



26 June 2020

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COVID-19: EXTENSION FOR PAYMENT OF REIT DISTRIBUTIONS

We refer to the JSE letter dated 25 March 2020 and others in respect of the impact of the covid-19 pandemic on issuers and the JSE Listings Requirements (the “**Requirements**”). The JSE recognises that the property sector has been particularly impacted by the unprecedented volatility and economic uncertainty of the current market conditions which is directly linked to the spread of the covid-19 pandemic and the resultant lockdown. These industry specific challenges were unforeseeable and unavoidable.

The JSE is afforded its authority as a licensed exchange through the provisions of the Financial Markets Act No.19 of 2012 (the “**FMA**”) under the regulatory authority of the Financial Sector Conduct Authority (the “**FSCA**”). The JSE is therefore required to make and enforce listings requirements. The JSE has taken internal legal advice on the matter and it has been confirmed that the JSE does not have the power to grant blanket dispensations as it relates to any of the obligations applicable to REITs as set out in Section 13 of the Requirements, as such each request must be considered on a case by case basis on the facts presented to the JSE.

The JSE’s letter of 25 March 2020 therefore set out a framework under which the JSE will consider applications. As a separate process, the JSE invited public comment (through a SENS announcement of 26 May 2020) and has engaged with the FSCA to enquire and explore whether there were any powers that would allow the FSCA to provide a blanket authority to extend compliance with the distribution requirements pursuant to the provisions of the Requirements. The JSE is of the view it would be beneficial to allow REITs further time to gather more reliable information about the future and their liquidity needs and to plan accordingly.

The JSE is pleased to advise that the FSCA has considered the request made by the JSE and has issued the attached market notice (the “**Market Notice**”) that will have direct bearing on certain provisions in the Requirements.

Executive Directors: Dr L Fourie (Group CEO), A Takoordeen (CFO)
Non-Executive Directors: N Nyembezi (Chairman), ZBM Bassa, MS Cleary, F Daniels, VN Fakude, Dr M Jordaan, Dr SP Kana, FN Khanyile, BJ Kruger, DM Lawrence, Dr MA Matookane
Group Company Secretary: GA Brookes

As a result, the applicable provisions in the Requirements that have direct bearing on the above distribution extension afforded to REITs will be postponed accordingly with the same period. Those Requirements are:

- a) the section of the compliance declaration (per par. 13.49(d)(i) of the Requirements) applicable to distributions in terms of par 13.46 (a) of the Requirements; and
- b) reminder letters, announcements and REIT removal considerations for (a) above and for distribution under paragraph 13.47 of the Requirements.

Issuers must ensure that:

- (i) the market is updated through SENS; and
- (ii) the JSE is notified in writing if reliance will be placed on the Market Notice for the timing of their distribution.

Notifications can be sent directly to taniaw@jse.co.za with the subject line "REIT distributions - Reliance on the Market Notice [Issuer name]".

The JSE framework described in its letter dated 25 March 2020 dealing with the impact of the covid-19 pandemic on REITs pursuant to the provisions of the Requirements remains available to issuers.

Please contact Tania Wimberley on 011 520 7067 or taniaw@jse.co.za should you have any questions or queries regarding the content of this letter.

Yours faithfully



**A F VISSER: DIRECTOR
ISSUER REGULATION**