



ZIMBABWE STOCK EXCHANGE LIMITED

Practice Note 3

To the Securities and Exchange Rules, Statutory Instrument 134 of 2019

("ZSE Listing Rules")

Issued pursuant to section 3 (1) (h) of Statutory Instrument 134 of 2019 of the ZSE Listing Rules

PROCEDURES REGARDING CHANGES IN AUDITORS

1. Definitions

Terms used in this Practice Note which are defined or interpreted in the ZSE Listing Rules shall have the same meaning as in the ZSE Listing Rules.

2. Change in Auditors

In line with Section 69 (6) of the ZSE Listing Rules, Issuers are required to change their audit partners every five years and their audit firm every ten years.

3. Application of Section 69

1. Issuers are obliged to follow Section 69 of ZSE Listing Rules in line with the following guidelines:
 - i. The tenure of Auditors should be guided by the Code of Corporate Governance selected by an Issuer and in line with the ZSE Listing Rules.
 - ii. The period of service rendered by an Auditor should be reckoned from the date they were appointed which period should also be reconciled with the period provided in the Listing Rules for seamless continuity.
 - iii. Issuers must state in the AGM Notice the number of years served by the Audit firm for shareholders to know.

4. Other Matters

1. Communications by the Issuer should be accompanied by a letter from the auditors stating

the date of appointment, termination or resignation and the reasons thereof.

2. Issuers shall appoint auditors who are members of the Public Accountants and Auditors Board.
3. Where the applicable ZSE Listing Rules require documents to be sent, submitted or forwarded to the Exchange they must be delivered to Issuer Regulations Department.

5. Effective Date

This Practice Note takes effect from 17 January 2020.

Issued by

Zimbabwe Stock Exchange