

Eskom Holdings SOC Limited
(Registration No. 2002/015527/06)
JSE alpha code: BIESKM
("Eskom")

VOLUNTARY ANNOUNCEMENT: RESPONSE TO THE PUBLIC CENSURE AND SUSPENDED FINE IMPOSED BY THE JSE LIMITED

Noteholders are referred to the announcement published by the JSE Limited ("**JSE**") on 2 August 2024, relating to the public censure and suspended fine imposed by the JSE for Eskom's failure to timeously publish policies dealing with the disclosure and treatment of (i) dealings with board members and prescribed officers who are domestic prominent influential persons ("**DPIPs**"), and (ii) loans and procurement with any related party, DPIPs and prescribed officers, as well as the related registers (collectively the "**policies and registers**"), in accordance with paragraphs 7.9, 7.10, 7.15 and 7.16 of the Debt Listings Requirements ("**DLRs**").

Eskom acknowledges that it has not been fully compliant with the requirement to publish the policies and registers as required. Although it does not excuse failure to publish the policies and registers, Eskom wishes to note the following:

- in terms of Eskom's publicly available Memorandum of Incorporation ("**MOI**"), Eskom is not permitted to advance loans to directors or prescribed officers and accordingly, no such transactions have taken place or would have needed to have been recorded in a register;
- in terms of Eskom's Conflict of Interest Policy, which has been in effect and publicly available on Eskom's website since 18 July 2019, Eskom is restricted from doing any business and entering into any form of procurement contracts or transactions, with any directors, prescribed officers and any employees of Eskom. Accordingly, no such transactions have taken place or would have needed to have been recorded in a register;
- in conjunction with the above, and when considering the period in review from 31 August 2020 (when the changes to the DLRs came into effect), there would have been no need for any disclosure in relation to loans to directors or prescribed officers nor would there be any procurement transactions with any directors or prescribed officers as these dealings are strictly prohibited by Eskom's MOI and Conflict of Interest Policy;
- as far as Eskom is aware, it has not, during the period in review, received any inquiries from noteholders/stakeholders or any other market participant as to the policies and registers;
- in the period in review, Eskom has accessed the market through its Note Programme on a very limited number of occasions and in each instance has done so in response to specific requests from existing sophisticated institutional investors; and
- based on the above, Eskom is of the view that (i) no noteholders have been prejudiced by Eskom's failure to publish the policies and registers, and (ii) from an information transparency standpoint, there would likely be minimal and immaterial anticipated consequences for applying these policies retrospectively.

The JSE sanction is for not timeously publishing the policies and registers, and in no way suggests any breach of the policies themselves.

Eskom recognises the importance of effective governance and transparent disclosure for noteholder confidence. It has taken significant steps to rectify the non-compliance and to ensure that Eskom remains compliant going forward. The outstanding policies and registers (or appropriate statements) are now largely finalised and were published on the Eskom website on Friday, 12 April 2024 (policies) and Friday, 28 June 2024 (registers). In terms of Eskom's Politically Exposed Persons Policy dated 8 April 2024, Eskom initiated a process of informing the top 100 suppliers of the new requirement to identify and maintain a register of suppliers who fall within the categories identified in paragraph 7.15 of the DLRs. Eskom will publish the requisite register on or before 31 October 2024.

Eskom is disappointed to have received a public censure and suspended fine from the JSE but is wholly committed to ensuring the entity complies with the DLRs and upholds the values and principles of good corporate governance.

Johannesburg

2 August 2024

Debt Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Legal Advisor

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