

THE SECURITIES ACT 2005

Rules made by the Stock Exchange of Mauritius Ltd under

Section 13(2)(f) of the Securities Act 2005

1. These rules may be cited as the Securities (Purchase of Own Shares) Rules 2008.

2. In these rules -

"Board resolution" means a resolution of the Board of directors of a company;

"CDS" means the Central Depository and Settlement Co. Ltd. established under the Securities (Central Depository, Clearing and Settlement) Act 1996 ;

"company" means a public company listed on SEM;

"Official Bulletin" means the weekly publication of the SEM known as such;

"press communiqué" means a communiqué published in the Official Bulletin and in 2 daily newspapers or in at least 1 daily newspaper in wide circulation in Mauritius, as the case may be;

"SEM" means the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act;

"treasury shares" has the same meaning as in Sub-Part D of Part VII of the Companies Act 2001.

3. Any offer by a company to purchase or otherwise acquire its own shares on a securities exchange shall, for the purposes of section 69(3) and Sub-Part D of Part VII of the Companies Act 2001 be made in accordance with the following conditions –

a. no company shall purchase its own shares unless there is a Board resolution authorizing the purchase on a securities exchange;

b. the Board resolution shall specify -
i. the number and percentage of shares to be purchased;
ii. the minimum and maximum prices which may be paid; and
iii. whether the shares purchased would be cancelled or held as Treasury shares, or would be reissued.

c. Following the Board resolution, the company shall forthwith issue a press communiqué which shall -
i. contain the information set out in subparagraph (b); and

- ii. include a statement to the effect that the notice convening a special meeting accompanied by an explanatory statement setting out the details specified in the Schedule would be issued to the shareholders in due course.
- d. The company shall -
 - i. following the Board resolution, pass a special resolution at the special meeting to approve the purchase of its own shares;
 - ii. after consultation with the Commission and the SEM, issue a press communiqué to inform the public of -
 - A. the date on which the purchase operation shall commence;
 - B. the price at which it is proposing to purchase the shares, which shall not exceed 5 percent of the average market value of those shares for the last 10 business days.
- e. The company shall, within 24 hours after each session during which it purchases its shares, furnish information related to the said purchase to the Commission and the SEM;
- f. On completion of the purchase operation, the company shall forthwith cause a press communiqué to be published specifying –
 - i. the outcome of the purchase, including the costs involved in financing the purchase of the shares;
 - ii. the consequential changes on the shareholding structure, the earnings per share, the net asset value per share, the tangible net asset value per share and the debt to equity ratio before and after the purchase;
- g. Subject to subparagraph (i), where the shares purchased are held as Treasury shares and are re-issued, the company shall disclose to, the Commission and the SEM all information relating to the price, the number of shares and the names of the persons to whom the shares have been allotted;
- h. Prior to the re-issue of the shares, the company shall hold a special meeting to approve the amount and the price at which the Treasury shares shall be issued, and shall cause a press communiqué to that effect to be published;
- i. where the shares purchased are cancelled, the company shall inform the CDS of the cancellation and cause the share certificates to be physically destroyed;

- j. The company shall maintain a record of share certificates which have been cancelled and destroyed;
 - k. The company shall ensure that -
 - i. for the purpose of the purchase operation, any document issued shall contain true factual and material information, and a statement that the directors of the company accept responsibility as to its contents and that the company has complied with all the applicable laws;
 - ii. no issue of shares, including a bonus issue, shall be made until the closure of the purchase operation;
 - iii. the consideration for the shares purchased shall be for cash consideration;
 - iv. no purchase of shares shall be effected when a scheme for amalgamation, compromise or arrangement, pursuant to the provisions of the Companies Act 2001, is pending;
 - v. shares purchased are freely transferable;
 - vi. fair treatment is given to all shareholders during the purchase operation;
 - vii. the consent of the holders of convertible securities or other classes of securities has been obtained before the purchase operation
4. A company shall not purchase its own shares within 15 days prior to the publication of its preliminary, annual or interim results.
5. Where the company has announced that it shall purchase its own shares, it shall proceed with the operation unless the SEM authorises the company, on good cause, not to carry out the purchase operation.

SCHEDULE
(rule 3(c)(ii))

Details to be set out, specified or otherwise included in the explanatory statement

1. The date of the Board meeting at which the proposal for share purchase was approved by the directors of the company.
2. Information on the purpose of the purchase of the shares.
3. Particulars of the process and method of the purchase of the shares.
4. The minimum and maximum number of shares that the company proposes to purchase, sources of funds and the cost of financing the purchase of the shares.
5. The proposed purchase price of the shares.
6. A report addressed to the Board of directors by the company's auditors stating that -
 - a. they have inquired into the company's state of affairs;
 - b. the Board of directors have formed the opinion on reasonable grounds and that the company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.
7. Information relevant to the purchase, including percentage of the total paid up capital and reserves proposed to be used for the purchase.
8. The proposed timetable from opening till the close of the purchase operation.
9. A statement as to whether there has been any offer to sell shares by any member of the Board of directors and any substantial shareholder.
10. Details of the audited accounts of the company for the last 3 years.
11. Stock market data including -
 - a. high, low and average market price of the shares of the company during the preceding year;
 - b. monthly high and low prices for the 6 months preceding the date of the explanatory statement;
 - c. periods marked by a change in capital structure, which shall commence from the date the stock exchange recognises the change in the capital structure;
 - d. the market price immediately after the date of the Board resolution has approved the purchase of shares and the volume of shares traded in each month during the 6 months preceding the date of the public announcement;
 - e. high, low and average share price of the company; and
 - f. details relating to the volume of business transacted for the respective 6 months periods.

Present capital structure (including the number of fully paid and partly paid shares) and shareholding pattern.