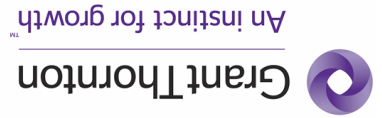
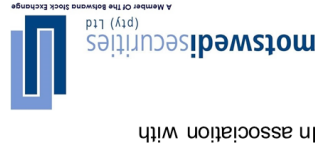




Effective: 1 January 2019

A reference guide of major changes to BSE's main board and venture capital board listing requirements

# Botswana Stock Exchange amended listing thresholds



## Related party transactions

There are no changes to the definition of related party transactions, related party and material shareholder (exercise or control of 10% or more of voting rights).

Requirement	Up to 2018	Change	Effective 1 January 2019
Usual requirements	Make press announcement and send circular to and obtain approval of shareholders by resolution	Shareholder approval not necessary	Reviewed and recommended for approval by the Audit Committee. Directors should ensure that they have sufficient knowledge or expertise to assess all aspects of such transaction, and where necessary should obtain appropriate professional and expert advice from appropriately qualified advisors.
Small transactions	Not available	Relaxes reporting of small related party transactions	For transaction values in the range of 0.25% to 5% of market capitalisation of the listed company, the requirements for transactions with related parties do not apply.

For detailed reporting requirements, refer to Chapters 6 & 7 of the new listing requirements



## Other key changes

- Previously, an appointed Underwriter had to satisfy the Listing Committee of BSE that it has financial resources to meet its commitments. Under new listing requirements, BSE accepts irrevocable letters of undertaking in lieu of underwriting. Partial underwriting may also be considered by BSE on a case-to-case basis.
- Listed companies are required to permanently have an appointed Sponsoring Broker.
- Cautionary announcements relating to "Profit Warnings" must include more information, e.g. a range of expected results.
- Written audit and review opinions must be published on X-news.
- When a listed company declares dividend, a declaration by the Board of Directors that the company has passed the solvency and liquidity test must be submitted to BSE.
- Trading in listed securities by key persons has to be published on X-news and Daily Market Report (DMR).



### Grant Thornton

Grant Thornton in Botswana is a member firm of Grant Thornton International Limited, that has advanced from a traditional firm, and now offers a broad range of services to privately held businesses, limited companies and Public Interest Entities (PIE), including assurance, tax, advisory, corporate services and business process solutions. With offices in Gaborone and Francistown, Grant Thornton offers a diverse range of services to help clients of all sizes address challenges and opportunities for growth.

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### Motswedi Securities

Motswedi Securities is a leading Botswana citizen-owned stockbrokerage firm with a reputation for excellence in creating wealth for clients. A member of BSE, Motswedi offers quality service to individuals and institutions who seek to gain wealth by:

- Trading of listed equities, primarily on the BSE.
- Trading of other BSE listed securities such as corporate and Botswana Government bonds and ETFs.
- Providing clients with research of the highest quality.

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## Domestic main board

Requirement	Up to 2018	Change	Effective 1 January 2019
Minimum share capital	P 1 million	Increase by P 4 million	P 5 million
Minimum number of issued shares	1 million	None	1 million
Minimum number of public shareholders	20% of each equity class, minimum 300 public shareholders	Minimum free float at 30%	30% of each equity class, minimum 300 public shareholders (ordinary)
Promoters individual equity-stake	75% of promoters' equity-stake to be placed in a locked account / trust as per CSDB rules	None	75% of promoters' equity-stake to be placed in a locked account / trust per CSDB rules
Lock-in period for trading in above-mentioned shares	Minimum 2 years	After 1 year, 33.3% of promoters' equity placed in locked account can be traded	After 1 year, 33.3% can be traded after 1 year, and the balance after 2 years

## Venture capital board

Requirement	Up to 2018	Change	Effective 1 January 2019
Minimum share capital	P 0.5 million	Increase by P 2 million	P 2.5 million
Minimum number of issued shares	1 million	None	1 million
Minimum number of public shareholders	5% of each equity class, minimum 75 public shareholders	Minimum free float at 10% and 100 public shareholders	10% of each equity class, minimum 100 public shareholders (ordinary)
Promoters individual equity-stake	75% of promoters' equity-stake to be placed in a locked account / trust as per CSDB rules	None	75% of promoters' equity-stake to be placed in a locked account / trust as per CSDB rules
Lock-in period for trading in above-mentioned shares	Minimum 2 years	None	Minimum 2 years

## Equity listing and ongoing fees due to BSE

Requirement	Up to 2018	Change	Effective 1 January 2019
Listing fees	0.025% of capital raise, subject to minimum P 25,000 and maximum P 100,000	Limits raised: Minimum P 50,000 Maximum P 200,000	0.025% of capital raise, subject to minimum P 50,000 and maximum P 200,000
Additional listing fees	0.025% of capital raise, subject to minimum P 5,000	None	0.025% of capital raise, subject to minimum P 5,000
Annual sustaining and review fees	0.025% of market value, subject to minimum P 25,000 and maximum P 100,000	No separate review fees	0.025% of market value, subject to minimum P 50,000 and maximum P 150,000
Annual review fee of P 4,000	Annual review fee of P 4,000	Maximum P 150,000	Maximum P 150,000

X-news publication fees and documentation fees is payable to BSE based on the specific purpose of the feature and as per the fee schedule published on BSE website (Chapter 15 of the new listings requirements).

## Requirements for transactions

"Transaction" refers to the acquisition or disposal of assets by an issuer or a subsidiary of the issuer, including an option to acquire or dispose assets. Shareholders should be kept informed of transactions that may have an impact on the company and in the case of large transactions, given an opportunity to vote on the matter. Listed companies are to discuss such transactions with BSE at an early stage in order to determine whether it will classify such a transaction as being in the ordinary course of business.

Category	Up to 2018	Change	Effective 1 January 2019
4	Transaction value is between 5% to 10% of the company's market capitalisation	Limited to 3 categories, with alteration in each category's threshold.	n/a
3	Transaction value is between 10% to 20% of the company's market capitalisation	Category 1 threshold increased to 40% of the company's market capitalisation.	Transaction value is between 5% to 10% of the company's market capitalisation
2	Transaction value is between 20% to 30% of the company's market capitalisation		Transaction value is between 10% to 40% of the company's market capitalisation
1	Transaction value is equal to or more than 30% of the company's market capitalisation		Transaction value is equal to or more than 40% of the company's market capitalisation