



# Listing Requirements

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► **A2X MARKETS**

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## Version History

Version	Date	Comments
1.0	6 October 2017	Initial Version
1.1	20 November 2018	Rebrand
1.2	4 February 2019	Board Notice 7 of 2019
1.3	15 January 2020	Inward Dual Listings



## Introduction

### A2X

A2X is a market infrastructure licensed as an exchange in terms of section 9 of the Financial Markets Act, No 19 of 2012 (“the Act”).

### Controlling Body

The board of directors of A2X is the controlling body of the exchange responsible for managing the affairs of the exchange. In terms of section 68 of the Act, the controlling body may delegate or assign any function entrusted to it under the Act or its rules to any person, group of persons or committee. It may also, with the approval of the registrar delegate functions to an external party.

### A2X Listing Requirements

In terms of section 11 of the Act, A2X must issue listing requirements that are required to be approved by the registrar and which must be met before a security may be included in the list maintained by A2X and traded on the trading facility. The requirements are required to ensure that the regulation of the business A2X conducts as an exchange is done in a fair and transparent manner with due regard to the rights of clients and investors. The listing requirements are set out in this document, the interpretation and enforcement of which vests with the controlling body.

The inclusion of a qualifying listed security in the list is granted subject to compliance with these requirements.

Any proposed amendments to the requirements should be submitted to the controlling body for consideration and approval. The listing requirements may also be amended by the registrar in terms of section 7 of the Act.

Amendments to the listing requirements approved by the controlling body will be published for comment by issuers. Any comments or objections by issuers on the proposed



amendments must be submitted in writing to the controlling body within 14 days. The comments or objections will be considered by the controlling body and a written response will be provided within 21 days. Amendments to the requirements must thereafter be approved in accordance with the provisions of section 11(6)(b) to (d) of the Act.

The trading in qualifying listed securities is regulated in terms of the trading rules which are required by an exchange in terms of section 17 of the Act.

Nothing contained in this section will limit the power of A2X, the controlling body or its officers and these parties may exercise such additional powers as are granted to them in terms of the Act. Any exercise of a discretionary power in terms of these requirements will be at the sole discretion of A2X.



## Section 1 – Definitions and Interpretation

Definition	Meaning
A2X	A market infrastructure licensed as an exchange in terms of the Act.
A2X trading rules	The A2X rules applicable to the admission of members and regulation of transactions in qualifying listed securities included in the list.
Act	Financial Markets Act, No. 19 of 2012.
announce, circulate or circulation	The circulation of information by the issuer in the manner specified by A2X from time to time.
ANS	A2X news service.
applicant issuer	An issuer of a qualifying listed security applying to A2X for inclusion in the list.
Authority	As defined in the Act.
business day	A day which is not a Saturday, Sunday or South African public holiday.
closed period	<p>the period:</p> <ul style="list-style-type: none"><li>» from the date of the issuers financial year end to the time of publication of its annual results; and</li><li>» the period from the date of the end of the first six months of the issuers financial year to the time of publication of its interim results;</li><li>» any other period when the issuer is in possession of unpublished price sensitive information including any time it has become reasonably probable that such information will be required to be announced by these rules; and</li></ul> <p>any period which is categorized as a closed period by the host exchange.</p>
Companies Act	The Companies Act 71 of 2008



<b>Definition</b>	<b>Meaning</b>
controlling body	The board of directors of A2X.
exchange traded fund or ETF	A security listed on a host exchange which tracks the performance of a specified security or other assets, including participatory interests in a collective investment scheme as defined in the Collective Investment Schemes Control Act, 2002.
exchange traded note or ETN	A note which is listed as an ETN on a host exchange.
host exchange	The exchange, approved by A2X and as published on its website ( <a href="http://www.A2X.co.za">www.A2X.co.za</a> ), which exchange A2X determines is the primary regulator of the issuer of the qualifying listed security which security is traded on A2X and which exchange is a South African exchange or, as a minimum, is a full member of the WFE and part of a jurisdiction where its main regulator is an ordinary member of IOSCO, except in respect of an ETF and an ETN when the host exchange shall be the Johannesburg Stock Exchange.
IFRS	International Financial Reporting Standards.
IOSCO	The International Organisation of Securities Commissions which is an association of organisations that regulate the world's securities and futures markets with its members typically being the Securities Commission or the main financial regulator from each country.
issuer	The issuer of a qualifying listed security whose securities are also admitted to listing on A2X.
list	The list of qualifying listed securities maintained by A2X which qualifying listed securities are traded on the trading facility.
listed securities	As defined in the Act.
listing	The inclusion of a qualifying listed security in the list.





<b>Definition</b>	<b>Meaning</b>
member	An authorised user of A2X.
qualifying listed security	A share, an ETF and an ETN included in a list of securities maintained by a host exchange.
regulatory committee	The regulatory committee of the controlling body of A2X.
requirements	These listing requirements compiled in terms of section 11 of the Act as amended from time to time, including the introduction section.
related party	<ul style="list-style-type: none"><li>» a material shareholder;</li><li>» a person who was a director of the issuer or subsidiary or holding company or an executive officer of the issuer during the 12-month period prior to the date of the transaction;</li><li>» any advisor to the issuer who had a direct or indirect beneficial interest in the issuer, subsidiary or holding company during the 12-month period prior to the transaction;</li><li>» any other person that A2X may determine to be a related party;</li></ul> and any person that is categorised as a “related person” by the host exchange.
Share	A share in a company which is a public company.
South African exchange	An exchange licensed in terms of section 9 of the Act.
trading facility	The A2X trading system.
trading notice	Any notice published or issued by or on behalf of A2X from time to time, which is displayed on the A2X website and may be emailed or copied to all members.
WFE	The World Federation of Exchanges which is an international trade association of publicly regulated stock, futures, and options exchanges.



## Section 2 – Listing on A2X

### Listing

- 2.1 The requirements govern the inclusion in the list of qualifying listed securities, the on-going obligations of entities participating in this market, including issuers, authorised users, their directors, officers, employees and agents who are bound by the requirements and other conditions of listing, the enforcement of those obligations and the sanctions for the contravention of the requirements.
- 2.2 The requirements are designed to enable the inclusion in the list and the trading of qualifying listed securities in a manner that is fair, efficient and transparent with the provision of sufficient information to investors to safeguard their interests and enable them to make informed investment decisions.
- 2.3 Nothing in the requirements will prevent A2X, in exceptional circumstances, from including in the list a qualifying listed security that does not meet the requirements or to refuse to include a qualifying listed security in the list that does meet the requirements on the grounds that, in the opinion of A2X, the granting or refusal to include the security in the list will further the objects of the Act.

### Application for Inclusion of a Security in the List

- 2.4 An application for inclusion of a qualifying listed security in the list by an applicant issuer will be in the manner and form as A2X may prescribe from time to time.
- 2.5 In the event that an application for the inclusion of a qualifying listed security in the list does not comply with the requirements or A2X is of the opinion that it will not further the objects of the Act, A2X will, if applicable:
  - 2.5.1 inform that applicant issuer of its intention to refuse the application;
  - 2.5.2 provide the applicant issuer with reasons for the intended refusal; and
  - 2.5.3 request the applicant issuer to make a written submission setting out the reasons why the application for the inclusion in the list should not be refused.

### Conditions for Admission to the List

- 2.6 In order to be considered for inclusion and retention in the list, a listed security:



- 2.6.1 must be a qualifying listed security that is, upon the application by the applicant issuer, accepted by the controlling body for inclusion in the list; and
- 2.6.2 must comply with the applicable conditions for listing and continuing eligibility for inclusion requirements set out in the listing requirements.

## Special Conditions

- 2.6. A A2X may make the admission of a qualifying listed security subject to such special conditions as it may reasonably determine taking into account the jurisdiction in which the applicant is incorporated and the objects of the Act.
- 2.6. B If A2X becomes aware of any information which may impact on the appropriateness for inclusion in the list of a qualifying listed security, A2X may delay the approval of the listing for such time as A2X may take to investigate the matter and reach a decision as to whether or not to include the security in the list.
- 2.6. C in the event that the applicant issuer is not incorporated in the country of the host exchange, the applicant issuer must discuss the proposed secondary listing A2X to allow A2X to acquaint itself with the laws of incorporation and company law of the applicant issuer. A2X may at its discretion request additional disclosure regarding the laws of incorporation and company law applicable to the applicant issuer.

## Approval of Listing

- 2.7 A qualifying listed security will be deemed to have been listed on A2X when:
  - 2.7.1 the security has been included in the list and members have been advised in a trading notice of the listing and its effective date; and
  - 2.7.2 an announcement on ANS advising of the listing and its effective date has been circulated.



## Delay of Compliance with the Requirements

2.8 A2X may, when granting an application for inclusion in the list or at any time thereafter, in consultation with the registrar, delay compliance with a specific provision of the requirements for such period and on such conditions as A2X may determine if any of the circumstances set out in section 11(8)(c) of the Act apply.

## Issuer in Good Standing

2.9 The applicant issuer may, upon application and at any time thereafter, be required by A2X to certify that it complies with all the listing requirements of the host exchange which certification may include a letter from the host exchange confirming that the applicant issuer is in good standing with the host exchange.

## Pre-Listing Announcement

2.10 The applicant issuer must publish a pre-listing announcement setting out the information as required by A2X on ANS five business days prior to the date of listing. If there are any changes to such information prior to the date of listing, the applicant issuer must inform A2X immediately and provide the specifics of such changes. A2X may, in the event that it deems the changes to be material, delay the date of listing and require the applicant issuer to publish a revised pre-listing statement setting out the details of the material changes.

## Specific Conditions for Admission to the List

### Shares

2.11 In order to be considered for inclusion and retention in the list:

2.11.1 The financial information prepared by the issuer must comply with acceptable accounting standards in one or more of the following accounting frameworks:

2.11.1.1 International financial reporting standards (IFRS);

2.11.1.2 IFRS adopted by the European Union;

2.11.1.3 United Kingdom GAAP;



- 2.11.1.4 United States GAAP;
  - 2.11.1.5 Australian GAAP;
  - 2.11.1.6 Canadian GAAP; or
  - 2.11.1.7 Such other accounting framework that may be acceptable to A2X
- 2.11.2 the annual financial statements of the issuer which have been issued no later than 6 months after the financial year end of the issuer, must be available to be accessed by investors either in hard copy or on its website; and
- 2.11.3 the issuer must comply with the applicable requirements set out in the continuing eligibility for inclusion in the listing requirements set out in Section 3.
- 2.11.4 The issuer must have been listed on the host exchange for a minimum of 18 months, or such other period as may be deemed acceptable by A2X, prior to listing on A2X;
- 2.11.5 Where applicable, the issuer must register as an external company in terms of the Companies Act and an external company must provide A2X with the name and contact details, and any changes thereto, of a person authorised to accept the service of process on its behalf in South Africa
- 2.11.6 The issuer must comply with the South African Reserve Bank exchange control requirements;
- 2.11.7 The issuer must, to the satisfaction of A2X, ensure that sufficient listed securities shares are available on the South African register.
- 2.11.8 The issuer must make arrangement for the movement of listed securities between the share registers to the satisfaction of A2X;
- 2.11.9 The issuer must appoint a suitably qualified corporate broker, bank or other professional adviser, acceptable to A2X, to assist the issuer in:
- 2.11.9.1 Compiling and submitting an application to list on A2X; and
  - 2.11.9.2 Ensuring its ongoing compliance with these Listing Requirements.



### **Exchange Traded Funds/ ETFs**

2.12 In order to be considered for inclusion and retention in the list an ETF:

- 2.12.1 must be listed on a host exchange;
- 2.12.2 must have obtained registration as a Collective Investment Scheme from the relevant regulatory authority before formal application for listing is made, if applicable;
- 2.12.3 must comply with the listing requirements of the host exchange;
- 2.12.4 must track the asset of a specified security or other asset as determined by host exchange;
- 2.12.5 must comply with such daily publication of information requirements as required by the host exchange; and
- 2.12.6 must be fully covered by the underlying asset or assets that the ETF references at all times.

### **Exchange Traded Notes/ ETNs**

2.13 In order to be considered for inclusion and retention in the list, an ETN:

- 2.13.1 must be listed on a host exchange;
- 2.13.2 must satisfy the liquidity requirements of the host exchange;
- 2.13.3 must comply with such daily publication of information requirements as required by the host exchange.



## Section 3 – Continuing Obligations of Qualifying Listed Securities

### General Continuing Obligations

#### Listing requirements of the Host Exchange

- 3.1 Retaining the status of a qualifying listed security requires that the issuer and agents of that issuer at all times comply with the listing requirements as prescribed by the host exchange.
- 3.2 The listing requirements of the host exchange take precedence over these requirements unless otherwise specified in these requirements or where agreed to by A2X having regard to the jurisdiction in which the applicant issuer is incorporated.

#### Retention of Status as a Qualifying Listed Security

- 3.3 In order to remain on the list, a security must retain its status as a qualifying listed security and comply with the applicable provisions of these listing requirements.

#### Duty to Disclose Information to A2X

- 3.4 An issuer must notify A2X forthwith of any:
  - 3.4.1 termination or suspension of listing of its qualifying listed securities by the host exchange;
  - 3.4.2 information that the issuer believes is relevant to its ongoing listing on the host exchange or A2X. For the avoidance of doubt, information that is relevant to the ongoing listing on the host exchange or A2X includes all information that is required to be announced on the host exchange; and
  - 3.4.3 if the value and volume of the listed securities traded on A2X for the previous continuous 12-month period exceed 55 percent of the aggregate value and volume of those securities traded on A2X and any host exchange.
- 3.5 An issuer must ensure that any information which is required to be announced by the host exchange and these requirements must be provided to A2X in the format required and prior to it being announced elsewhere. Where the information is published on a day that is not a business day at a time that A2X is not open for



business, the information must be circulated prior to the opening of the A2X market on the next business day.

- 3.6 An issuer must take reasonable care to ensure that any information provided to A2X or shareholders is not misleading or false and includes all material information.

## Continuing Obligations of the Issuer of a Share

### Financial Information and Standards of Disclosure

- 3.7 An issuer must, where its primary listing on a South African exchange, publish in its interim and year-end results headline earnings per share and diluted headline earnings per share as well as a detailed reconciliation between headline earnings and earnings used in the calculation.
- 3.8 The annual financial statements as well as any communication with shareholders issued by the issuer must indicate the trading venues upon which its shares are traded as well as which exchange is the host exchange;
- 3.9 An issuer must provide A2X with reasonable notice of any planned corporate actions in order to ensure that A2X and the market can accommodate the processing of these corporate actions for shareholders on the South African share register.
- 3.10 An issuer with a primary listing on a South African Exchange must announce without delay the details of any transactions in its shares by directors which announcement must disclose:
- 3.10.1 the identity of the issuer and director;
  - 3.10.2 the date disclosure was made to the issuer;
  - 3.10.3 the date of the transaction;
  - 3.10.4 the trading venue on which the transaction was concluded;
  - 3.10.5 the price, amount and class of shares;
  - 3.10.6 the nature of the transaction;
  - 3.10.7 the nature and extent of the director's interest;
  - 3.10.8 a statement that the relevant clearance to transact has been obtained; and
  - 3.10.9 any other information that the issuer deems to be appropriate in the circumstances.





## Standards of Corporate Governance

- 3.11 An issuer must comply with all relevant provisions of the Companies Act or the equivalent legislation in its country of incorporation or establishment.
- 3.12 An issuer must apply the principles of the most recent King Code on Corporate Governance for South Africa (King code) or the equivalent in its country of incorporation.
- 3.13 An issuer with a primary listing on a South African Exchange must clearly and comprehensively disclose in its annual financial statements how it applied the principles set out in the King code as well as the extent of its non-compliance, including for what part of the reporting period there has been non-compliance.
- 3.14 An issuer of a qualifying equity security with a primary listing on a South Africa Exchange must comply with the following corporate governance requirements:
  - 3.14.1 there must be a formal policy detailing how the optimum composition of the board of the issuer is achieved;
  - 3.14.2 the issuer must have an appointed chief executive officer and an independent non-executive chairman who are not the same person. If the chairman is not an independent non-executive, an independent lead director must be appointed;
  - 3.14.3 all issuers must appoint an audit committee and a remuneration committee and if required, given the nature of the business and composition of the board, risk and nomination committees. The composition of such committees, a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report;
  - 3.14.4 a brief CV for each director standing for election or re-election at a general meeting or the annual general meeting should accompany the notice of the general meeting or annual general meeting;
  - 3.14.5 the capacity of each director must be categorised as executive, non-executive or independent;
  - 3.14.6 all issuers must have an executive financial director. The audit committee must consider, on an annual basis the appropriateness of the expertise and experience of the financial director and be satisfied with such



appropriateness. The issuer must confirm this by reporting to shareholders in its annual report that the audit committee has performed this responsibility.

- 3.14.7 the board of the issuer must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary. The issuer must confirm this by reporting to shareholders in its annual report that the board has performed this responsibility.

## Standards of Conduct

### Changes to the Board

- 3.15 An issuer with a primary listing on a South African Exchange must notify A2X of any appointment, resignation, removal, retirement or death of a director or the company secretary or change to any critical functions performed by the director.
- 3.16 A notification of the change must be made as soon as practically possible but by no later than 24 hours after the change or notification of the change.
- 3.17 A director and company secretary must comply with the fit and proper requirements as may be determined by A2X from time to time.

### Restrictions on Transactions in Shares

- 3.18 An issuer of a share must ensure that its directors, related parties and applicable employees do not transact in its shares during a closed period.
- 3.19 In the event that circumstances arise which could not have been reasonably foreseen by the issuer, related party or applicable employees that result in one of these parties wishing to transact in the issuer's its shares, the issuer must obtain such approvals as may be determined by A2X from time to time.

## Continuing Obligations of the Issuer of an ETF

- 3.20 In order to remain in the list, an ETF:
- 3.20.1 must be listed on and continue to comply with the continuing obligations of a host exchange;



- 3.20.2 must track the asset of a specified security or other asset as determined by host exchange;
- 3.20.3 must comply with such daily publication of information requirements as required by the host exchange; and
- 3.20.4 must be fully covered by the underlying asset or assets that the ETF references at all times.

### **Continuing Obligations of the Issuer of an ETN**

- 3.21 In order to remain in the list, an ETN:
  - 3.21.1 must be listed on a host exchange and continue to comply with the continuing obligations of a host exchange;
  - 3.21.2 must satisfy the liquidity requirements of the host exchange;
  - 3.21.3 if the underlying, asset or security constitutes an index, the Index must comply with such requirements as determined by the host exchange; and
  - 3.21.4 must comply with such daily publication of information requirements as required by the host exchange.



## Section 4 – Suspension or Removal of a Qualifying Listed Security from the List

- 4.1 A2X may, subject to the provisions of the Act suspend trade in any listed securities where:
  - 4.1.1 A2X considers it necessary for the protection of investors and for the maintenance of a fair, efficient and orderly market; or
  - 4.1.2 an issuer fails to comply with the listing requirements and it is in the public interest to do so; or
  - 4.1.3 where the listing is suspended in terms of requirement 5.10.3; or
  - 4.1.4 it will further the objects of the Act.
- 4.2 A2X will immediately suspend the qualifying listed security from the list should the host exchange suspend the listing.
- 4.3 A2X will immediately suspend the listing of any qualifying listed security if requested to do so by the registrar.
- 4.4 When the listing of securities of an issuer is under threat of suspension, the affected issuer will be given the opportunity of making written representations to A2X as to why the suspension should not be affected prior to the decision to suspend the listing.

### Request for Suspension or Removal from an Issuer

- 4.5 The issuer may submit a written application for the suspension or removal from the list of its listing. The request must be accompanied by any information which the issuer believes to be of relevance to the application.

### Consequences of the Suspension

- 4.6 Where trading of a qualifying listed security has been suspended, the procedure for lifting the suspension will depend on the circumstances and A2X may impose such conditions as it considers appropriate.
- 4.7 For the duration that the securities are suspended, the issuer must:
  - 4.7.1 continue to comply with all the requirements applicable to it;



- 4.7.2 submit to A2X a monthly report setting out the current state of affairs of the issuer and, any action proposed to be taken by the issuer in order to have the listing reinstated;
- 4.7.3 make quarterly announcements to shareholders setting out the current state of affairs of the issuer and any action proposed to be taken by the issuer in order to have the listing reinstated.
- 4.8 When a suspension continues for a prolonged period without the issuer taking the required action to uplift the suspension of the listing, A2X may elect to terminate the listing.
- 4.9 Where A2X considers that an issuer or its business is no longer suitable for listing, it may publish an announcement naming the issuer and specifying the period within which the issuer must have resolved the issues which have rendered it unsuitable for listing. If the issuer fails to resolve the issues within the period set in the announcement, A2X will withdraw the issuer from the list.

## **Reinstatement of the Qualifying Listed Security on the List**

- 4.10 A2X may remove the suspension placed on the listing of a qualifying listed security if the:
  - 4.10.1 issuer has, to the reasonable satisfaction of A2X, addressed the issue or issues that resulted in the suspension; and
  - 4.10.2 suspension of the qualifying listed security is lifted by the host exchange.

## **Powers of A2X to Terminate a Listing**

- 4.11 A2X may terminate a listing where:
  - 4.11.1 A2X considers it necessary for the protection of investors and for the maintenance of a fair, efficient and orderly market; or
  - 4.11.2 an issuer fails, in a manner which A2X considers material, to comply with the listing requirements and it is in the public interest to do so; or
  - 4.11.3 the host exchange terminates the listing of the qualifying listed security; or
  - 4.11.4 the listing is terminated in terms of requirement 5.10.4; or
  - 4.11.5 it is in the public interest; or



4.11.6 it will further the objects of the Act.

## **Notification of Suspension or Removal from the List**

4.12 A2X will forthwith notify members and investors upon the suspension or removal of any security from the list through an announcement on ANS.

## **Termination of the Listing at the Instance of the Issuer**

4.13 An issuer may make written application to A2X for a deletion of any of its securities from the list, stating from which time and date it wishes the deletion to be effective;

4.14 Subject to any South African Reserve Bank exchange control requirements, A2X may grant the request for termination, provided that, where applicable:

4.14.1 A fair offer will be made to all holders of listed securities;

4.14.2 an issuer must obtain approval from its holders of listed securities in a general meeting for the termination of the listing prior to the issuer making written application for such removal;

4.14.3 the notice of general meeting must contain:

4.14.3.1 The reasons for the termination;

4.14.3.2 The terms and conditions of the offer;

4.14.3.3 A statement by the board of directors confirming that the offer is fair insofar as the shareholders (excluding any related party/ies if it/they are holders of listed securities) of the issuer are concerned and that the board of directors has been so advised by an independent expert acceptable to A2X. The board of directors must obtain a fairness opinion, before making this statement; and

4.14.3.4 More than 50% of the votes of all shareholders present or represented by proxy at the general meeting, excluding any controlling shareholder, its associates and any party acting in concert, and any other party which A2X deems appropriate, must be cast in favour of such resolution, unless A2X, in furthering the objects of the Act, decides otherwise.



For the purposes of this section, “controlling shareholder” means any shareholder that, together with:

- his, or its associates; or
- any other party with whom such shareholder has an agreement or arrangement or understanding, whether formal or informal, relating to any voting rights attaching to securities of the relevant company, can exercise, or cause to be exercised the specified percentage, as defined in the Takeover Regulations as defined in the Companies Act, or more of the voting rights at general or annual general meetings of the relevant company, or can appoint or remove, or cause to be appointed or removed, directors exercising the specified percentage or more of the voting rights at directors’ meetings of the relevant company.

4.14.4 If an Issuer requests A2X to remove its securities from the list and the Issuer furnishes A2X with:

- 4.14.4.1 compelling reasons as to why the requirements 4.14.3.1 to 4.14.3.4 should not apply; and
- 4.14.4.2 details of an alternative process to facilitate the deletion of its securities from the list which does not prejudice minority holders of the securities nor conflicts with the objects of the Act,

A2X may accept the alternative process referred to in 4.14.4.2 and exempt the Issuer from complying with the requirements set out in 4.14.1 to 4.14.3.4.



## Section 5 – Investigations and Enforcement

### Investigation Functions

- 5.1 The controlling body may set up and maintain systems for:
  - 5.1.1 monitoring compliance by issuers, directors, officers and employees with the Act and these requirements; and
  - 5.1.2 the surveillance and enforcement of any matter relevant for the purposes of the Act and the requirements.
- 5.2 The controlling body may investigate:
  - 5.2.1 activities of any issuer or person who at the relevant time was a director, officer or employee of an issuer;
  - 5.2.2 whether any issuer, director, officer or any of its employees comply with the Act and the requirements; and
  - 5.2.3 whether an issuer is conducting its business in a manner which could be detrimental to the interests of investors, or A2X or contrary to the objects of the Act.

### Access to and use of Information

- 5.3 The controlling body may require any issuer or person who at the relevant time was a director, officer or an employee of an issuer to furnish information on the subject of any investigation and deliver any book, document, tape or record, electronic or otherwise or other object which has a bearing on the subject of the investigation.
- 5.4 Any information, document, book, tape or electronic record or other object obtained by A2X, may be used in evidence in any disciplinary proceedings conducted by A2X and may be provided by A2X to any other body which may have jurisdiction over the matter under consideration.

### Compliance with the Requirements

#### Enforcement

- 5.5 If the controlling body considers that an issuer or a director or officer of the Issuer has contravened the listing requirements, the controlling body may, depending on





the seriousness of the alleged offence, in accordance with the provisions of the FMA and without detracting from any other powers that A2X may have in terms of the requirements:

- 5.5.1 request the issuer to provide a written explanation of its actions and an undertaking to rectify the breach immediately; and/or
- 5.5.2 convene a disciplinary hearing to consider the alleged breach.

### **Disciplinary Hearing**

- 5.6 The regulatory committee will hear and determine charges against an issuer, director or officer (referred to collectively as the issuer in rules 5.6-5.27) in respect of the alleged breach.
- 5.7 The chairman of the regulatory committee may appoint a legally qualified adviser who is independent of any party to provide legal advice to the committee in respect of the hearing if deemed necessary. Such legal adviser will not be counted as a member of the regulatory committee, but will only advise the regulatory committee on legal matters.
- 5.8 The regulatory committee may also co-opt any person whom it considers appropriate. No-one who is a member of A2X staff may be appointed or co-opted to the committee.
- 5.9 A party may be legally represented at the hearing.
- 5.10 Where the regulatory committee finds an allegation proven on the balance of probabilities, the regulatory committee may impose a penalty as follows:
  - 5.10.1 a written censure which may be public or private;
  - 5.10.2 impose a fine not exceeding the amount as prescribed in the Act on the issuer and on one or more directors in such amount as the controlling body may determine. Full particulars of the fine may be published by A2X in such publication or electronic medium as A2X may elect; and
  - 5.10.3 suspension of listing; and
  - 5.10.4 termination of listing.



5.11 The quorum for the regulatory committee is 3 members.

5.12 The names of the members of the regulatory committee are available on the A2X website.

### **Confidentiality**

5.13 Other than as set out in these requirements and other than as between a party and its advisers, each party must keep confidential any matters relating to any proceedings except where disclosure is permitted or required by law.

### **Mode of Referral**

5.14 Proceedings before the regulatory committee must be commenced by A2X submitting a statement of case to the issuer. The statement of case must set out the charge(s) and all material facts taken into account and must have attached to it copies of all documents relevant to the charge(s).

5.15 The issuer may submit a statement in response setting out all material facts and copies of all documents relied upon, which statement must be submitted within 2 days of receipt of the statement of case of A2X.

5.16 The regulatory committee may vary the period referred to in rule 5.15 at the request of the issuer.

5.17 At the expiry of the period referred to in rule 5.15, A2X must submit to the Regulatory Committee the statement of case and the issuer's response, together with copies of all other relevant documents.

### **Procedure**

5.18 Except where either party notifies the regulatory committee that it believes an oral hearing is essential to establish all the relevant facts, the regulatory committee may allow proceedings before the regulatory committee to take place through the consideration of documents with no oral hearing.

5.19 Where there is to be a hearing in accordance with rule 5.18, the regulatory committee will conduct it in private.



5.20 The regulatory committee will give not less than 14 days' notice of the time and place of any hearing to the parties. This notice period may be shortened with the agreement of the parties.

### **Deliberations and Decisions**

5.21 The regulatory committee is required to reach decisions on a majority basis.

5.22 Following its determination, the regulatory committee will notify the parties in writing of:

5.22.1 its decision;

5.22.2 the reason(s) for its decision; and

5.22.3 whether any penalty is to be imposed under rule 5.10.

5.23 Any person who contravenes or fails to comply with the requirements may be ordered to pay the costs of the investigation or hearing.

5.24 Any fine imposed in terms of 5.10.2 will, in the absence of an order as to the costs, be used by A2X to defray the costs of any investigation or hearing conducted pursuant to which the fine was imposed and any balance will be used to fund the payment of any regulatory levies payable in terms of the Act.

5.25 A2X may, at any time, require an issuer to announce details of the enforcement action taken in terms of requirement 5.10 in such form and within such time limits as it considers appropriate for the purpose of protecting investors and maintaining the fair and efficient operation of the market.

5.26 If an issuer fails to comply with an instruction from A2X to publish information, A2X may itself announce the information after having given the issuer an opportunity to make representations to A2X as to why the information should not be published.

5.27 If any person fails to pay a fine imposed by A2X in terms of 5.10.2, A2X may, in terms of the provisions of the Act, file with the clerk or registrar of any competent court a statement certified by it as correct, stating the amount of the fine imposed, and such statement thereupon will have all the effects of a civil judgement lawfully given in that court against that person in favour of A2X for a liquid debt in the amount specified in the statement.



## Section 6 – General Provisions

### Fees

- 6.1 A2X may levy such fees and charges for the provision of any service in terms of the requirements as it may prescribe from time to time.

### Limitation of Liabilities, Warranties and Indemnities

- 6.2 Any action taken in terms of the requirements is subject to the limitation of liability provisions set out in section 72 of the Act.
- 6.3 A2X is not liable for any loss or damage resulting from force majeure.
- 6.4 A2X, any director, chief executive officer, officer, employee or representative of A2X or a member of the controlling body or a committee of the controlling body is not liable for any loss sustained by or damage caused to any person as a result of anything done or omitted by:
- 6.4.1 a director, chief executive officer, officer, employee or representative of A2X, a member of the controlling body or any committee of the controlling body in the bona fide performance of any function under or in terms of the Act and the requirements; or
  - 6.4.2 an issuer; or
  - 6.4.3 a member.

### Applicable Law and Jurisdiction

- 6.5 The requirements are to be interpreted by the controlling body in accordance with the laws of the Republic of South Africa.
- 6.6 All parties submit to the jurisdiction of the High Court of South Africa.