemption date.

15.6 In cases where only part of the debentures may be converted, ensure if possible—

(a) that the unit/s of debentures required to exercise the subsequent conversion rights shall be exactly divisible into US$100; and

(b) that the converted and unconverted portion of debenture unit/s of US$100 are capable of being consolidated into a dealing unit of 100 debentures.

15.7 Convertibility conditions shall remain unaltered unless sanctioned by ordinary shareholders in general meeting.

15.8 The company may not issue capitalisation ordinary shares or options on securities prior to the final conversion dates unless sanctioned in general meeting by the holders of the convertible debentures.

Conversion period

15.9 Conversion period must be for at least one month.

15.10 Variation of rights must also be subject to the consent of ordinary shareholders in addition to the usual, *viz*, either—

(a) consent in writing in respect of 75 *per centum* of debenture holders; or

(b) necessary resolutions passed by debenture holders.

15.11 Debentures purchased must be cancelled and not re-issued.

Trustees

15.12 The trustee or trustees shall be a corporation or persons of standing and repute and must have no interest in or relationship with the company which might conflict with their position as trustee.

15.13 The new trustee appointed under any statutory or other power must prior to appointment be approved by an extraordinary resolution of the debenture (or debenture stock) holder.

Meetings and voting rights

15.14 A meeting of debenture (or debenture stock) holders must be called on a requisition in writing signed byholders of at least one tenth of the nominal amount of the debentures (or debenture stock) for the time being outstanding.

15.15 The quorum for passing a special resolution shall be the holders of a clear majority in the value of the whole of the outstanding debentures (or debenture stock). If such a quorum should not be obtained, provision may be made for the adjournment of the meeting for not less than 14 days: in that event notice of the adjourned meeting shall be sent to every debenture (or debenture stock) holder and shall state that if a quorum as above defined shall not be present at the adjournment meeting, the debenture (or debenture stock) holders then present will form a quorum.

15.16 The necessary majority for passing a special resolution shall be not less than 75 per centum of the persons voting thereat on a show of hands and if a poll is demanded then not less than three-fourths of the votes given on such a poll.

15.17 On a poll, each holder of debentures of debenture stock shall be entitled to at least one vote in respect of every US$20 of debentures or debenture stock held by him, except that where the lowest denomination in which such securities can be transferred is more than US$20 such denomination may be substituted for the US$20 referred to above.

15.18 In the case of a foreign company (other than a company incorporated in Zimbabwe) provision should be made that notice be given to all debenture holders at least 21 days prior to the meeting. The notice is to be sent from a branch office in Zimbabwe or by electronic mail from the registered office of the company.

15.19 Provision should be made for sending of notices of meetings to the VFEX at the same time as notices are sent to debenture holders.

Notices

15.20 Notices shall be sent to debenture holders at least six weeks before each—

(a) conversion date; and

(b) redemption date.

Interest on partly paid debentures

15.21 State how the payment of interest will be calculated until the next interest date or the next succeeding date upon which debentures will become fully paid.

Transfer

15.22 In the case of a listed debenture the common form of transfer will be used.

15.23 Every instrument shall be left at the transfer office of the company at which it is presented for registration, accompanied by the certificate of the debentures to be transferred or such other evidence as the company may require, to prove the title of the transferor or his rights to transfer the debentures.

15.24 All authorities to sign transfer deeds granted by members for the purpose of transferring debentures, which may be lodged, produced or exhibited with or to the company at any of its proper offices shall, as between the company and 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 expressed notice in writing of the revocation of the same shall have been given and lodged at each of the company's transfer offices at which the authority was lodged, produced or exhibited.

15.25 Even after the giving and lodging of such notice, 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.

15.26 There shall be no restrictions on the transfer of fully paid debentures.

Definitive certificates

15.27 In any payment of part of the amount due on the security, unless a new certificate is issued, a note of such payment shall be enfaced on the certificate.

Special privileges

15.28 The sanction of a separate general meeting of ordinary shareholders shall be obtained for the grant of special privileges.

General conditions

15.29 "Secured debentures" shall be secured to a substantial extent by a direct specific mortgage of freehold or long leasehold property or other immovable property or such other fixed assets as the Committee in its discretion may deem acceptable. Debentures which do not enjoy such security must be called "*unsecured debentures*".

15.30 Until the debentures have been redeemed in full, the company shall not have the right to borrow in excess any specified sum without the consent of the debenture holders in general meeting.

15.31 Redemption of debentures may be by drawings or fixed annual repayments.

15.32 First interest payment on debentures must be calculated from date of payment.

15.33 Any stock redeemed shall be cancelled and must not be re-issued.

15.34 Certificates must be issued within 21 days.

15.35 Certificates must be for US$100 unless otherwise requested. Block certificates are permissible if the company has adopted certified transfer procedure.

15.36 There must be no restrictions on splitting in denominations under US$100.

15.37 A company must give at least 14 days' notice of the last day to register for interest payments. Copies of notices must also be sent to the VFEX.

15.38 Where the debentures of a company are listed, prior approval of amendments to the

original conditions of issue must be obtained from the VFEX. The last day for debenture holders to be registered must be a Friday or if the Friday is not a business day, then the last day to register should be the preceding business day.

SIXTEENTH SCHEDULE (*Sections 16, 18 and 20*)

SPONSOR'S UNDERTAKING

16.1 The following must be included in a letter from the sponsor to the VFEX when appointed by an issuer for a specific matter or transaction—

(a) that they will discharge their responsibility as a sponsor under the listings requirements for the purposes of the appointment;

(b) that they will advise the VFEX, in writing, without delay, of their resignation or dismissal from an appointment, giving details of any relevant facts or circumstances and that they should notify the VFEX if they are subject to any disciplinary or legal proceedings together with the fact that they will not perform the role of sponsor unless they are independent except with the specific permission of the VFEX;

(c) a description of the interest held by the sponsor, his or her firm and any partner or director of that firm in the issuer or any of its subsidiaries; and

(d) that they acknowledge that the VFEX maycensure them if the VFEX considers that they are in breach of their responsibilities and that the VFEX may publicise the fact that they have done so and the reasons for their action.

Qualifications

16.2 The following criteria must be met by a sponsor in order to satisfy the VFEX that it is competent to fulfil the role of sponsor—

(a) Employment of staff with relevant experience—

(i) a sponsor will be expected to have staff who have considerable relevant corporate finance experience;

(ii) a sponsor must be able to demonstrate to the VFEX's satisfaction, that at least three of its executive staff were registered as approved executives by the VFEX and will continue to be so registered subject to paragraphs 16.2 (a)(iv) and 16.14; or

(iii) have passed an examination as approved by the VFEX from time to time; and

(iv) each have relevant practical experience in advising on the general application of the Listings requirements under the supervision of an Approved Executive in accordance with paragraph (iii) above. Such executive staff will be classified as Approved Executives and recorded as such by the VFEX.

(v) an Approved Executive who is providing the supervision referred to in paragraph (iv) above must:

A. notify the VFEX in writing at the commencement of the relevant period, providing full details of the candidate; and

B. declare to the VFEX at the end of the relevant period, that the candidate is suitable to be an approved Executive who will be able to properly fulfil all the responsibilities of a sponsor.

(vi) if a candidate moves from one employer to another and wishes to continue with his programme of practical experience, then arrangements must be madein order that an Approved Executive with the new employer continues with the necessary supervision. Before embarking on this exercise, the Approved Executive must obtain full details of the candidate's previous experience.

(vii) from time to time, the VFEX will arrange courses relating to the Listings Requirements and all Approved Executives must attend these in order to remain registered.

(viii) the sponsor's Approved Executives must not have been—

A. convicted of an offence resulting from dishonesty, fraud or embezzlement;

B. censured or fined by a self-regulatory organisation or recognised professional body;

C. barred from entry into any profession or occupation; or

D. convicted in any jurisdiction of any criminal offence or an offence under legislation relating to the Act, have been a director or alternate director or officer of a company at the time such company was convicted of any similar offence;

(ix) if the relevant criteria detailed in paragraph (a)(i) to (iv) above are not satisfied, the VFEX may still accept the applicant as a sponsor provided that such sponsor has demonstrated to the VFEX's satisfaction that it has the necessary expertise and adequacy of staff to properly discharge the responsibilities of a sponsor. In such instance such sponsor must have at least one executive approved as an Approve Executive by the VFEX. In this instance the VFEX will record whichever executive staff members have qualified for Approved Executive classification as well as the details of the other sponsor staff employed ("employment status"). The VFEX reserves the right to review such sponsor's status if and when there is any change to such sponsor's employment status, which must be notified to the VFEX within 48 hours of such change.

(b) Adequate supervision of staff—

(i) a sponsor must ensure that all staff who do not qualify for registration are supervised and managed by Approved Executives whenever they are involved in sponsor activities; and

(ii) a sponsor must have appropriate controls and procedures to ensure that staff involved in sponsor activities do not act beyond their authority.

(c) Sufficiency of staff: Arrangements must be in place to ensure that a sufficient number of Approved Executives are always available to ensure that the sponsor's responsibilities are properly discharged at all times.

(d) Independence—

(i) a sponsor must provide an undertaking that it will not act as a sponsor to any organization of which it is not independent (except with the specific approval of the VFEX);

(ii) a sponsor must provide confirmation of its independence for each corporate action in which it acts as sponsor by completing Seventeenth Schedule and submitting same to the VFEX. A sponsor must also ensure that it is independent of any client to whom it provides sponsor services but which will not necessarily become the subject of a corporate action and will not require the completion of Seventeenth Schedule;

(iii) the question of a sponsor's independence must be determined in respect of each corporate action;

(iv) in exercising its independence a sponsor may not control, be controlled by, or be under the same control as an issuer unless the sponsor is acting as joint and non-lead sponsor:

provided that the above will not apply to investment entities where the sponsor's interest arises by virtue of the holdings of its non-managed discretionary clients;

(v) a normal business relationship between an issuer and any company which is part of the sponsor's group will not usually prohibit a potential sponsor from acting, however, relationships that would give the sponsor's group a material interest in the success of a listing, or other corporate action may result in the sponsor not being independent, and, in such instances, the VFEX must be consulted;

(v) a sponsor may be the auditor or tax adviser or the reporting accountant to the issuer, provided the VFEX is satisfied that there is an adequate segregation of roles within the sponsor's group;

(vi any director or employee of the sponsor that has a significant interest in an issuer, being 3 *per centum* or more for purposes of this requirement, , must not be involved in advisory activities of the sponsor in relation to such issuer;

(vii) an investment of three *per centum* or more in an issuer that is by a sponsor will result in such sponsor not being regarded as independent of such issuer unless the VFEX decides otherwise; and in any case of doubt, the VFEX must be consulted;

(viii) Notwithstanding the above requirements the VFEX recognizes that it is impossible to anticipate all circumstances under which a sponsor would be deemed not to be independent and accordingly reserves the right to determine the independence of a sponsor after having reviewed the declaration made by the sponsor in Seventeenth Schedule.

The application process

16.3 Applications to become a sponsor must be made to the VFEX by submitting the sponsor application form (as set out in paragraph 16.21 below).

16.4 An applicant will be required to nominate a person to act as the primary contact with the VFEX concerning the application.

16.5 The VFEX will advise the applicant of the result of the application in writing.

Register

16.6 A register of sponsors will be published by the VFEX.

Designations

16.7 A sponsor will be able, but not required, to state on its business documentation that it is a sponsor registered with the VFEX and may similarly disclose its approved executives.

Annual confirmation

16.8 Sponsors are required to advise annually the VFEX whether or not it still meets registration criteria.

16.9 Individuals who wish to remain as registered approved executives must submit a sworn affidavit to the VFEX by no later than 31 January of each year confirming that they were actively involved in providing advice on the application of the Listings Requirements during the previous twelve months and that they will continue to do so in the next twelve months. Failure to make this submission will result in the removal of the individual from the register.

Issues affecting approved executive status

16.10 Whenever an Approved Executive of a sponsor resigns and moves employment to another sponsor, such person must notify the VFEX.

Issues affecting sponsor status

16.11 A sponsor, excluding sponsors appointed in terms of paragraph 16.2 (a)(vi)above, must inform the VFEX within 48 hours, in writing, if any of its Approved Executives leave its employment) and, if such departure causes the sponsor to have less than three Approved Executives in its employ it will have a period of three months in which to conform with the eligibility criteria provided in paragraph 16.2 above, failing which (unless the VFEX provides dispensation in terms of paragraph16.2 (a)(vi) the sponsor's status will be suspended until such criteria are satisfied. The VFEX will publish such details of the suspension of sponsors.

16.12 A sponsor may resign as a sponsor by giving written notice to the VFEX and the relevant issuer.

16.13 If the departure of Approved Executives results in a sponsor no longer having any Approved Executives, the VFEX will suspend the sponsor's status, announcing same through the VFEX website, until the sponsor meets the criteria in outlined in paragraph 16.2.

16.14 A sponsor must immediately notify the VFEX by e-mail and letter if any of the events below occur:

(a) any of the sponsor's Approved Executives are:

(i) convicted of an offence resulting from dishonesty, fraud or embezzlement;

(ii) censured or fined by a self-regulatory organisation, or recognized professional body;

(iii) barred from entry into any profession or occupation; or

(iv) convicted in any jurisdiction of any criminal offence involving dishonesty or fraud; or

(b) an approved executive ceases to meet the criteria for approved executive classification.

16.15 Failure to make full and timely disclosure to the VFEX may result in disciplinary action against the sponsor.

Sponsor application form

1. Name of

applicant:.....

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.....

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2. Trading name (if different):.....
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.....

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.....

Tel:..... Fax:
.....

Website or e-mail:.....

Address:.....

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.....

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3. Nature of entity (private company, public company, unlimited company, partnership, sole trader):

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4. Name of contact person and contact details:

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5. Is the applicant a member of any self-regulating organisation or recognised professional body (specify)?

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6. Which corporate financial services does the applicant intend offering?

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7. Provide full details relating to paragraph 16.2 of all executive staff (provide a suitably detailed table):

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8. Names and other details of executive staff that will be involved in sponsor activities:

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9. What procedures and controls are in place to ensure that personnel do not act outside their authority?

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10. Please state any other information that you may think is relevant to your application:

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11. With respect to your approved executives, have any of them ever been—

(a) Convicted of an offence resulting from dishonesty, fraud or embezzlement? If yes, provide details:

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.....

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.....

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.....

(b) Censured or fined by a self-regulatory organisation, or recognised professional body? If yes, provide details

.....
.....

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.....

(c) Barred from entry into any profession or occupation?

.....
.....

.....
.....

(d) Convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies and Other Business Entities Act [*Chapter 24:31*], or was a director or alternate director or officer of a company at the time such company was convicted of any similar offence? All such convictions must be disclosed even though they may now be "spent convictions":

.....
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.....

12. Applicant's undertaking to the VFEX

We hereby apply for approval as a sponsor as defined in the Listings Requirements of the VFEX. Should such application be successful we undertake to:

(a) be bound by and discharge our responsibilities as a sponsor under the Listings Requirements as amended from time to time;

(b) advise the VFEX, in writing, without delay, of our resignation or dismissal from a sponsor appointment, giving details of any relevant facts or circumstances;

(c) provide a description of any interest held by the sponsor, the sponsor's group, and any partner or director of that firm in the issuer or its subsidiaries, or by the issuer in the sponsor;

(d) acknowledge that the VFEX may censure us if the VFEX considers that we are in breach of our responsibilities, and that the VFEX may publicise the fact that it has done so; and

(e) apply the spirit of the Listings Requirements and uphold the integrity of the VFEX.

We declare that the information supplied is complete and correct, and we agree to comply with the additional notification requirements. We have read the eligibility criteria for a sponsor and believe that this application conforms to the criteria (except as specifically notified to you with this application).

Signature:.....

Name of signatory:.....

Position:.....

Date:.....

Signature:.....

Name of signatory:.....

Position:.....

Date:.....

Sponsor:.....

(initials and surname of approved executive)

Code of ethics and standards of professional conduct applicable to sponsors

16.16. Sponsors and approved Executives should, in the context of the VFEX sponsor function, exercise the utmost integrity, competence, diligence, and confidentiality in their dealings with the VFEX, their clients and prospective clients, employers and colleagues. The following fundamental principles should be applied.

Integrity and objectivity

16.17 (a) Sponsors and approved Executives should remain transparent and honest in all professional and business relationships and should not allow bias, conflict of interest or undue influence of others to override their professional judgment.

Professional competence and due care

(b) Sponsors and approved Executives have an on-going duty to maintain their professional knowledge and skill at such a level as to ensure that their clients receive competent and professional service in line with up-to-date developments.

Confidentiality

(c) Sponsors and approved Executives should respect the confidential nature of information acquired in the context of professional and business relationships. Such confidential information may not be used by Sponsors and approved Executives for personal gain and should not be disclosed to third parties without just cause.

Knowledge of the law

(d) Sponsors and approved Executives must know and comply with all applicable laws, rules, regulations and codes of any government, regulatory organisation, licensing agency or professional association governing their professional activities.

Independence and objectivity

(e) Sponsors and approved Executives must exercise reasonable care and judgment in order to achieve and maintain independence and objectivity in their professional dealings. Sponsors and approved Executives must not offer, solicit, or accept any gift, benefit, compensation or consideration that may reasonably be seen to compromise their independence or objectivity.

Faithful representation

(f) Sponsors and approved Executives must not knowingly make any misrepresentations or omissions of fact in relation to the provisions of the Listings Requirements. Sponsors and approved Executives must, without delay, inform the VFEX in the event that they become aware of any unintentional misrepresentations or omissions of fact by, or on behalf of, their clients.

Misconduct

(g) Sponsors and approved Executives must not engage in any conduct involving dishonesty, fraud, deceit or the commission of any act that may reflect adversely on the VFEX or on the professional reputation, integrity, or competence of the Sponsor or approved Executive.

Material Non-public information

(h) Sponsors and approved Executives in possession of material price-sensitive, non-public information must not trade on or disclose this information to third parties unless a legal obligation of disclosure exists.

False markets

(i) In order to protect the integrity of the capital markets, Sponsors and Executives must refrain from prohibited market practices and false statements, as defined in the Securities Act, and take steps to make their clients aware of their responsibility in this regard.

Prudence and care

Sponsors and approved Executives should act with reasonable care

Fair Dealing

(j) Sponsors and Executives must deal fairly and objectively with all clients when furnishing advice on the Listings Requirements or engaging in other professional practices relating to their duties as sponsors.

Disclosure of conflict

(k) Sponsors and Executives must make full and fair disclosure to both their clients and to the VFEX of all matters that might reasonably be expected to impair their independence and objectivity or to conflict with their obligations to their clients or prospective clients. Where disclosure of any conflict of interest is included in shareholder documentation, Sponsors and Executives must ensure that such disclosure is presented prominently, is worded in plain language and that it communicates effectively the relevant information.

SEVENTEENTH SCHEDULE (*Section 20*)

DECLARATIONS BY SPONSORS

Declaration by sponsor

To: Victoria Falls Stock Exchange (VFEX).20 .....

Full name of sponsor .....

The undersigned request that you will allow ..... (number) shares of .....(denomination) each of ..... (name of issuer) to be admitted to the List.

I, ... a partner or director of the above sponsor, hereby confirm that I have satisfied myself to the best of my knowledge and belief, having made due and careful

enquiry of the issuer and its advisers, that all the documents required by the listings requirements to be included in the application for listing have been supplied to the VFEX, that all other relevant requirements of the listings requirements have been complied with; and that there are no matters other than those disclosed in the pre-listing statement or otherwise in writing to the VFEX which should be taken into account by the VFEX in considering the suitability for listing of the securities for which application is being made. Should any further information come to my notice before the grant of listing, I will inform the VFEX.

The securities in respect of which the application is being made will be included in the List.

This declaration is furnished to you in accordance with the listings requirements of the VFEX. It may not be relied upon for any other purpose or by any other person.

SIGNED BY .....or SIGNED BY.....

partner or director of (duly authorised officer, for and on behalf

of.....).....) To be completed in all cases

Application to be heard on..... 20.....

Dealings expected to commence on.....20.....

Name(s) of contact(s) at the sponsoring broker regarding the application .....

Telephone number.....

Declaration by sponsor:

The following declaration format must be used by sponsors when submitting the declaration on their letterhead to the VFEX:

The Issuer Regulation
Department, Victoria Falls
Stock Exchange Limited,
44, Ridgeway North,
Highlands, Harare.

……..…….…….20……..

Dear Sirs

(Full name of sponsor)—sponsor declaration

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

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

(a) hereby confirm that I have satisfied myself to the best of my knowledge and belief, having made due and careful enquiry of the issuer(and its advisers),* that all the documents required by the Listings Requirements to be included in the application have been supplied to the VFEX; 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 VFEX that should be taken into account bythe VFEX 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 VFEX;

* adjust where necessary

(b) hereby confirm that I will review each submission for full compliance with the Listings Requirements before submitting it to the VFEX; 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 sponsor (including any holding company, subsidiaries and associates of the sponsor) ("the sponsor") 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 *per centum*

Name of beneficial owner

or

(2) hereby confirm that the sponsor 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 sponsor has the following representation on the board of directors

of the issuer Name and employment capacity

Capacity (of

directorship) or

(2) the sponsor has no 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

.....

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(iii) either

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

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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:

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(iv) either:

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

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or

(2) the interests of the sponsor 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 sponsor:

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

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

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(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 sponsor is independent from the issuer:

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.....

This declaration is furnished to you in accordance with the Listings Requirements of the VFEX 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)

EIGHTEENTH SCHEDULE

(*Section 5*)

ANNUAL COMPLIANCE CERTIFICATE

I, the undersigned..... (full names), being duly authorized hereto, certify to the Victoria Falls Stock Exchange (the "VFEX") that.....("the company") has, during the twelve months ended 31 December..... complied with every disclosure requirement for continued listing on the VFEX imposed by the VFEX during that period. Signed by.....*
(duly authorised hereto, for and on behalf of the directors of the company)

*Note: Adjust, if necessary

Annual compliance certificate for issuers with a secondary listing on the VFEX I, the undersigned, (full names), being duly authorised hereto, certify to the VFEX that .... ("the company") and its directors have, during the twelve months ended 31 December ..... , complied with every securities 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.*

NINETEENTH SCHEDULE (*Sections 33, 34, 52, 53, and 265, 385*)

CORPORATE ACTIONS AND OTHER REGULATORY INFORMATION SUBMISSION GUIDELINES

19.1 In this Schedule—

"Bona Fide PDF" means a PDF document that is verifiably ascribed to an issuer;

"Broker" means Licensed Brokers of the VFEX appointed from time to time by listed companies to effect corporate actions which actions require communications with the VFEX;

"Corporate Advisor" means an Advisors appointed from time to time by listed companies to effect corporate actions which actions require communications with the VFEX;

"Investor Relations" means a strategic management responsibility that integrates finance communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation";

"Investor Relations Officer" refers to the person representing an issuer primarily responsible for communications interface with the VFEX, typically the Company Secretary, FD or CEO;

"Letter of non-conformance" relates to a communication from the VFEX that informs an issuer that is has not conformed to the online corporate action submission requirements of the VFEX;

"Listed Company" means a company whose equity or debt is listed in the Official List of the VFEX;

"Non-Regulatory Information" means information other than Regulatory Information;

"Parties" relates to VFEX staff and Listed Company staff responsible for coordinating the dissemination of Regulatory Information in accordance with these rules;

"PDF" means Portable Document Format (PDF) which is a file format used to represent documents in a manner independent of application software, hardware, and operating systems;

"Regulatory Information" means information disclosed or required to be disclosed to the VFEX in accordance with these rules;

"Social Media" refers to the Facebook and Twitter

accounts of the VFEX;

"VFEX Website" refers to www.VFEX.co.zw;

"VFEX" means the Victoria Falls Stock Exchange Limited.

19.2 The conversion of long corporate actions or announcements into formatted text for publication online involves specialist skills and is both costly and complex.

The VFEX requires that all Corporate Actions are submitted to the VFEX in PDF format with certain characteristics.

Procedures for submission of corporate actions

19.3 All documents submitted to the VFEX must be in PDF and all corporate actions, irrespective of the length or nature must be submitted in Bona Fide PDF form. Key features of the Bona PDF document are—

(i) It is submitted from an authorised corporate email address of the listed company, its advisors or brokers in compliance with the Listing Rules.

(ii) It is accompanied by a covering letter, which letter must be signed by an authorised Investor Relations Officer: this letter will not be published online.

(iii) The text needs to incorporate the email, landline and mobile phone of at least 2 authorised officials of the VFEX to enable quick follow up if required.

(iv) The content of the announcement should be text searchable for the benefit of the readers. Image based PDFs are not permitted by the VFEX as non-text searchable documents do not promote easy data access by investors.

(v) The PDF should be optimised and not of a large file size to make downloading and viewing online easy.

(vi) The Investor Relations Officer is required to acknowledge that the announcement will not be published in the press before it appears on the VFEX website.

(vii) Dated not less than 48 hours before the date of publication, or as may be prescribed from time to time by the VFEX depending on the type of corporate action.

(viii) The dates of publication in the traditional press should be stated clearly.

(ix) The text in a pdf document must be easily readable by investors and not too small when printed out. An example of a Bona Fide PDF Corporate Action Covering Letter submission appears below— Confirmation of the PDF document attached to the letter for publication online

Signature of Authorised Company

Representative Confirmation of senior execs

who can be contacted in required Confirmation

of date and publication of announcement

Acknowledgement of need to attach proxy voting form and annual

report in PDF Acknowledgement of requirement to optimise

document size

Acknowledgement of need for

coordination Acknowledgement

of deadline Acknowledgement

of emails to send to Type of

corporate action

Letterhead

Investor Relations Officer of listed companies must send Bona Fide PDFs and supporting documentation to the Listings Division.

Timing of releases

19.4 Corporate actions must be submitted to the Listings Division before 3 pm on any trading day and will be published on or about 6pm on the 2nd subsequent working day 48 hours later or in accordance with Appendix 1 which sets out shorter publication periods for announcements other than earnings or corporate action notices.

Summary text for the bona fide pdf document

19.5. The VFEX website enables investors to opt in to receive emails of corporate and regulatory press releases.

Rather than just sending out links to the Bona Fide PDF by email, where the content may not be immediately readable, the VFEX will alert the reader of the emails by a summary one paragraph text extract or summary of the announcement in the body of the email.

Initiallythis text will be generated bythe VFEX be accompanied bya disclaimer saying that full information should be sourced from the attachment, the VFEX website and other sources of information for example the relevant company's website.

Publication through the VFEX securities exchange website must be before any other media

19.6. All corporate actions are required to appear on the VFEX website before any other media. Non-conformance with this requirement will result in a letter of non-conformance issued to the listed company by the VFEX.

Email communications practices

19.7. The VFEX will acknowledge receipt of the email sent from the Listed Companies. If receipt is not acknowledged Investor Relations Officers should follow up with VFEX staff immediately.

Reminders will be sent out by the VFEX

19.8. The VFEX has implemented a system for Listed Companies and Investor Relations Officers to be reminded of their obligations in respect of these rules.

Listed companies are required to ensure that their own procedures are fully compliant with these rules and the VFEX will not accept any liability or responsibility for the non-receipt of these reminders as they are sent purely to increase awareness of the document submission procedures.

Broadening the receipt of VFEX communications

19.9. The VFEX seeks to broaden its communications to senior executives within listed companies in order to raise awareness of the importance of the communications process in an online environment.

The VFEX will with immediate effect send all communications to the Company Secretary (or primary contact) and cc the FD or equivalent executive. Any notices of non-conformance with these guidelines will also be communicated to the CEO or equivalent.

Brokers and corporate advisers must "cc" investor relations officers

19.10. Brokers and corporate advisors are sometimes the agent through which listed companies submit corporate actions. Where the corporate action is being submitted by an Advisor and or a Broker electronically, then the Cc email address must include the authorised persons of the Listed Company (Investor Relations Officers) that are ultimately responsible for the communications with the VFEX.

Conclusion

19.11. VFEX's modern communications policyhas as its core objectives: informed investment promotion into Zimbabwe, responsible communication with each and every investor and the promotion of progressive shareholder communications practices.

Listed companies can assist in achieving these objectives by complying with the corporate action submission guidelines contained herein.

Appendix 1—Corporate action submission periods

The following corporate actions are recorded with their respective VFEX submission deadlines:

—Interim earnings announcements-48 hours

—Abridged final earnings announcements-48 hours

—Final circulars and EGM Notices for transactions already approved by the VFEX-48 hours

—AGM notice, annual report and shareholder proxy voting material-48 hours

—Changes in directorate-24 hours

—Changes in capital structure-24 hours

—Cautionary notices-24 hours

In the event that a corporate action is not listed please contact the VFEX Listings Division.

AGM notices, annual reports and shareholder voting proxy materials

All AGM notices are required to be accompanied by a text searchable PDF annual report and accompanied by the shareholder proxy notice and voting material in PDF.

TWENTIETH SCHEDULE

(*Sections 33, 299 , 300 and 301*)

STANDARD WORDING FOR CAUTIONARY ANNOUNCEMENTS

The following three announcements comprise what is generally accepted to be the standard cautionary announcements acceptable to the VFEX. 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, issuers should be aware that these announcements contain the minimum disclosure requirements acceptable to the VFEX 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 for a (insert name of corporate action), which if successfully concluded] [there has been an event (insert name) or there are circumstances (insert name) or there are new developments relating to the company (insert name of development), 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 for the (insert name of corporate action) are still in progress which, if successfully concluded], [the full impact of the event(insert name) or circumstances(insert name) or new developments(insert name) is or are still being determined, and that this event or these circumstances or 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 for (insert name of corporate action) 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.

Note:

In the case of a takeover, the name of the proposed controlling shareholder must be disclosed.

(8) Postal address:

21.1 *Personal details*

(1) Company:

(2) Surname of Director:

(3) Any former surname:

(4) First names:

(5) Identity number:

(6) Designation:

(7) Physical address:

TWENTY- FIRST SCHEDULE
(*Sec t i o n s 22, 65, 77, 183,362)*

DIRECTOR'S DECLARATION

Qualifications and experience

21.2 (a) Are you a director, or alternate director of any other company which is publicly listed or traded, or a partner in any partnership?

(b) 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.

(c) Qualifications

(d) Experience

21.3 Have you ever been disqualified by a court from acting as a director of a company, or from acting in the management of any company? If so, give full particulars.

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

21.5 Has any company been put under an administrator or judicial management or curatorship or liquidation during the period when you were (or within the preceding 12 months had been) one of its directors, or alternate directors?

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

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

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

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

All such convictions must be disclosed even though they may now be "spent convictions".

I,..... Director of ..... (name of Company) ..... (the "issuer ") declare that to the best of my 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 (save where expressly stated otherwise) to the VFEX and SECURITIES AND EXCHANGE Commission to disclose any of the foregoing particulars given by me to the sponsor of any company of which I am director or such regulatory bodies as the Exchange or Commission may, in its absolute discretion think fit.

I further declare that I personally hold myself liable for an intentional misrepresentation or omission in this declaration.

Signature:.....

Date:.....

TWENTY-SECOND SCHEDULE (*SECTION 373*)

APPLICATION FOR THE CANCELLATION OF SHARES ARISING OUT OF A REPURCHASE OF SHARES

22.1 The following basic information should be given in the application for a cancellation of

shares arising from a repurchase of shares—

(a) description and number of shares for which a cancellation 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 cancellation of the securities that are the subject of the application;

(e) the date on which the shares were or 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 effected;

(i) reference to the general or 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 securities held by a subsidiary, expressed by number and percentage of the total in issue;

(l) confirmation that the company is not in breach of any provision of the Act;

(m) confirmation that the repurchase was not made during a closed period; and

(n) confirmation that the guidelines on publication of information 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*per centum* announcement level has been reached;

(b) confirmation that the price paid for the repurchase was not greater than 10*per centum* 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 sponsor.

22.4 The application must be accompanied by a resolution of the board of directors of the applicant authorizing the application for the cancellation of the shares, approving the repurchase and confirming that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group.

22.5 The application must be accompanied by a copy of the working capital letter issued by the sponsor in terms of section 213.

22.6 A copy of the notice of general or a meeting to grant the authority to repurchase shares must accompany the application.

TWENTY-THIRD SCHEDULE

(*Sections 378 and 380*) FEES

REVIEW OF LISTING AND CORPORATE FEES

1. VFEX Listing Fees
(US$)

Equity and REIT Listing Fees (Excluding VAT):

1.1. Initial Listing Fees (USD):

- 0.05% of the value of securities subject to a minimum fee of USD 5 500 and a maximum fee of USD 67 300.

1.2. Quarterly Listing Fees:

The quarterly listing fees, depending on the market capitalization, shall be as follows—

Market Capitalization - USD		**Fee**
From	**To**	**USD**
-	785,000	5,400
785,001	3,900,000	8,200
3,900,001	7,800,000	12,800
7,800,001	15,700,000	15,300
15,700,001	23,600,000	19,300
23,600,001	31,400,000	27,200
31,400,001	39,300,000	30,600
39,300,001	55,100,000	36,300
55,100,001	78,700,000	40,500
78,700,001	118,100,000	43,400
118,100,001	157,400,000	45,400
157,400,001	-	50,000

1.2 Additional Listing Fees

- 0.05% of value of security subject to a maximum fee US$43, 000 prorated from the date of listing to the next billing date.

* Notes **Notes**

The monetary value of securities for which application for listing is made will be determined as follows:

i. the number of securities for which application for listing is made multiplied by the price per security;

ii. in respect of capitalisation issue, where no market related price is attributable to the securities to be listed, they will be deemed to have a value calculated by multiplying the number of securities listed by the closing price on the declaration date; and

iii. in respect of introductions, where no price is attributable to the securities, they will be deemed to have a value calculated by multiplying the number of securities listed by the closing price on the first day of trading.

iv. In respect of each class of security listed, an annual listing fee shall be payable (except during the calendar year in which the first listing of securities is granted) based on the market capitalization value as at 30 November of the preceding year.

1.3 Document Review Fees

Category	Fees (USD)
Re-examination fee for existing deed requiring securities holders approval	200,00
Minor amendments of existing deed not requiring securities holders approval	100,00
Share incentive/ option scheme	
new scheme	500,00
Re- examination fee of existing scheme (requiring shareholder approval)	200,00
Minor amendments of existing scheme not requiring shareholder approval	100,00
New listing	5,000,00
Includes pre-listing statement, excludes articles of association, debenture	
trust, deeds and shares incentive/ option schemes	
Rights offers, renounceable offers and claw- back	2,000,00
includes circular on pre-listing statement,	
etter of allocation and underwriting agreement (s);	
if offer is in conjunction with a listing of a new	
renounceable offer, the fees payable as per above will be in addition of	
this fee	
Company reconstruction Schemes of Arrangements with Creditors and Members	5,000,00
Includes circular and pre-listing statement;	
Excludes re- examination of articles of Association, debenture trust deeds,	
Share incentive/option scheme	
Acquisition/ Disposal/ Mandatory offer	
Circular	3,000,00
Capital restructure	

Circular	
Issue for cash	
Circular	5,000,00
Odd lot offer	
Circular	500,00
Consolidation/ sub-division	

Category	Fees (USD)
Circular	500,00
Capitalisation issues	
Circular (ordinary)	2,500,00
Circular (fractional entitlement)	2,500.00
*Change of name	500,00
Ruling-per Individual item excluding vat. (Includes interpretation, dispensation, extension to compliance period, block listing admin). A subsequent ruling item on the same transaction is $5,000 excluding VAT	500,00
Related Party Transaction - Circular	5,000,00
Script dividend	200,00
*Share Capital- cancellation or withdrawal of securities	100,00
Termination of listing	1,000,00
Unbundling	2,500,00
Placing document offering circular – program memorandum	5,000,00
Pricing Supplement	200,00
ETF/ETN Placing document	5,000,00
Index Ground Rules	200,00

TWENTY-FOURTH

SCHEDULE

(*Sections 25 and 212*)

GUIDANCE ON WORKING

CAPITAL

Directors' responsibilities

24.1 Directors are required to perform the following as a minimum—

(a) the financial director must prepare a working capital pack as defined in paragraph 24.4 and a qualifying quorum of the board of directors, including the chairman of the audit committee ("the directors") must approve the working capital pack;

(b) the financial director must obtain written confirmation from facility providers

addressed directly to the sponsor(s) confirming that all facilities are currentlyin place and that facility providers are not in the process of reviewing the facilities with a view to withdrawing them;

(c) if there are renewable clauses underlying the provision of the facilities, then the financial director must obtain confirmation from the providers (addressed to the sponsors) that there is no reason why the facilities would not be renewed subject to any reasonable obligation being satisfied;

(d) resolution must be passed by the directors stating that the working capital available to the group is sufficient for its present requirements, that is, for at least the next twelve months from the date of issue of the relevant document. This resolution must be passed after due and careful enquiry has been made by the directors on the working capital requirements of the group for the next twelve months; and if the company decides to use the services of their accountants or auditors to perform any of the above mentioned, then the sponsor must be informed. In such instances, the directors must confirm to the sponsor that they have reviewed the auditor's work and that they are satisfied with it.

Sponsors' responsibilities

24.2 Sponsors are required to perform the following as a minimum:

(a) a meeting must be held with the directors in order to explain the implications of the working capital statement;

(b) the sponsor must advise the directors of their obligation to exercise reasonable care in performing their duties in relation to the working capital statement;

(c) the sponsor must obtain the written confirmation referred to in 24.1(b) and above;

(d) the sponsor must obtain a working capital pack (as defined in 24.4 below) from the directors and should,
as a minimum—

(i) obtain a letter of representation from the directors confirming that they have carefully considered all matters relating to the working capital statement, have brought all material matters to the attention of the sponsor and that the working capital available to the group is sufficient for at least twelve months from the date of issue of the relevant document;

(ii) be satisfied that, *prima facie*, the working capital pack supports the directors' statement on the working capital.

Share repurchases

24.3 In considering their responsibilities with regards to any share repurchase, the sponsor should remind the directors of their responsibilities in terms of the Act.

General repurchase

(a) The VFEX will require the letter from the sponsor—

(i) before it will approve any documentation (including but not limited to a notice of annual general meeting) relating to a general authority to repurchase securities; or

(ii) before the company enters the market to commence any

share repurchases. The company must furthermore

consult the sponsor before it—

(1) repurchases more than 10*per centum* in terms of its general authority;

(2) executes a repurchase which will result in the accumulated value of the repurchases from the date of the last authority being greater than 10*per centum* of the shareholders equity at the date that the authority was obtained; or

(3) repurchases securities and the financial position of the group has changed materially from the date when the sponsor first issued its letter; in order for the sponsor to review the validity of its letter issued when the general authority was granted. This review should as a minimum, include discussions with the financial director to ascertain whether anything material has changed that would invalidate the original letter. The sponsor should remind the directors under these circumstances of their personal liability in terms of the Act.

Specific repurchase

(b) The VFEX will require the letter from the sponsor before it will approve any documentation relating to a specific share repurchase.

Working capital pack

24.4 The working capital pack must include the following—

(a) a working capital forecast for at least the next 12 months (in compiling such working capital forecast it is a requirement that any other forecasts, such as income, expenditure, cash flows, balance sheet and other items, are made that are necessary in preparing the working capital forecast);

(b) a reconciliation of working capital projections to the company's current net cash or indebtedness position;

(c) a review of cash flow projections and future commitments;

(d) review of contingent liabilities;

(e) a review of off-balance sheet borrowings;

(f) a review of, and commentary on, facility agreements;

(g) an analysis of all key drivers impacting on the adequacy of the issuers working capital ("assumptions") and a discussion of all assumptions(historical and future) and their impact or potential impact on cash retained from or utilized by operating activities, cash generated by or utilised in investing activities and the cash effects of financing activities;

(h) if the company uses the auditors to produce the working capital pack then this must be stated in the working capital pack; and

(i) if the company used the auditors to produce the working capital pack it should include details of the work performed by the directors to evaluate the work of the audit.

TWENTY-FIFTH SCHEDULE

(*Section 184*)

COMPANY SECRETARY INFORMATION

The following information is required for company secretaries: Designation

Title

Full

nam

es

Tel

Fax

E-mail
Tel
Cell
Fax
E-mail

Postal address

And a contact at the listed company to deal with

VFEX matters: Designation

Title

Full

names

Cell

Tel

Fax

E-mail

TWENTY-SIXTH SCHEDULE

(*Sections 3, 28, 33, 34, 35, 36, 39, 67 and 145*)

FINES AND PENALTY CHARGES ON LISTED COMPANIES

26.1 (i) Late Submission of Audited Annual Accounts

VFEX shall make a public announcement of issuers that have not submitted or published audited accounts within 30 days from the due date. The full costs of the public announcement shall be borne by the issuers who would not have submitted or published accounts within the period prescribed in Part IV of these Rules.

- A penalty of USD$500 shall be payable by every issuer that fails to publish audited accounts within ninety days subsequent to the year end. The penalty shall be payable within 30 days from the due date and thereafter the penalty shall accrue at the rate of USD$ 25 per day for a maximum of 30 days following which further action will be taken as provided in Part IV.

(ii) Late Submission of Interim Accounts

- VFEX shall make a public announcement of issuers that have not submitted or published audited accounts within 30 days from the due date. The costs of the public announcement shall be borne by the issuers who would not have submitted or published accounts within the period prescribed in Part IV of these Rules.
- A penalty of USD$250 shall be payable by every issuer that fails to comply. The penalty shall be payable within 30 days from the due date and thereafter the penalty shall accrue at the rate of USD$10 per day for a maximum of 30 days following which further action will be taken as provided in Part IV.

(iii) Late notification of material information or disclosures:

- Where an issuer has failed to make immediate public disclosure of information that may reasonably be expected to have material effect on market activity in and prices of its securities, within 24 hours of the event, VFEX shall issue a letter of censure to the defaulting issuer requiring the issuer to make such an announcement.
- Where more than 7 days lapse between the occurrence of the event and the date of the announcement, the defaulting issuer shall be liable to a fine of USD$200 and thereafter the fine shall accrue at the rate of USD$10 per day until the public announcement is made.
- Where the issuer fails to make a public announcement within 10 days of the event, the VFEX shall suspend trading of securities of the issuer for a period considered appropriate and restoration to trading of such securities shall be subject to a fine of US$500.

(iv) Publication of information without VFEX approval

The information that requires VFEX approval before publication is detailed in the Nineteenth Schedule as well as stated in the VFEX Listings Rules. When in doubt, the issuer shall consult the VFEX. Where an issuer publishes information without VFEX's prior approval, the following actions apply:

A. VFEX shall issue a censure letter to the defaulting issuer.

B. VFEX shall publish an announcement about the event within five days. The costs shall be borne by the defaulting issuer.

C. VFEX shall require the defaulting issuer to make an announcement retracting the information that has been published without VFEX approval within five calendar days.

D. The defaulting issuer shall be liable to a fine of USD$200 and thereafter the penalty shall accrue at the rate of USD$10 per day until the announcement is made by the issuer.

(v) Late submission of Annual Report to the VFEX

A. VFEX shall issue a censure letter to the defaulting issuer.

B. VFEX shall publish an announcement about the event within 10 days prior to the AGM. The costs shall be borne by the defaulting issuer.

C. The defaulting issuer shall be liable to a fine of USD$200.

(vi) Non-notification on change of directors and executive management

A. VFEX shall issue a censure letter to the defaulting issuer.

B. The defaulting issuer shall be liable to a fine of USD$100.

(vii) Late submission of Certificate of Compliance

A. VFEX shall issue a censure letter to the defaulting issuer.

B. The defaulting issuer shall be liable to a fine of USD$100.

(viii) Trading during closed periods

A. VFEX shall publish an announcement and notify the Securities and Exchange Commission of Zimbabwe about the event within five days after completing its investigations.

B. The director or employee who trades during the closed period shall be liable to paying a fine equivalent to 10*per centum* of the gross value of the deal (subject to a minimum of USD$100) to the VFEX.

(ix) Non-declaration on directors' trading

A. VFEX shall publish an announcement and notify the Securities and Exchange Commission of Zimbabwe about the event within five days after completing its investigations.

B. The director or employee who fails to declare trades shall be liable to paying a fine equivalent to 10per centum of the gross value of the deal (subject to a minimum of USD$100) to the VFEX.

(x) Publication of misleading information

- VFEX shall publish an announcement about the event within 5 days after completing its investigations. The costs shall be borne by the defaulting issuer.
- VFEX shall require the defaulting issuer to make an announcement retracting the information that has been published without VFEX approval within five calendar days after VFEX has completed its investigations.
- VFEX may apply for the suspension of the issuer's shares from trading.
- The issuer shall be fined USD$ 500 if found guilty.
- Direct loss made by any member of the public due to the misinformation shall be recoverable from the company.

(xi) Late announcement of declaration of dividends or interests payments

- Where an issuer makes a late declaration or declarations have been notified without complying with these rules as required by section 34, it shall be liable to a fine not exceeding level 11.

(xii) Late payment of dividend or interest in terms of section 34 (11)–10 *per centum* of the total dividend declared.

Offences by sponsors

26.2. (1) A sponsor who fails for more than two times on any given transaction to submit a set of correct and complete documents in terms section 20(3) will bear the cost of lodging documents for the third and any subsequent time.

(2) Where there has been a conflict of interest in breach of the Sixteenth Schedule, a sponsor shall be deregistered.

(3) Where there has been a breach of confidentiality in term of the Sixteenth Schedule, a sponsor shall be deregistered.

TWENTY-SEVENTH SCHEDULE

(*Sections 210 and 384*)

ACCOUNTING FRAMEWORKS ACCEPTABLE TO THE VFEX

27.1 The following are the accounting frameworks acceptable to the VFEX for foreign issuers:

(a) IFRS;

(b) United Kingdom GAAP;

(c) United States GAAP;

(d) Australian GAAP; and

(e) Canadian GAAP.

TWENTY-EIGHTH SCHEDULE

(*Section 45*)

CORPORATE RESCUE OPERATIONS

28.1 An issuer 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.

28.2 The VFEX may modify the requirements in sections 116, 257, 258 and 259 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.

28.3 An application for dispensation should be made to the VFEX 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.

28.4 The issuer should be able to demonstrate to the VFEX that it could not reasonably have entered into negotiations earlier to enable shareholder approval to be sought.

28.5 The following documents should be provided to the VFEX—

(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 onlyoption remaining is to dispose of a substantial part of its business or to issue shares for cash;

(iii) by taking the decision to dispose of a substantial 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 the disposal or issue of shares for cash is completed business rescue practitioners 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 sponsor 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 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; and

(d) an announcement that complies with paragraph 28.6 below.

28.6 An announcement, requiring VFEX approval, must be released over the VFEX website by no later than the date on which 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 Part X;

(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 business rescue practitioners or liquidators;

(e) a statement incorporating the details of all the confirmations provided to the VFEX in terms of 28.5 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 of directors as to whether the transaction is fair insofar 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 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.

TWENTY-NINTH SCHEDULE

(*Sections 250, 256, 258 and 263*)

DETAILED REQUIREMENTS FOR TAKEOVERS AND MERGERS

Preliminary announcement

29.1 (a) A preliminary announcement must be issued in the press at the earliest possible moment, not later than 48 hours after the offer, in the event of a takeover bid by a listed or unlisted company, or a takeover bid being received by an issuer.

(b) in this announcement, the following information should be included—

(i) name of company or party making the Bid;

(ii) name of offeree company;

(iii) price or method of payment;

(iv) percentage of shares for which the offer is being made;

(v) date of expiry of offer.

(c) the issuer should notify shareholders of impending negotiations giving full particulars of the negotiations, where necessary.

Change of control

29.2 (a) Any person who controls a company and who contemplates transferring control must not (other than in special circumstances, the existence of which is in the sole discretion of the VFEX) do so unless the buyer of control undertakes to extend, within a reasonable period of time, a similar offer to the holders of the remaining equity share capital.

(b) Where no control situation can be identified, it shall be the duty of the Board of directors of the listed company in question to bring to the attention of any person who acquires shares and seeks to exercise control of the company that he is required to extend, within a reasonable period of time, an offer to the holders of the remaining equity share capital in cash at no less than the highest price paid by the buyer.

(c) The VFEX may require that an offer be made, within a period of 6 months, to the holders of the remaining equity share capital in cash at no less than the highest price paid by the buyer. Where any person acquires through the market shares in an issuer which enables control to be exercised, and the VFEX is of the opinion that shareholders have not been afforded a reasonable opportunity (the duration of which shall be determined by the VFEX but which shall not be shorter than ten trading days) to dispose of their shareholdings in the market.

(d) When acquiring shares pursuant to sub-paragraph (c) above, a special bargain transaction cannot be undertaken if that special bargain forms part of recent sales that contribute to the passing of control.

(e) The following circumstances will not be construed as change of control—

(i) where control of an issuer is exercised by a consortium or group of shareholders, shuffles within this control including the emergence of a new dominant member or the exclusion of an existing member; or

(ii) where control is vested in readily identifiable family or similar interests, shuffles within this control.

(f) In situations where control is exercised by any technique whatsoever, changes in this control, whether outright or by the addition of other elements, which involve purchase of shares, will not be permitted unless a similar offer is extended to all shareholders.

(g) In all instances which are not specifically covered by the above rules it is essential that a person who intends acquiring control of an issuer should consult the VFEX before concluding any transactions.

(h) When an announcement regarding a proposed cash offer to minority shareholders of an issuer is first submitted to the VFEX for its approval, such announcement must be accompanied by an undertaking from the offeror given to the VFEX that the offer will be made within a reasonable time to minority shareholders in accordance with the VFEX's requirements.

(i) As security for the undertaking referred to in sub-paragraph (h), the offeror must deposit cash with a registered banking institution or some other party acceptable to the VFEX, or must give a guarantee or an underwriting commitment from a registered banking institution or some other party acceptable to the VFEX. When this deposit is made, the party with whom the deposit is made must give a letter to the VFEX indicating that it is aware of the purpose of the deposit and that it will not permit a withdrawal of the deposit until such time as the offer is implemented or until such time as the VFEX authorises a refund of the deposit, whichever is earlier.

Requirements for take-over bids or offers to purchase

29.3 (a) This rule is applicable to all take-overs and mergers which in any way affect the rights,

privileges, or security of, or which would be of material interest to, any class of shareholder or debenture holder of any listed company—

(b) At least 21 calendar days before the openingof the offer, the offeror company must submit all the relevant documentation to the VFEX for approval.

(c) With a view to placing the shares beneficially owned by the offeror company and the shares of persons who have by agreement indicated their prior acceptance of the offer, on the same basis as those shareholders of the offeree company who accept the offer, the Directors of the offeror company must ensure and submit a written undertaking that, during the period the offer remains open, neither it, nor its nominees nor those associated with the offer or with the control of the offeror company, will sell directly or indirectly, or dispose of or alienate any of the shares in the offeree company which are beneficially owned by it or them.

(d) A statement must be included in the document that late postal acceptances will be accepted provided the envelopes are postmarked with a date on or before the closing date of the offer and provided they are received within the specified in the offer.

(e) A summary of the offer must be published not later than the day following that on which the circular was posted to shareholders.

(f) Immediately after the confirmatory meeting of shareholders of the offeror company (if such a meeting be necessary),
the company must deliver written advice to the VFEX of the decision of the meeting.

Takeover in terms of the Companies and Other Business Entities Act [Chapter 24:31]

29.5 (1) The following minimum information must be included in the offer document sent to the offeree company's shareholders in respect of a cash offer—

(a) comparison between the offer price, the market value and net asset value of the offeree company's shares;

(b) the effect on income as related to earnings and dividends per share;

(c) future prospects of the offeree company;

(d) history and nature of business of the offeree company;

(e) latest financial information of the offeree company and any material change since the date of the last annual financial statement;

(f) relevant monthly market prices and volume traded of offeree company's shares for the past year and also daily market prices and volume traded for the week prior to the announcement of the offer;

(g) a "*fair and reasonable*" statement from a competent independent adviser, such as an auditor or Banker if the transaction is not at arms' length or if any special circumstances exist;

(h) names of directors and their interests in both companies and the interests of the companies in each other;

(i) procedure for the surrender of scrip;

(j) statements indicating —

(i) that unclaimed moneys will be held in trust until claimed;

(ii) that no receipts will be issued for scrip surrendered unless specifically requested. Lodging agents are to prepare special transaction receipts if required;

(iii) the relevant section of the Act;

(iv) the directors of the offeror company 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 other facts the omission of which would make any statement false and misleading and that they have made all reasonable enquiries to ascertain such facts;

(v) whether the directors of the offeree company recommend the acceptance of the offer, and whether they intend to accept the offer in respect of their own shareholding;

(vi) the offer is irrevocable from the date on which the offer is made;

(vii) depending upon the result of the offer, the offeror company will invoke the provisions of the Companies and Other Business Entities Act [*Chapter 24:31*] in order to compulsorily acquire the remainder of the shares of the offeree company;

(viii) the offeror company's policy regarding acceptances from shareholders of the offeree company who become registered shareholders after the record date;

(ix) the documents available for inspection.

(2) The issuer must prepare a document with the following minimum information in the offer document sent to the offeree company's shareholders in respect of a share exchange indicating —

(a) the relevant provision of the Companies and Other Business Entities Act [*Chapter 24:31*];

(b) comparison between market value and net asset value of the offeror and offeree companies' shares in respect of the consideration offered;

(c) the effect on income as related to earnings and dividends per share;

(d) future prospects of the offeror company and offeree company;

(e) latest annual financial information of the offeror company and offeree company. If the last annual financial statements had been issued more than 9 months previously then a statement should be included whether or not there have been material changes since the date of the last annual financial statements and the offeror and the offeree companies' interim reports for the past 6 months must be included in the document;

(f) history and nature of business of offeror and offeree companies;

(g) relevant monthly market prices and volume traded of offeror and offeree companies' shares for the past year and also daily market prices and volume traded for the week prior to the announcement of the offer;

(h) a " *fair and reasonable* " statement from a competent independent adviser, whose appointment has been agreed with the VFEX, such as an auditor or Banker if the transaction is not at arms' length or if any special circumstances exist;

(i) names of directors and directors' interest in the offeror and offeree companies and the interest of the companies in each other;

(j) a statement by the directors of the offeror company wherein they — 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 other facts the omission of which would make any statement false and misleading and that they have made all reasonable enquiries to ascertain such facts;

(k) a statement whether the directors of the offeree company recommend the acceptance of the offer, and whether they intend to accept the offer in respect of their own shareholding;

(l) particulars of dividends and whether they are included in or excluded from the offer;

(m) a statement whether consideration shares rank *pari-passu* with offeror company's other shares from the date of listing. In circumstances where consideration shares do not rank *pari-passu*, VFEX will not grant a separate temporary listing.

(n) Procedure for the surrender of scrip;

(o) Documents available for inspection;

(p) A statement that all unclaimed scrip will be held in trust until claimed; and

(q) A lodging agents shall prepare and issue r e c e i p t s for scrip surrendered.

Circular to offeror's shareholders

29.6 (1) The directors of the offeror company shall issue a circular to the offeror company's shareholders (if consideration is more than 30*per centum* of the offeror company's share capital and realised reserves) which should contain the following information—

(a) The effect of the takeover on the company's earnings per share and net asset value;

(b) Future prospects of the company;

(c) History and nature of business of offeree company;

(d) Latest financial information of offeree company and any material changes, since date of the last annual financial statements, and a five year profit history of the offeree company;

(e) A "*fair and reasonable*" statement from a competent independent adviser whose appointment has been agreed with the VFEX, such as an auditor or banker, if the transaction is not at arms' length or if any special circumstances exist;

(f) Notice of meeting (if applicable);

(g) Names of directors and directors' interest in the offeror and offeree companies and the interest of the companies in each other;

(h) Particulars of dividends, in particular a statement whether consideration shares rank *pari-passu* from date of listing. In circumstances where consideration shares do not rank *pari-passu*, VFEX will not grant a separate temporary listing.

Offeree company circular to shareholders

29.7 (1) A copy of the circular issued by the offeror company in terms of paragraph 29.6 (1) and a copy of the offer issued by the offeror company to the offeree company in terms of paragraph 29.5 above shall, be lodged simultaneously with the VFEX in accordance with Nineteenth Schedule.

(2) A summary of the offer must be advertised in the press not later than the day following that on which the circular and offer were posted to shareholders.

(3) Immediately after the confirmatory meeting of shareholders of the offeror company (if such meeting is necessary) the offeror company must advise the VFEX of the decision of the meeting.

(4) The takeover bid shall be unconditional from the date it is binding on the offeror company, from which date the VFEX shall be notified immediately.

(5) Upon the close of the offer a letter must be sent to the VFEX stating whether or not the conditions of the offer have been fulfilled and furnishing particulars of the percentage of acceptance and of the number of shares acquired.

(6) The circular giving notice of the relevant sections of the Companies and Other Business Entities Act [*Chapter 24:31*], together with the application for the suspension and subsequent termination of the listing, must be submitted for approval to the VFEX.

Information in offer documents

29.8 (1) The following additional information must be included in offer documents relating to all forms of mergers and takeovers—

(a) The opening and closing date of the offer;

(b) If the offer is for cash or for an alternative payment in cash, the date of payment;

(c) The procedure for payments to non-resident shareholders;

(d) A statement that, in the event of the offer becoming a binding contract between the offeror companyand the shareholders of the offeree company, an application will be made to the VFEX for the listing of any shares which must be issued in exchange;

(e) In the case of a cash offer, a statement whether the offeror company intends to pay the purchase consideration from its own resources;

(f) The record date, fourteen days' notice of the record date must be given;

(g) A statement regarding the transfer of shares in the offeree company during the period the offer remains open;

(h) Such further information as may be required by the VFEX.

(2) The minimum period during which the offer must remain open is three weeks. However, the offer should not remain open for an unduly lengthy period. It will be realised that shareholders who have accepted the offer are handicapped until such time as the offer becomes binding.

Requirements upon close of offer

29.9 (1) The following requirements apply to all takeover bids upon the close of the offer—

(a) The listed offeror company is required to apply forthwith for a listing in respect of any shares which must be issued in exchange for the assented shares;

(b) All certificates for such shares must be issued within 21 days from the date of the close of the offer;

(c) Payment of the cash consideration, or the first instalment if payable in more than one payment, must be paid within
7 days from the date of the close of the offer;

(d) Once the offer has been finalised, the result of the offer must be made known to shareholders of both companies and to the public as promptly as possible. If the conditions of the offer are not fulfilled the share certificates and transfer forms must be returned forthwith to the beneficial owners.

Standby offer

29.10 (1) A "*standby offer*" to the minority shareholders of a company will be permitted only if on the last business day prior to the printing of the document the market price of the company's shares exceeds the offer price by approximately 10 *per centum* or by an amount that is satisfactory to the VFEX.

(2) The circular to shareholders in respect of the offer must be submitted to the VFEX for formal approval, and must contain at least the following information—

(a) the reasons for the making of the offer;

(b) the high and low market prices at which the shares were traded since the announcement was made regarding an offer to the minority shareholders;

(c) the market price on the last business date prior to the printing of the offer circular;

(d) the opening and closing dates of the offer ,the period during which the offer must remain open must be at least 21 days.

NOTES:

1. The VFEX at its discretion may request additional information and may refer to precedents from comparable jurisdictions, as well as the Securities and Exchange Commission Act, if needed to protect shareholders' interests.

2. The VFEX regards the acquisition of a minimum of 35 *per centum* of securities by a person or by a group acting in concert as being the point at which the acquirer of the securities will have an obligation to make an offer on a basis agreed with the VFEX.

3. The company must advise the VFEX of the number of acceptances within 14 days after the closing date of the offer, together with an updated analysis of shareholders.

General requirements

29.11 1. All parties involved in negotiations should aim at the ideal situation, *that is*, that negotiations should be carried out in such confidentiality that no suspension would be necessary and the company would be able at the conclusion of the negotiations to make an announcement giving full details of the transaction.

2. If the situation described in paragraph 1 above is not attainable the parties must submit to the VFEX a draft announcement for approval. Such announcement, which must be published as soon as possible, should contain all available details regarding the negotiations and a warning to shareholders that they should consult their professional advisers before dealing in their shares until such time as the result of the negotiations is known. In these circumstances no suspension will normally be necessary, but where a brief suspension occurs because of factors such as price fluctuations, the listing will usually be restored on publication of the announcement.

3. Any other suspension of a listing, at the request of a company, will only occur in very exceptional circumstances, and then for the briefest possible period.

4. In all instances where a preliminary announcement has been published the parties concerned must publish a progress report every 28 days until negotiations have been finalised whereupon an announcement giving full details must be published.

5. Companies should ensure that when negotiations commence, the attention of all directors and members of staffinvolved should be drawn to prohibiting insider trading.

6. The VFEX will normally require that bankers or Auditors be requested to make a

statement to the effect that a transaction is considered to be fair and reasonable in circumstances where—

(a) the parties concerned in the transaction are not at arms' length;

(b) any special circumstances exist where the VFEX is of the opinion that the auditors opinion is required.

PART II

The following table identifies the information required to be included in a Category 2 and Category 1 circular in respect of the issuer and the undertaking, the subject of the transaction, by reference to certain sections of Parts VII and VIII. Information denoted by a * is required.

Section	Description			Issuer	Undertaking the subject of the transaction
175	Name, address and incorporation			*	*
178	Details of material loans			*	*
181	Major shareholders			*	
183 (2)	Directors' emoluments			*	
190	Directors' interests in securities			*	
191	Directors' interests in transactions			*	
192	Responsibility statement			*	
262 (2)	Group prospects			*	*
208	Litigation			*	*
362 (b)	Accountant's report				*
210	Report of historical financial information				*
212	Statement as to working capital			*	
142	Material change			*	*
238	Profit forecasts			*	*
214	Pro-forma statement of financial position and pro-forma income statement			*	
215	Material contracts			*	*
217	Experts' consents			*	
Part XVII	Documents and consents to be available for inspection			*	
219	Vendors				*