



ASISA GUIDELINES TO ISSUERS AND ARRANGERS IN RELATION TO PRIMARY MARKET ISSUANCE OF LISTED DEBT INSTRUMENTS

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1. INTRODUCTION

- 1.1. The objective of this Guideline to Issuers and Arrangers in relation to Primary Market Issuance of listed debt instruments (“**Guideline**”) is to document high level guidelines to which issuers, investors and arrangers can refer to ensure fair and transparent engagement between Issuers and Investors on primary market issuances of listed and unlisted debt instruments in the South African market.

2. PROGRAMME ESTABLISHMENTS AND UPDATES

Circulation of draft documents to potential investors

- 2.1. Prospective investors and potential investors should receive the latest drafts of the main programme documents for review and comment, at least 10 (ten) business days prior to the deadline stipulated for comments.

Investor comments on new programmes or programmes updated with significant amendments

- 2.2. All comments made in writing by investors should be consolidated into a document with responses from the Arranger. Alternatively, the document should be recirculated with tracked changes.
- 2.3. The identity of an investor making a comment on the documentation should not be disclosed.

Conditions precedent to closing

- 2.4. The Arranger should confirm that they have procured a capacity and authority opinion addressed to the Arranger from legal counsel and a confirmation in terms of the Commercial Paper Regulations from the Issuer’s auditors (and any guarantor’s auditors) when they go out with their final term sheet / price guidance.

Clear market undertaking

- 2.5. After a placement of debt securities, there should be a Clear Market period of 30 (thirty) days during which the Issuer should not tap the instrument or privately place debt securities with the same or similar characteristics.



3. PLACEMENT PROCESS AND POST PLACEMENT FEEDBACK

It is recommended as follows:

Deal announcement

Deal announcements should be in the public domain either via Bloomberg (or its equivalent) and at a minimum, through digital communication from the Arranger.

Placement process and relevant disclosures

- 3.1. Detailed description of the placement methodology (whether uniform price, sealed bid auction or book build process) to be used. Issuers should undertake to advise Investors during the placement process should they decide to change the issuance volume (either up or down) by more than 10% (ten percent).
- 3.2. Disclosure of any committed hard underwriting.
- 3.3. The Arranger are encouraged to provide upfront price guidance ranges to investors prior to the placement date.
- 3.4. After price guidance has been provided, Investors should provide Arrangers with an indication of their levels of interest in participating in the placement of the debt securities.

4. POST PLACEMENT FEEDBACK

- 4.1. Issuers and arrangers are encouraged to provide as much information about the placement to investors as is reasonably possible, including, but without limitation:
 - 4.1.1. total bids received per instrument;
 - 4.1.2. total bank bids received per instrument;
 - 4.1.3. total bids allocated per instrument;
 - 4.1.4. total bank bids allocated per instrument;
 - 4.1.5. number of total bidders per instrument;
 - 4.1.6. number of total unique bidders per instrument (i.e. remove double counting for staggered



bids);

4.1.7. number of total successful bidders per instrument;

4.1.8. a graph of the bid distribution by note issued;

4.2. Such information should be available post auction to all bidders or on request to any investor who did not submit bids.

5. CALLING OF MEETINGS AND GOVERNANCE

Voting rights

5.1. Voting should be based on the nominal amount of bonds held and not by a show of hands.¹

5.2. The Issuer and any related entity to it should be prohibited from exercising any voting rights in respect of the Issuer's debt instruments.

Access to legal representation

5.3. Investors should be entitled to the assistance of legal counsel, representing investors, at the expense of the Issuer following the occurrence of any Event of Default or potential Event of Default.

6. PENALTY INTEREST

6.1. It is recommended that default interest, including the circumstances under and date from which default interest will apply, are clearly specified and made applicable for all notes.

¹ Noting that section 63 of the Companies Act allows for show of hands or poll: “(4) Any person present and entitled to exercise voting rights must on a show of hands have only one vote, irrespective of the number of shares he or she holds or represents. (5) On a poll at any meeting of a company, any member including his or her proxy, must be entitled to exercise all the voting rights attached to the shares held or represented by that person”.