

Johannesburg Stock Exchange
Issuer Regulation Division
By Email: consultation@jse.co.za

5 October 2026

To whom it may concern

Consultation on proposed amendments to JSE Listing Requirements, Annual Improvement Project 2026

The Chartered Governance Institute (CGI) welcomes the opportunity to respond to the proposed amendments to the JSE Listing Requirements, as part of JSE's annual improvement project.

Established in 1891 under Royal Charter in the United Kingdom, CGI is the world's premier qualifying institute for Company Secretaries and Governance Professionals. Our nine divisions¹, including the Chartered Governance Institute of Southern Africa (CGISA), collectively support 28,000 members and 8,000 students globally. For more information, please visit www.cgiglobal.org.

Company Secretaries and Governance Professionals are strategic board advisers, essential for listed and non-listed entities to navigate and support high standards of governance. They are senior, qualified practitioners. Reporting directly to the board, they help ensure the organisation is directed, controlled and held accountable, establishing the structures, processes and behaviours that guide effective decision-making.

Related party transactions

CGI's response to your consultation focuses on related party transactions, as this is most relevant to our [international policy priorities](#). These priorities include balancing control and accountability in concentrated ownership entities.

Companies with concentrated-ownership structures are prominent around the world, yet the assumption of a dispersed-shareholder model often dominates governance standards. As investors diversify their portfolios internationally, regulatory attention is turning to the governance characteristics of companies that are controlled by families, the state or other significant shareholders.

We welcome the proposed amendments to Section 9: *Transactions with Related Parties*, Paragraph 9.5:

Independent fairness opinion

9.5 *If the board elects to obtain an independent fairness opinion on a voluntary basis and is referenced in the statement required in 9.4(d) in either a circular or announcement and wishes to make the opinion available in the market, the opinion must be open for inspection, it and must comply with the contents of an opinion in with Schedule 5. The opinion will not be approved by the JSE*

¹ CGI Divisions are established in Australia, Canada, Hong-Kong/China, Malaysia, New-Zealand, Singapore, Southern Africa, United Kingdom & Ireland, and Zimbabwe.

and it is the responsibility of the sponsor to ensure that the opinion meets the itemised disclosure in 1.14 of Schedule 5.²

We also support the proposed amendment to Appendix 1 to *Section 10: Disclosure for a PLS Paragraph B25*, to require that documents open for inspection are able to be inspected by secure electronic means.³

We consider that these changes promote clarity and transparency when independent directors publicly rely upon an independent expert opinion as to fairness. Public markets rely on quality disclosure and the ability to properly exercise shareholder rights to support the efficient and effective regulation of the activities of listed entities.

The referencing of an independent expert's report without the report's disclosure fails to provide shareholders with quality information and a basis for the opinion. Conversely, if a report is obtained by independent directors and not referenced, the circular should provide adequate disclosure of the underlying reasoning adopted in order for the independent directors to make their statement that the transaction is fair.

JSE may wish to consider clarifying paragraph 9.4(d) to address these disclosure issues:

- (d) *include a statement in the circular from the independent directors on the corporate governance processes that were followed to approve the transaction, and whether:*
 - (i) *the related party transaction was concluded on an arm's length basis, including key assumptions and factors taken into account in reaching the conclusion;*
 - (ii) *the transaction is fair to shareholders (excluding the related party and its associates; and*
 - (iii) *shareholders should vote in favour of the transaction, (for the avoidance of doubt, including key assumptions and factors taken into account in reaching these conclusions); and...*

(You may also wish to consider how this sits with other references to statements by independent members, such as paragraph 7.36 for share issues and paragraph 7.82 for specific repurchases, as well as the general circular requirements in Section 10.)

We would also encourage future analysis of the impact of the existing simplification that removed mandatory independent expert reports for related party transactions. Based on international practice, alternative approaches could include, for example, considering reports for a targeted range of transactions, or whether the opinion of independent directors should address both fairness and reasonableness (as per Schedule 5 of the JSE Listing Requirements).

Thank you for your consideration. My colleagues and I remain at your disposal should you have any questions about the content of this letter.

Yours faithfully,

Kerrie Waring
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Copy: Stephen Sadie, CEO, Chartered Governance Institute of Southern Africa

² [*Amendments to the JSE Listing Requirements Annual Improvement Project 2026, September 2026*](#), p.17 at Row 20.

³ Ibid at page 19, Row 22.