

GUIDANCE NOTE 3

INTERACTION WITH INVESTMENT ANALYSTS AND MEDIA PERSONS

The Stock Exchange of Mauritius Ltd

(March 2016)

FOREWORD

This note has been prepared by the Stock Exchange of Mauritius Ltd (SEM) to provide guidance to listed issuers, directors of listed issuers or other authorised representatives of listed issuers with regard to the treatment of price sensitive information in the context of:

- (1) interactions between listed companies and investment analysts, and
- (2) interactions between listed companies and media persons.

The general principles underpinning the Listing Rules and Development & Enterprise Market (DEM) Rules provide for the fair and timely disclosure of material and price-sensitive information to all shareholders, potential investors and the public in general, so as to enable these parties to be kept fully informed of all factors which might affect their interests, and to enable them to make properly informed investment decisions.

Listed issuers should always bear in mind that price-sensitive information should not be given to any third-party, including investment analysts and media persons, before such information has been disseminated to the SEM, to the market and / or published in the press, where applicable. It is therefore important that listed issuers exercise due care and treat discussions with investment analysts and media persons responsibly.

In applying this guidance note, listed issuers must also familiarise themselves with the provisions relating to market abuses and inside information in the Securities Act 2005 (Please refer to sections 111 to 116 of the Securities Act 2005). Listed issuers must be aware that price sensitive information pursuant to the provisions of the Listing Rules and DEM Rules may also qualify as inside information pursuant to the Securities Act 2005, and vice versa.

It should be noted that this guidance note aims to give listed issuers practical guidance on how to manage discussions with investment analysts and media persons. It should however, not be considered as an exhaustive list of measures to be applied when interacting with such persons. Each case should be weighed according to its own circumstances and merits, and judgement used accordingly, where appropriate.

This guidance note does not override the Listing Rules and the Development & Enterprise Market Rules, and should not be relied upon as a definitive statement on the requirements of these Rules. It is neither a substitute for advice from qualified professional advisers. You may consult the Listing Division of the Stock Exchange of Mauritius Ltd for an interpretation of the Listing Rules and the Development & Enterprise Market Rules or this guidance note.

(1) During discussions with investment analysts and media persons, a listed issuer is allowed to:

- (a) Elaborate on information that is already in the public domain; and
- (b) Provide details on the markets / industries in which it operates, provided that such disclosure does not qualify as price sensitive information.

The issuer must abstain from answering questions from investment analysts and media persons, where such answers could lead to divulging privileged and price sensitive information.

(2) Upon receiving draft reports from investment analysts, with the view to seeking the issuer's comments on financial figures and/or assumptions:

- (a) The issuer must not correct or amend the draft reports. However, the issuer may correct information, in relation to financial figures and / or assumptions, which is already public knowledge, provided that such corrections do not constitute price sensitive information.
- (b) The issuer may discuss the financial figures and/or assumptions with the investment analysts, provided it does so without revealing any price sensitive information.

(3) To avoid possible misinterpretations and to avoid instances where an issuer may be mistakenly accused of providing price sensitive information following meetings with investment analysts and media persons, the issuer must consider establishing rigorous internal procedures with the view to reducing these risks.

Some of the following points may be taken into consideration when establishing these internal procedures:

- (a) The issuer must have internal written policies, as approved by its Board, for managing confidential and price sensitive information;
- (b) The issuer must endeavour to ensure that its directors and senior management are properly trained and understand the provisions of the Listing Rules / DEM Rules with regard to price sensitive information, as well as the provisions of the Securities Act 2005 relating to market abuses and inside information;
- (c) More than one representative of the issuer must be present during discussions with investment analysts and media persons. Records of all such discussions must also be kept for future reference;
- (d) The issuer must keep to a minimum the number of directors and senior management personnel authorised to speak on its behalf, and it should ensure that these persons do not comment on price sensitive information;

- (e) The issuer must have a procedure for reviewing discussions with investment analysts and media persons, after such discussions, in order to verify whether any price sensitive information has inadvertently been disclosed. If such is the case, the issuer has the responsibility of informing the SEM immediately;
- (f) Discussions with investment analysts and media persons should be scoped well ahead of meetings, in order to avoid entering into any debate that could provoke the inadvertent divulgence of price sensitive information;
- (g) As regards financial forecasts, projections and other information, the issuer must refrain from commenting on same, except if such comments would serve to correct errors or assumptions of a factual nature, which further must not constitute price sensitive information; and
- (h) Although such circumstances are to be avoided at all costs, in the case where any price sensitive information has been divulged for any reason whatsoever during meetings with investment analysts and media persons, the issuer must undertake to disclose the said price sensitive information, without delay, to the SEM, the market and through the press, where appropriate.