



Your share of tomorrow

LISTINGS REQUIREMENTS

1 Disclaimer

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2 Contents

Table of Contents

1	Disclaimer	1
2	Contents	2
3	Definitions.....	6
1	Interpretation and general provisions	16
1.1	Introduction and philosophy	16
1.2	Rules of construction.....	16
1.3	Governing principles.....	17
1.4	Directives	18
1.5	Guidance notes.....	18
1.6	Scope	18
1.7	Issuer disclosure.....	18
1.8	ZAR X Discretion	18
1.9	Appeals of decisions.....	19
2	General powers of ZAR X.....	20
3	Conditions for Listings and Continuing Obligations.....	22
3.1	General	22
3.2	Eligibility	22
3.3	General Requirements.....	22
3.4	Substantial float.....	28
3.5	Alternative structures	29
3.6	Notice of Refusal to List.....	29
3.7	Publication	29
3.8	Convertible Securities.....	30
3.9	Public Security Holders.....	30
3.10	Notifications officer	30
3.11	Disclosure of beneficial interests	31
3.12	Options and Convertible Securities granted/issued for cash.....	31
3.13	Sufficiency of Operations.....	31
3.14	Affected transactions.....	31
3.15	Foreign Issuers.....	31
3.16	English language	31
3.17	Fees	32
3.18	On-going obligations for Listings	32
3.19	Transfer and registration of Securities	33
3.20	De-Materialisation of Share certificates	33

3.21	Delisting.....	34
3.22	Full, true and plain disclosure	34
4	Financial Reporting	35
4.1	Financial Reporting	35
4.2	Reporting Accountant.....	36
4.3	Annual Report	36
4.4	Interim report.....	36
5	Suspensions and Disqualification.....	37
5.1	Suspension or removal upon notice	37
5.2	Suspensions without notice.....	37
5.3	Suspensions	37
5.4	Disqualifications and withdrawal of Listings.....	37
6	Corporate governance.....	39
6.1	Introduction	39
6.2	Directors and officers	41
6.3	Changes to directors	41
6.4	Dealing in Securities.....	41
6.5	Appointed Advisor.....	42
6.6	Related party transactions	46
6.7	Transactions not regarded as related party transactions	48
6.8	Meetings of Security Holders.....	48
7	Appropriate disclosure.....	50
7.1	Principles	50
7.2	Types of Information.....	50
7.3	Cautionary Announcements	51
7.4	Consultation with ZAR X	52
7.5	Dissemination	52
7.6	No selective disclosure	52
7.7	Content of announcements and notifications.....	53
7.8	Insider trading.....	53
8	Distributions and Methods of Raising Capital	54
8.1	General	54
8.2	Methods of Listing.....	54
8.3	Introductory Offer.....	55
8.4	Offer for Sale.....	55
8.5	Offer for Subscription	56
8.6	Placings	56
8.7	Capitalisation Issue	56
8.8	Acquisition or merger issue (Consideration issue).....	57

8.9	Vendor Consideration Placing.....	57
8.10	Exchange, Substitution or Conversion.....	58
8.11	New Applicants and disclosure of advisers' interests.....	58
8.12	Offers to the Public.....	58
8.13	Issues for cash.....	59
8.14	Incentive Share options.....	61
8.15	Rights Offer.....	62
9	Significant transactions and corporate actions.....	64
9.1	Significant transactions.....	64
9.2	Corporate actions.....	64
9.3	Requirements.....	65
10	Fundamental Transactions.....	66
11	Name change, Share splits and Share consolidations.....	68
11.1	Change of name.....	68
11.2	Share splits.....	68
11.3	Share consolidation.....	68
11.4	Share reclassification (with no Share split).....	69
12	REITS.....	70
12.1	REITS pre-listing criteria.....	70
12.2	Distribution provisions.....	73
12.3	On-going obligations of a REIT Issuer.....	73
12.4	Announcements by REITs.....	74
12.5	Removal of listing of REIT.....	74
12.6	Other matters.....	74
13	Inward Listing.....	75
13.1	Introduction.....	75
13.2	Modifications to the Listings Requirements applicable to Foreign Issuer.....	75
13.3	Foreign Issuers with or seeking a Primary Listing on ZAR X.....	76
13.4	Foreign Issuers with or seeking a Secondary Listing on ZAR X.....	76
14	INCUBATORS.....	81
14.1	Definitions.....	81
14.2	Listings criteria.....	81
14.3	Memorandum of Incorporation.....	82
14.4	Escrow.....	82
14.5	Acquisition of Target Assets.....	83
14.6	Failure to acquire Target Assets.....	83
14.7	Continuing obligations.....	84
14.8	Transfer of Listing.....	84
15	Repurchases of securities.....	85

15.1	Introduction	85
15.2	Exemption - Appraisal rights exercised in terms of S 164	85
15.3	Exemption - Redemptions.....	85
15.4	Repurchases from a Director, Prescribed Officer Related Person	86
15.5	Repurchases in Excess of Five Percent.....	86
15.6	Shares Repurchases	86
16	Investigations, Enforcement, Appeal Censure and Penalties.....	89
17	Exclusion of liability	93
18	Amendments to the Listings Requirements	94

3 Definitions

Unless otherwise defined or interpreted or as the subject matter or context otherwise requires, every term used in these Listings Requirements that is a reference to a requirement of ZAR X shall have the meaning ascribed to it in the applicable Act, Schedule, Rule or Directive of ZAR X.

Announce/Announcement means an announcement of information through ZAPS;

Appointed Advisor means any appointed adviser, including an Auditor or attorney, or Company Secretary appointed in terms of paragraph 6.5 and who is responsible for:

1. assisting applicant Issuers with applications for Listings which require Listings Circulars and/or other relevant documentation; and
2. providing advice, on a continuing basis, regarding the application of the Listings Requirements, including the application of the spirit of the Listings Requirements and upholding the integrity of ZAR X;

Associate

in relation to:

1. a natural person, means:
 - a. a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
 - b. a child of that person, including a stepchild, an adopted child and a child born out of wedlock;
 - c. a parent or step-parent of that person;
 - d. a person in respect of which that person is recognised in law or appointed by a court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first-mentioned person;
 - e. a person who is the permanent life partner or spouse or civil union partner of a person referred to in subparagraphs (a) to (d);
 - f. a person who is in a commercial partnership with that person; and
 - g. another person who has entered into an agreement or arrangement with that natural person, relating to the acquisition, holding or disposal of, or the exercising of voting rights in respect of, Shares Listed on ZAR X;
2. a juristic person:
 - a. which is a Company, means its Subsidiary and its holding company and any other Subsidiary or holding company thereof as defined in section 1 of the Companies Act;
 - b. which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;
 - c. which is not a company or close corporation, means another juristic person which would have been its Subsidiary or holding company:
 - i. had it been a company; or
 - ii. where that other juristic person is not a company either, had both it and that other juristic person been a company; and

- d. means any person in accordance with whose directions or instructions its Board or, in the case where such juristic person is not a company, the governing body of such juristic person, acts;
- 3. in relation to any person:
 - a. means any juristic person whose Board or, in the case where such juristic person is not a company, the governing body of such juristic person, acts in accordance with its directions or instructions; and
 - b. means a trust controlled or administered by it;

Auditor or Accountant means an IRBA registered audit firm or a member of SAICA respectively;

Beneficial Owner in relation to a Security, means the person or entity holding any one or more of the following:

- 1. the *de facto* right or entitlement to receive any dividend, interest or other income payable in respect of that Security; and/or;
- 2. the *de facto* right or entitlement to exercise or cause to be exercised, in the ordinary course of events, any or all of the voting, conversion, redemption or other rights attached to such Security; and/or;
- 3. the *de facto* right or entitlement to dispose or cause the disposal of the company's Securities or any part of a distribution in respect of the Securities;

Board means the board of directors of a Company from time to time;

Board Lot means 100 Shares/Securities;

BBBEE has the meaning ascribed to it in the Broad-Based Black Economic Empowerment Amendment Act 46 of 2013;

Business Day means any day from Monday to Friday inclusive, excluding Statutory Holidays and any other day that ZAR X declares to be a non-business day;

Central Securities Depository or **CSD** means the appointed Central Securities Depository (as contemplated in the FMA) which has been designated by ZAR X as its CSD;

Central Securities Depository Participant or **CSDP** means a person that has been accepted by a licensed CSD as a Participant in that CSD.

Certificate of Compliance means the certificate of compliance which each Issuer must complete and Publish in the form of Schedule 11;

CIPC means the Companies and Intellectual Property Commission established in terms of section 185 of the Companies Act;

Closed Period means:

- 1. the date from the financial year end of an Issuer up to the date of earliest publication of the annual financial statements or director's report;
- 2. the date from the expiration of the first six-month period of a financial year of an Issuer up to the date of publication of the interim results; and
- 3. any period when an Issuer is trading under a cautionary Announcement;

Companies Act means the Companies Act 71, of 2008, as amended or replaced from time to time;

Company a juristic person, wherever incorporated or established, including any undertaking, association of persons or entities and any trust or similar device, wherever established, that issues Securities;

Company Secretary has the meaning ascribed to it in Chapter 3, Part B of the Companies Act and includes any official of a Company, by whatever name that person may be designated, or a Company which performs the duties normally performed by a company secretary;

Control means the ability to exercise or control the exercise of the majority of the voting rights in a Company;

Controlling Security Holder any Security Holder that can or can together with:

1. his, or its, Associates; or
2. any other party with whom such Security Holder has an agreement or arrangement or understanding, whether formal or informal, relating to any voting rights attaching to Securities of the relevant Company;

exercise, or cause to be exercised the prescribed percentage, as defined in the Takeover Regulations, or more of the voting rights at general/annual general meetings of the relevant Company, or can appoint or remove, or cause to be appointed or removed, directors exercising the prescribed percentage, as defined in the Companies Act, or more of the voting rights at directors' meetings of the relevant Company;

Control Block Holder means any person or combination of persons holding a sufficient number of any Securities of an Issuer or Market Participant to affect Materially the Control of that Issuer or Market Participant and any holding of any person or combination of persons holding more than 25% (twenty five percent) of the outstanding voting Securities of an Issuer or Market Participant shall, in the absence of evidence to the contrary, be deemed to affect Materially the Control of that Issuer or Market Participant;

Convertible Securities – means Securities that are convertible into, or exchangeable for, other Securities or options to subscribe for or purchase other Securities, and "conversion" and "convertible" shall be construed accordingly;

Corporate action means any event that brings Material change to a company and affects its stakeholders, including Security holders, both ordinary and preferred. These events are generally approved by the company's board of directors and Security holders may be required to vote on such events as well.

CPA means the Consumer Protection Act 68 of 2008;

Dealing means the buying or selling of Securities on the ZAR X Trading Platform;

Disqualify, Disqualification and Disqualified where used in relation to the Listing of an Issuer's Securities means termination of the qualification of an Issuer for Listing of its Securities on the ZAR X Trading Platform;

Eligible Purchaser means a person that has been verified by an Issuer of Securities (or an agent appointed by the Issuer to perform such verification) as complying with the beneficial ownership requirements prescribed by such Issuer;

Equity Shares – Shares that comprise a Company's equity Share Capital and which carry votes;

Embargo/ed means the imposition of a restriction by ZAR X on selling securities to prevent the holder from transferring those Securities during an agreed period;

Escrow means a scenario in which Securities are held by a third party on behalf of two other parties that are in the process of completing a transaction. The funds or assets are held by an escrow agent until it receives the appropriate instructions or until predetermined contractual obligations have been fulfilled.

External Company is a company incorporated outside the Republic of South Africa and registered as an external company in the Republic of South Africa in accordance with the provisions of the Companies Act;

Freely Tradeable means Securities that have no restriction on resale or transfer, including restrictions imposed by pooling or other arrangements or in a shareholder agreement or MOI;

FMA the Financial Markets Act (Act No. 19 of 2012), as amended or replaced from time to time;

FSCA means the Financial Sector Conduct Authority, a juristic entity established in terms of section 56 of the Financial Sector Regulation Act, 2017.

Headline Earnings are defined and calculated in accordance with the circular titled Headline Earnings issued by SAICA, as amended from time to time.

HEPS means Headline Earnings Per Share as defined in Circular 2/2013 issued by the South African Institute of Chartered Accountants

IAS means International Accounting Standards;

IFRS means the International Financial Reporting Standards formulated by the International Accounting Standards Board;

Income Tax Act means the Income Tax Act, No. 58 of 1962;

Insider has the meaning as defined in Section 77 of the FMA;

Introductory Offer is a method of bringing Securities to Listing not involving an issue of new Securities or any marketing of existing issued Securities because the spread of Security Holders already complies with the Conditions for Listing contained in Section 3;

Investment Entities means any companies, investment trusts and collective investment schemes whose principal activity is investment in Securities;

IRBA means the Independent Regulatory Board for Auditors, a body established in terms of the Auditing Profession Act 26 of 2005, responsible for the registration and regulation of registered Auditors in the Republic of South Africa;

Investor Relations Activities means any activities or oral or written communications, by or on behalf of an Issuer or Security Holder of an Issuer that promote or reasonably could be expected to promote the purchase or sale of Securities of the Issuer but does not include:

1. The dissemination of information provided, or records prepared, in the ordinary course of business of the Issuer:
 - a. to promote the sale of its products or services, or
 - b. to raise public awareness of the Issuer, that cannot reasonably be considered to promote the purchase, or sale of Securities of the Issuer;
2. Activities or communications necessary to comply with:
 - a. applicable Securities Regulation, or
 - b. ZAR X Listings Requirements or the requirements of any other regulatory body having jurisdiction over the Issuer;

3. Communications by a Publisher of, or writer for, a newspaper, magazine or business or online financial publication that is of general and regular circulation if:
 - a. the communication is only through the newspaper, magazine or online publication, and
 - b. the Publisher or writer receives no commission or other consideration other than for acting in the capacity of Publisher or writer; or
4. Such other activities or communications that may be specified by ZAR X;

Inward Listing arises when an external or Foreign Issuer lists on a local exchange, subject to prior approval by the SARB.

IPO means an initial public offering as defined in Section 95 of the Companies Act;

ISIN means the unique international security identification number of each listed security issued by STRATE;

Issuer means an entity which has or had its Securities admitted to the Official List;

Issuer Agreement means an agreement entered into with ZAR X in the form of Schedule 9;

Issuer Regulation Division means the division of ZAR X which is tasked with the Listings and Issuer Regulation function of ZAR X;

Issuer Regulation Appeal Committee means the committee authorized by the ZAR X Board to hear appeals lodged by Issuers against decisions of the Issuer Regulation Division;

iXBRL means Inline Extensible Business Reporting Language, being the format in which all future CIPC filings will have to be made and is the current international standard in digital financial reporting;

King IV means The King IV Report on Corporate Governance for South Africa 2016 published on 1 November 2016, as amended or replaced from time to time;

Last Day to Trade or LDT means the last Business Day to trade in a Security in order to settle by Record Date to be able to qualify for entitlements or to participate in an event;

Listing Date or LD means the date on which new Shares/Securities are Listed;

Listing(s) means the grant of a listing and quotation of, and permission to deal in, Securities on ZAR X and the ZAR X Trading Platform System and Listed shall be construed accordingly;

Listings Agreement means the agreement in the form of Schedule 9;

Listings Appeal Committee means the committee authorized by the ZAR X Board to hear appeals lodged by Issuers against decisions of the Listings Committee;

Listings Circular means a circular in the form of Schedule 6 together with all required supporting documents;

Listings Committee means the committee of the ZAR X Board responsible for processing applications for Listing;

Listings Summary means a document in the form of Schedule 7;

Listings Requirements means the listings requirements of ZAR X, including the Listings Schedules, published pursuant to the provisions of the FMA, as amended from time to time;

Market Participant means an applicant who has been admitted as a Market Participant in accordance with section 1 of the Rules;

Market Value means in relation to a listed Security, the traded or trading price;

Material means information that, if omitted or mis-stated, could influence the economic decisions of investors and includes a change in, or constituent of, a particular factor that may be regarded in the circumstances as being material and that, as a rule of thumb, would normally be equal to or exceed 10% (ten percent);

Material Investment a legal entity (listed or unlisted) in which the Issuer holds at least a 10% (ten percent) interest of any class of its Securities;

Material Security Holder means any person who is, or within the 12 months preceding the date of the transaction was, entitled to exercise or Control the exercise of 10% (ten percent) or more of the votes able to be cast on all or Substantially all matters at general/annual general meetings of the listed Company, or any other company that is its holding company;

Member(s) means members of ZAR X as defined in the Rules;

Memorandum of Incorporation or MOI shall bear the meaning ascribed thereto in the Companies Act or equivalent document constituting or defining the constitution of a Company under any other law;

New Applicant an applicant Issuer, who does not have a class of Securities already listed on ZAR X;

Non-executive Director means an independent non-executive director who has no relationship with the Issuer, in any other capacity (e.g. as lawyer, accountant, banker, supplier or customer), save as a Security Holder of the Issuer who is not a Control Block Holder;

Offer for Sale an invitation to the public by, or on behalf of, a third party to purchase Securities of the Issuer already in issue, or to be issued, and may be in the form of an invitation to tender at or above a stated price;

Offer for Subscription an invitation to the public by, or on behalf of, an Issuer to subscribe for Securities of the Issuer not yet in issue or allotted, and may be in the form of an invitation to tender at or above a stated price;

Official List means the list of Securities of Issuers kept by ZAR X in terms of section 11 of the FMA that ZAR X has admitted and not removed;

Ordinary Resolution has the meaning ascribed to it in the Companies Act;

Person includes without limitation a Company, corporation, incorporated syndicate or other unincorporated organisation, sole proprietorship, partnership, stokvel or trust;

Personal Information Form or PIF means the form as contained in Schedule 8;

Preference share means a share conferring preference as to income or return of capital that is paid out to shareholders before ordinary dividends are issued. If the company is liquidated, the shareholders with preference shares are entitled to be paid from company assets first.

Primary Listing means a listing on ZAR X in terms of which the Issuer is subject to the full requirements of the listing rules.

Price Sensitive Information means "inside information" as defined in Section 77 of the FMA;

Prospectus means a registered prospectus as defined in Section 95 of the Companies Act;

Public Security Holder means any Security Holder other than a Related Party or, an employee of a Related Party of an Issuer, or any person or group of persons acting jointly or in concert holding;

Publish means submitting and publishing a document in the prescribed electronic format on ZAPS as well as the Issuers website;

Quoted means official quotation of a Security by ZAR X;

Recognised Exchange means those exchanges recognized by the ZAR X Board from time to time;

Record Date means the date fixed as the record date for the purpose of determining whether a Security Holder of an Issuer is eligible for a distribution or other entitlement;

Registered Holders means the registered Security Holders of an Issuer that are Beneficial Owners of the Securities of that Issuer. For the purposes of this definition, where the Beneficial Owner Controls or is an Associate of the registered Security holder, the registered Security holder shall be deemed to be the Beneficial Owner;

Registrar has the meaning ascribed to it in the FMA;

Regulator means the Financial Services Board as regulator of exchanges for the purposes of the FMA;

Regulatory Bodies include but are not limited to:

1. CIPC;
2. The Takeover Regulation Panel;
3. Companies Tribunal; and
4. Financial Reporting Standards Council;

Related Entity means, in respect of an Issuer:

1. a person
 - a. that is an Associated entity of the Issuer, and
 - b. of which the Issuer is a Control Block Holder;
2. A management Company or distribution Company of a mutual fund that is an Issuer; or
3. A management Company or other Company that operates a trust or partnership that is an Issuer;

Related Party means Related Entity or Related Person;

Related Person means, in respect of an Issuer:

1. A Related Entity of the Issuer;
2. A partner, director or officer of the Issuer or Related Entity;
3. An Appointed Advisor of or person who performs Investor Relations Activities for the Issuer or Related Entity;
4. Any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% (ten percent) of the total voting rights attached to all voting Securities of the Issuer or Related Entity; and
5. Such other person as may be designated from time to time by ZAR X;

Reporting Accountant an Auditor and their advisers and the individual accredited partner, responsible for preparing the work and issuing the reporting Accountant's report;

Reporting Accountant Specialist means an individual registered with the IRBA, who is an employee, director or partner of that audit firm, and is registered as such on IRBA's list of Auditors and their advisers. A reporting Accountant specialist must also be accredited as an individual Auditor for that audit firm by IRBA.

Restricted ZAR X Securities means Restricted Securities Listed on ZAR X that may only be purchased or sold by an Eligible Purchaser;

Restricted Securities means Securities that are not Freely Tradable where the Issuer has imposed restrictions on trading of the Securities with respect to:

1. criteria governing Security Holders who may own/acquire Securities, including but not limited to criteria such as race, occupation, gender, membership, association;
2. limits on the number of Securities any single Security Holder may own; or
3. any other restrictions an Issuer is entitled to impose in relation to the rights and obligations attached to each Share;

Rights Offer means an offer by an Issuer to existing holders of Securities to subscribe for further Securities in the Issuer in proportion to their existing holdings by means of the issue of a renounceable right that is traded as either fully paid or nil paid rights for the period before payment for the Securities is due as detailed in the Rights Offer/Claw circular.

Rules means the Rules governing Members as published by ZAR X from time to time;

SAICA means the South African Institute of Chartered Accountants;

SANAS The South African National Accreditation System (SANAS) is the only national body responsible for carrying out accreditations in respect of conformity assessment, as mandated through the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (Act 19 of 2006).

SARB means the South African Reserve Bank;

SARS means the South African Revenue Service;

Secondary Listing means a Listing that is not a primary Listing of Securities as defined in the FMA;

Securities has the meaning ascribed to it in section 1 of the FMA;

Securities Holder means the holder of Securities from time to time;

Securities Option means an option to purchase Securities granted to an employee, director, officer, and consultant or service provider of an Issuer;

Securities Regulation means any and all laws and regulations applicable to the operation of financial markets in the Republic of South Africa, including but not limited to, the Companies Act, Cisca, the Financial Services Board Act, the FMA, the Trust Property Control Act, FAIS, TRP Rules and any other relevant industry specific legislation as well as the rules imposed by the relevant Regulatory Bodies from time to time;

Segregated Depository Account (SDA) means a designated account opened in the name of a Securities Holder with the ZAR X Designated CSD to record the number or nominal value of ZAR X Securities owned by the Securities Holder, and to record all transactions and entries made in respect of such ZAR X Securities;

Settlement Period means the period between the day on which the Dealing takes place and the date on which the Dealing is due for settlement, currently being 5 (five) Business Days;

Share means one of the units into which the proprietary interest in a profit Company is divided and includes preference shares;

Share Capital means a company's issued share capital;

Significant means any matter or element that is significant for the purpose of making an informed assessment of any transaction or listed Security. As a rule of thumb significant should be interpreted as being less than Material;

SME means a small or medium enterprise;

Solvency and Liquidity Test means the test set out in section 4 of the Companies Act;

Special Resolution means a resolution as contemplated in section 65(9) of the Companies Act or in terms of the relevant Company's Memorandum of Incorporation;

Special Purpose Vehicle (SPV) means a legal entity (usually a limited company) specifically created to fulfil narrow, specific or temporary commercial objectives;

Statutory Holiday means a day proclaimed as a public holiday in terms of applicable law in South Africa;

Strate means Strate Proprietary Limited, a company duly registered and incorporated with limited liability under the company laws of the Republic of South Africa under registration number 1998/02224/07, licensed as a Central Securities Depository under the FMA;

Subscribed capital or Issued Shares or Issued Capital or Share Capital means the portion of the capital of a Company that has been subscribed for by Security Holders;

Subsidiary means a subsidiary as defined in section 1 of the Companies Act as read with section 3 of the Companies Act; or a juristic person or other undertaking which would have been a subsidiary company as defined in section 1 of the Companies Act had the juristic person or other undertaking been a Company; or a juristic person or other undertaking that would have been a subsidiary as defined in section 1 of the Companies Act but for the fact that it is incorporated outside of the Republic of South Africa;

Substantial means a change in or a constituent of a particular factor that may be regarded in the circumstances as being substantial and that, as a rule of thumb, would normally be equal to or exceed 30% (thirty percent);

Statutory Holiday means a Day proclaimed as a public holiday in terms of applicable law in South Africa;

Strate means Strate Proprietary Limited, a company duly registered and incorporated with limited liability under the company laws of the Republic of South Africa under registration number 1998/02224/07, licensed as a Central Securities Depository under the FMA;

Trading Day means any Business Day during which trades are executed on the ZAR X Trading Platform System;

TRP The Takeover Regulation Panel (the Panel) is established in terms of section 196 of the Companies Act No 71 of 2008 (the Act);

Transfer Agent means the relevant person, institution or custodian assigned to maintain records of Security Holders and to reflect any changes to the register of the relevant Issuer.

Treasury Shares means shares acquired by a subsidiary of the issuer as envisaged in the Companies Act;

Weighted Average Traded Price (“VWAP”) means the total value of the Securities traded divided by the total number of Securities traded over a particular period of time;

ZAPS means the ZAR X Publishing Service which communicates issuer news to Market Participants and investors;

ZAPS Bulletin means an electronic communication from ZAR X to ZAR X Market Participants on ZAPS.

ZAR X and Exchange means ZAR X Proprietary Limited, a company duly registered and incorporated with limited liability under the company laws of the Republic of South Africa under registration number 2015/089692/06, licensed as an exchange under the FMA;

ZAR X Board means the Board of Directors of ZAR X as constituted from time to time in terms of ZAR X’s Memorandum of Incorporation and includes any committee of ZAR X Board to which powers have been delegated in accordance with the acts, requirements, Schedules, rules or directives;

ZAR X Designated CSD means the Central Securities Depository with whom a Securities Holder must hold a segregated Depository Account for the custody of ZAR X Securities;

ZAR X Designated CSDP means the CSDP specified in the Procedures that a Market Participant and a Securities Holder must appoint to perform Clearing Services in respect of transactions in ZAR X Securities executed through the ZAR X Trading Platform;

ZAR X Issuer means an Issuer whose Securities have been admitted to the Official List;

ZAR X Trading Platform means the electronic platform made available by ZAR X to Market Participants for trading and quoting of ZAR X Securities, the entry of Trading Messages, the matching of Orders, the reporting of transactions and the administration of Client information.

ZAR X Operating Rules (“the Procedures”) the Operating Rules, which regulate ZAR X Market Participants and secondary-market trading, as issued by ZAR X from time to time.

ZAR X Securities means Securities included in the list of Securities kept by ZAR X in terms of section 11 of the FMA and which ZAR X has authorised for trading on the ZAR X Trading Platform.

Section 1

1 Interpretation and general provisions

1.1 Introduction and philosophy

1.1.1 The fundamental requirements for a fair and efficient capital market that promotes confidence and protects investors from unfair, improper or fraudulent practices are:

1.1.1.1 accurate, timely and continuous disclosure by Issuers;

1.1.1.2 trading Rules designed to ensure transparency, integrity and a fair and orderly market; and

1.1.1.3 comprehensive and appropriate market regulation to administer and enforce the Listings Requirements and trading Rules.

1.1.2 The Listings Requirements govern the admission of entities to the Official List, the quotation of ZAR X Securities, the suspension of Securities from trading and removal of Issuers from the Official List. They also govern disclosure as well as aspects of an Issuer's conduct. Compliance with the Listings Requirements is a pre-condition for admission to the Official List.

1.1.3 The Listings Requirements are, in accordance with the provisions of the FMA, binding on an Issuer and Market Participants, their directors, officers, employees and agents. However, nothing within these Listings Requirements however limits the powers of ZAR X or its officers to exercise any powers granted to them in terms of the FMA.

1.1.4 The Listings Requirements serve the interests of both Issuers and investors, both of whom have a vital commitment to maintaining the reputation of the market in ZAR X Securities by ensuring that it is of an international standard, facilitates efficient capital raising and provides sound investor protection.

1.2 Rules of construction

In the ZAR X Listings Requirements and accompanying Schedules:

1.2.1 The division of ZAR X Listings Requirements into separate sections, subsections and clauses, the provision of a table of contents and index thereto, and the insertion of headings, indented notes and footnotes are for convenience and reference purposes only and shall not affect the construction or interpretation of these Listings Requirements.

1.2.2 The Schedules are ancillary and separate from the Listings Requirements since these contain information that is subject to change from time to time as determined by the exchange.

1.2.3 The use of the words "hereof", "herein", "hereby", "hereunder" and similar expressions indicates the whole of the Listings Requirements and not only the particular section in which the expression is used, unless the context clearly indicates otherwise.

1.2.4 The word "or" is not exclusive and the word "including", when following any general statement or term, does not limit that general statement or term to the specific matter set forth immediately after the statement or term, whether or not non-limited language (such as "without limitation" or "but not limited to" or similar words) is used.

1.2.5 Any reference to a statute, unless otherwise specified, is a reference to that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that may be passed which supplements or supersedes that statute or regulation.

- 1.2.6 Grammatical variations of any defined term shall have similar meanings; words imputing the masculine gender include the feminine or neuter gender and words in the singular include the plural and vice versa.
- 1.2.7 All times mentioned in the Listings Requirements shall be local time in Johannesburg, South Africa on the day concerned, unless the subject matter or context otherwise requires
- 1.2.8 Any reference to currency refers to the lawful currency of the Republic of South Africa (unless expressed to be in some other currency).
- 1.2.9 Failure by ZAR X to exercise any of its rights, powers or remedies under the Listings Requirements, or any delay to do so will not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy will not prevent its subsequent exercise or the exercise of any other right, power or remedy.
- 1.2.10 ZAR X will not be deemed to have waived the exercise of any right, power or remedy unless such waiver is made in writing and delivered to the person to whom such waiver applies or is Published, if such waiver applies generally. Any waiver may be general or particular in its application, as determined by ZAR X.

1.3 Governing principles

The principles which underpin the obligations imposed on Issuers by the Listings Requirements include:

- 1.3.1 An Issuer must satisfy appropriate minimum standards of quality, size and operational capability and disclose adequate information about itself before it is admitted to the Official List.
- 1.3.2 Sufficient investor interest in an Issuer's Securities should be demonstrated before those Securities are Quoted.
- 1.3.3 Securities should be issued in circumstances which are fair to new and existing Security Holders.
- 1.3.4 Securities should have rights and obligations attaching to them that are fair to new and existing Security Holders.
- 1.3.5 Timely disclosure should be made of information which may have a Material effect on the price or value of an Issuer's Securities.
- 1.3.6 Information should be produced in accordance with high standards of accuracy and, where appropriate, enable ready comparison with similar information.
- 1.3.7 Information should be comprehensively disclosed to enable Security Holders to assess an Issuer's corporate governance practices.
- 1.3.8 The practices adopted in relation to meetings and other communications with Security Holders should facilitate constructive engagement with Security Holders.
- 1.3.9 Certain Significant and Fundamental transactions will require Security Holder approval (as described in the specific sections of the Listings Requirements).
- 1.3.10 In accepting the benefits of access to the ZAR X market, Issuers, Market Participants and their officers, directors, employees and agents should also recognise that they assume a concomitant responsibility to the market and the investors in the market. In addition to complying with their obligations under the Listings Requirements and the Companies Act, they are expected to maintain high standards of integrity and accountability at all times.

1.4 Directives

ZAR X issues formal and mandatory directives from time to time. Directives are an official pronouncement on a policy or procedure, which impose compliance by an Issuer or discourage a stated or defined activity.

1.5 Guidance notes

ZAR X may issue guidance notes to promote commercial certainty, reduce costs to business and assist Market Participants. Guidance Notes set out ZAR X's general approach to a subject. They should not be regarded as a definitive statement of the application of the Listings Requirements in every case, nor are they a substitute for an Issuer obtaining its own legal advice on a matter of concern to it.

1.6 Scope

The primary focus of the ZAR X Listings regime will be ordinary Companies, Investment Entities, entities with Restricted Securities and Special Purpose Vehicles.

1.7 Issuer disclosure

1.7.1 ZAR X's Issuer disclosure obligations commence with the Listings Circular (Schedule 6), a document that is completed by a prospective Issuer which is intended to provide a Prospectus level of disclosure where required. The Listings Circular is accompanied by the Listings Summary (**Schedule 7**) which provides a high-level summary of the Listings Circular.

1.7.1.1 Once listed, an Issuer must Publish an annual report containing the annual financial statements and a director's report, every year not less than 15 (fifteen) days before the date of its Annual General Meeting, but within 4 months of the Issuers financial year-end in accordance with Section 4.

1.7.2 In addition, an Issuer must Publish interim financial statements semi-annually, together with appropriate commentary from the Board in accordance with Section 4

1.7.3 An Issuer must Publish notices on ZAPS and on their Company websites. Such notices must include information on any distributions, transactions or corporate actions, or proposed distributions, transactions or corporate actions.

1.7.4 Issuer disclosure obligations are in addition to, or supplementary to, the continuous disclosure obligations under the FMA and applicable Securities Regulation.

1.8 ZAR X Discretion

1.8.1 The ZAR X Listings Requirements have been formulated to serve as rules and guidelines for Issuers and their Appointed Advisors, who intend applying for the Listing of Securities. Subject to the requirements of the FMA, ZAR X reserves the right to exercise its absolute discretion in applying the Listings Requirements in all respects.

1.8.2 Subject to the requirements of the FMA, ZAR X can waive or modify an existing condition or impose additional conditions to a Listing. Any such waiver, modification or imposition of additional requirements may be general or particular in its application, as determined by ZAR X, utilising its discretion.

1.8.3 ZAR X may take into consideration facts or circumstances that are unique to a particular entity. ZAR X may exercise its prerogative by granting or denying an application for Listing, notwithstanding compliance with the Listings Requirements.

1.8.4 Any relaxation of a provision within these Listings Requirements (or the imposition of a new requirement) will be effected on the basis and for the reasons set out in Section 3.1.2.

1.9 Appeals of decisions

1.9.1 An Issuer or any person directly affected by a decision by ZAR X under the Listings Requirements, other than a decision of the Regulator, may appeal such decision to the ZAR X Listings Appeal Committee.

1.9.2 At the request of either the appellant or the ZAR X Board, the matter may first be considered by the Listings Committee for an advisory opinion, but the Listings Committee shall not have the power to make a final determination of the matter.

1.9.3 Thereafter the appeal must be dealt with in accordance with the formal appeal process laid out in the Enforcement and Appeals Rulebook published by ZAR X from time to time.

Section 2

2 General powers of ZAR X

- 2.1 Subject to the provisions of the FMA, ZAR X has the following powers in terms of the Listings Requirements:
 - 2.1.1 to grant, defer, refuse, suspend or remove a Listing;
 - 2.1.2 to prescribe, from time to time, the Listings Requirements with which a New Applicant must comply before Securities issued by such New Applicant are granted a Listing;
 - 2.1.3 to prescribe, from time to time, the Listings Requirements with which existing Issuers must comply;
 - 2.1.4 to prescribe, from time to time, the Listings Requirements with which an applicant Issuer's directors, officers and agents must comply while Securities issued by such applicant Issuer remain listed;
 - 2.1.5 to alter, amend or rescind a Listings Requirement prescribed before or after a Listing has been granted and to prescribe additional Listings Requirements from time to time;
 - 2.1.6 to prescribe the circumstances under which a Listings of ZAR X Securities shall or may be suspended or removed; and
 - 2.1.7 to prescribe, from time to time, the Listings Requirements with which Appointed Advisors, Auditors, and Reporting Accountants must comply.
- 2.2 Listings are granted subject to compliance with the Listings Requirements and New Applicants and their directors must comply fully with the Listings Requirements.
- 2.3 Subject to the requirements of the FMA, ZAR X may grant a Listing subject to any additional condition(s) that it considers appropriate, in which event the New Applicant will be informed of, and will be required to comply with, any such condition(s).
- 2.4 Nothing contained in this section shall limit the powers of ZAR X or its officers to those contained herein, and ZAR X or its officers may, at any time, exercise any further powers granted to ZAR X or its officers in terms of the FMA. Where ZAR X exercises discretion in terms of these Listings Requirements, it shall use its sole discretion and, subject to the provisions of paragraphs 2.5 and 2.6 below, judicial review and the appeal provisions in the FMA, its rulings shall be final.
- 2.5 If an Issuer, director, Auditor, Appointed Adviser Reporting Accountant and/or Reporting Accountant Specialist, in respect of whom a decision (other than a decision in respect of which a specific appeal or review procedure is prescribed in these Listings Requirements, the Rules of ZAR X and the FMA or any replacement legislation) is taken under these Listings Requirements, objects to such decision, such person must notify ZAR X in writing within 48 hours of the decision, giving reasons for such objection.
- 2.6 In such event, ZAR X shall consider the objection and shall be entitled, in its sole discretion, to consult with not less than three independent members of the Listings Committee. After taking into account the views of those independent members, ZAR X shall be entitled to reconsider and amend its decision. A decision of ZAR X made after following this procedure will be final.

- 2.7 Subject to the provisions of the FMA, if ZAR X decides, at its instance, to remove a Listing, and the Issuer concerned objects to this decision, then the Issuer may appeal to the Listings Appeal Committee in writing within 48 hours of the decision, giving reasons for such objection. In such event, ZAR X will constitute the Listings Appeal Committee in accordance with the mandate issued by ZAR X Board for this purpose.
- 2.8 All Announcements, notices, Listing Circulars and other documents required to be Published pursuant to the Listings Requirements shall be vetted beforehand by the Issuer Regulation Division.
- 2.9 Any objection or dispute in respect of whether or not a particular Issuer or applicant Issuer has complied with the Listings Requirements in respect of such Announcements, notices, Listing Circulars or other documents shall be dealt with in accordance with paragraph [2.5](#) to 2.7 above.

Section 3

3 Conditions for Listings and Continuing Obligations

3.1 General

- 3.1.1 This section sets out the conditions that an entity must satisfy applying for admission to the Official List and the on-going obligations to be complied with, for an Issuer to remain listed.
- 3.1.2 ZAR X takes into consideration the specific characteristics of each applicant Issuer. ZAR X may grant admission for a limited period even though not all the requirements have been met. Such approval will only be granted in consultation with the Registrar if practicalities impede the strict application of these Listing Requirements and the delay is justifiable in the circumstances mentioned in Section 11(8)(c) of the FMA.
- 3.1.3 Subject to 3.2 below, ZAR X may, in consultation with the Registrar, refuse admission even though all the requirements have been met on the grounds stated in Section 11(8)(d) of the FMA.
- 3.1.4 Information and documents provided to ZAR X in support of an application become the property of ZAR X and may be made public for any lawful purpose by ZAR X.

3.2 Eligibility

- 3.2.1 An applicant Issuer will only be eligible for Listing provided such Issuer is not in default of any requirements, provisions or obligations imposed by all applicable Securities Regulation including, but not limited to, the Income Tax Act, Companies Act, FMA, other Securities Regulation and/or anti money laundering legislation in South Africa or any other legislation or regulations applicable to such Issuer.
- 3.2.2 Applicant to be duly incorporated
 - 3.2.2.1 The applicant must be duly incorporated or otherwise validly established under the law of its country of incorporation or establishment and must be operating in conformity with its Memorandum of Incorporation or, if not South African, any other relevant constitutional documents and all applicable laws of its country of incorporation or establishment.
 - 3.2.2.2 An applicant seeking a Listing on ZAR X must contractually undertake to ZAR X, by entering into the Issuer Agreement (Schedule 9), that from the date of admission to Listing of any of its Securities it will comply fully with all the Listings Requirements of ZAR X, irrespective of the jurisdiction in which the applicant is incorporated.

3.3 General Requirements

- 3.3.1 An Issuer wishing to apply for a Listing on ZAR X must comply (and after the Listing has been granted must, where applicable, comply on a continuing basis) with the following requirements:
 - 3.3.1.1 The MOI of the Issuer must comply with the minimum requirements set out in Schedule 2;
 - 3.3.1.2 The Issuer may only offer uncertificated securities;
 - 3.3.1.3 The Issuer may only pay dividends by electronic funds transfer;
 - 3.3.1.4 The Issuer must have Shareholder approval to list on ZAR X;

- 3.3.1.5 The Issuer must ensure that each Shareholder holds a Segregated Depository Account ("SDA") with the ZAR X Designated CSD in uncertificated form, in the name of the beneficial owner;
- 3.3.1.6 Through the directors of the Issuer, and/or the Appointed Advisor, a New Applicant must present, a detailed business plan (including but not limited to historic and forecast financial information) to ZAR X, prior to applying for a Listing:
 - 3.3.1.6.1 ZAR X will then advise the New Applicant as to its eligibility or not, for a Listing;
 - 3.3.1.6.2 ZAR X may, where it deems appropriate, submit the business plan to the Listings Committee for consideration and advice and thereafter exercise its discretion as to whether or not to grant the New Applicant permission to proceed with an application to List.
- 3.3.1.7 The Issuer must conclude an Issuer Agreement (Schedule 9) with ZAR X;
- 3.3.1.8 The Issuer must pay to ZAR X the relevant Listings fees, based on the type of Securities to be listed, in accordance with the amounts and the payment Schedule (Schedule 3) prescribed by ZAR X from time to time, as well as any applicable taxes. The listing of the Issuer's Securities will not be effected until the relevant Listings fees have been received by ZAR X.
- 3.3.1.9 All Issuers are required to be approved by Strate and must comply with the Central Securities Depository Rules once approval for Listing has been granted by ZAR X.
- 3.3.1.10 Applicant issuers must therefore complete the following documents to be issued with an ISIN number upon approval by Strate, prior to listing:
 - 3.3.1.10.1 Strate NDA;
 - 3.3.1.10.2 ISIN application; and
 - 3.3.1.10.3 Strate Eligibility Forms.
- 3.3.1.11 The Issuer must prepare and file a Listings Circular (Schedule 6) with ZAR X together with the prescribed documentation;
- 3.3.1.12 The Issuer must appoint an Appointed Advisor and the terms of the appointment must be in accordance with paragraph [6.5](#);
- 3.3.1.13 Public Security Holders must hold a minimum of 30% (twenty percent) of each class of ZAR X Securities to ensure reasonable liquidity;
- 3.3.1.14 The applicant Issuer must appoint an executive financial director and a Company Secretary;
- 3.3.1.15 The audit committee of the New Applicant must be satisfied (and submit confirmation in writing to ZAR X) that the executive financial director has the appropriate expertise and experience to fulfil his role.
- 3.3.1.16 The New Applicant must produce a profit forecast, signed-off and approved by its Auditors, and, where applicable, supported by an audit opinion, for the remainder of the financial year during which it intends to list and for 1 (one) full financial year thereafter, unless:

- 3.3.1.16.1 The applicant Issuer provides audited historical financial information for the preceding 3 (three) years as from the date of application; or
- 3.3.1.16.2 The applicant Issuer is already governed by another listings regime that ZAR X has found acceptable and those requirements do not require or allow forecast financial information to be presented.
- 3.3.1.17 ZAR X must be consulted at an early stage to determine if it deems such listings requirements to be acceptable.
- 3.3.1.18 Securities for which a Listing is sought must:
 - 3.3.1.18.1 be fully paid up, non-assessable and freely transferable, unless otherwise required by law;
 - 3.3.1.18.2 be legally and validly issued in conformity with all relevant laws and constitutive documents;
 - 3.3.1.18.3 rank *pari passu* with all other Securities in that class.
- 3.3.1.19 All relevant constitutive documents must be approved by ZAR X prior to Listing;
- 3.3.1.20 Securities held by directors will be Embargoed from the date of an IPO Listing and for a period of 24 (twenty-four) months thereafter;
- 3.3.1.21 At least 80% (eighty percent) of the shareholding of each director, Related Person and the Appointed Advisor ("the relevant Securities") in such applicant Issuer, if applicable, will be Embargoed from being traded or sold.
 - 3.3.1.21.1 Securities that are Embargoed by ZAR X will be restricted from trading by Strate at the SDA Account level;
 - 3.3.1.21.2 The relevant Securities, whether new or existing, are to be Embargoed until the publication of the audited results for the remainder of the financial year of Listing and for 1 (one) full financial year thereafter;
 - 3.3.1.21.3 Thereafter 50% (fifty percent) of the Securities held under Embargo may be released and the balance one year thereafter; and
 - 3.3.1.21.4 The relevant Securities may only be released after notifying ZAR X of the request to release and subject to the prior written approval of ZAR X.
- 3.3.1.22 The applicant Issuer must have Control over the majority of its assets. It must have a reasonable spread of direct interests in the majority of its assets and the right to actively participate in the management of such assets, whether by voting or through other rights that give it influence in the decisions relating to the assets.
- 3.3.1.23 An operating Company in any industry must have achieved revenue from the sale of goods or the delivery of services to customers and these revenues must appear on its audited financial statements or on an interim financial statement supported by a comfort letter from the Company's Auditor.

- 3.3.1.24 An applicant Issuer that has not commenced operations in any industry must have a comprehensive plan to develop an active business and evidence that it has the financial resources to carry out that plan.
 - 3.3.1.25 ZAR X will not approve an Issuer for Listing if any Related Persons of the Issuer have been convicted of fraud, breach of a fiduciary duty or any contraventions of Securities Regulation within the past 5 (five) years (other than a minor breach that does not necessarily give rise to investor protection or market integrity concerns) or any other activity that concerns integrity of conduct unless the Issuer first severs relations with such person(s) to ZAR X's satisfaction.
 - 3.3.1.26 ZAR X may not approve an Issuer for Listing if any Related Persons or Appointed Advisor associated with the Issuer have entered into a settlement agreement with a Securities regulator or other regulatory authority in respect of any fraud, breach of a fiduciary duty or contraventions of Securities Regulation.
 - 3.3.1.27 An Issuer must file with ZAR X the documents set out in Schedule 5, based on the type of Securities to be listed.
 - 3.3.1.28 The Issuer must submit any additional information, documents or agreements requested by ZAR X.
- 3.3.2 Final documentation - The following documents must be provided to ZAR X in order to qualify for Listing:
- 3.3.2.1 a full set of certified copies of the company registration documents as provided by CIPC;
 - 3.3.2.2 one original signed copy of the Listings Circular (Schedule 6) dated within 3 (three) Business Days of the date it is submitted to ZAR X together with any additions or amendments to the supporting documentation;
 - 3.3.2.3 one original signed copy of the Listings Summary (Schedule 7) dated within 3 (three) Business Days of the date it is submitted to ZAR X;
 - 3.3.2.4 an original signed copy of the applicable Listings Agreement (Schedule 9);
 - 3.3.2.5 a letter from the Appointed Advisor confirming that the Issuer:
 - 3.3.2.5.1 is in good standing under and not in default of any applicable corporate law or other applicable laws of the jurisdiction of its establishment;
 - 3.3.2.5.2 has the corporate power and capacity to own its properties and assets, to carry on its business as it is currently being conducted, and to enter into the Listings Agreement and to perform its obligations thereunder; and
 - 3.3.2.5.3 has taken all necessary corporate steps to authorise the execution, delivery and performance of the Listings Agreement and that the Listings Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms;

- 3.3.2.5.4 confirmation from the Appointed Advisor that all Securities previously issued of the class of Securities to be Listed, or that may be issued upon conversion, exercise or exchange of other previously-issued Securities, are or will be duly issued and are or will be outstanding as fully paid and non-assessable Securities;
- 3.3.2.6 SARS tax clearance certificate;
- 3.3.2.7 audited annual financial statements for the preceding year; and
- 3.3.2.8 SANAS approved BBBEE certificate, where applicable.
- 3.3.3 Exchange control approval
 - 3.3.3.1 An issuer that requires approval for an issue and listing of securities from the Financial Surveillance Department of the South African Reserve Bank ("SARB"), must obtain such approval before applying to list. Permission to list will not be given until copies of the requisite authority from SARB, giving a ruling regarding the use of funds introduced through normal banking channels from abroad or from a non-resident account or from an emigrant's blocked Rand account relating to such issue, is received.
- 3.3.4 Primary Board
 - 3.3.4.1 An applicant Issuer seeking a Listing on the Primary Board of ZAR X must comply with the provisions in [3.2](#) above and have a market capitalization upon Listing of not less than R200 million with a minimum free float of 30% (thirty percent) of the market capitalization; and
 - 3.3.4.2 a shareholder spread of not less than 300 Security Holders.
- 3.3.5 Investment Entities
 - 3.3.5.1 An Investment Entity must have:
 - 3.3.5.1.1 A market capitalisation upon Listing of at least R100 million with a minimum free float of 25% of the market capitalisation (whichever is the higher); and
 - 3.3.5.1.2 a shareholder spread of not less than 100 Security Holders.
 - 3.3.5.2 Conditions for Listing an Investment Entity

In addition to the other General Requirements for Listing set out in this Section 3, an Investment Entity must also comply with the following additional conditions:

 - 3.3.5.2.1 The Investment Entity must satisfy ZAR X that its Directors have, and where applicable, its investment manager has, sufficient and satisfactory experience in the management of investments of the type in which the Issuer proposes to invest;
 - 3.3.5.2.2 Directors of the Investment Entity must be able to demonstrate that they will act independently of any investment manager of the Investment Entity;
 - 3.3.5.2.3 There must be an adequate spread of investment risk;

- 3.3.5.2.4 Distributable income must be principally derived from investments;
- 3.3.5.2.5 The Investment Entity must not take legal or ownership Control of investments in its portfolio and there must be separation of investor funds.
- 3.3.5.2.6 The underlying investments held by an Investment Entity need not be limited to Securities, but may include partnership interests, participations, joint ventures and other forms of non-corporate investment provided that the conditions of Listing are met;
- 3.3.5.2.7 Investment Entities may not pay distributions unless they are:
 - 3.3.5.2.7.1 permitted to do so in terms of the Companies Act; and
 - 3.3.5.2.7.2 where they are paid from the profits arising from the realisation of investments, the shareholders must have approved the distribution by Ordinary Resolution;
- 3.3.5.2.8 the Investment Entity must make arrangements acceptable to ZAR X for the safe custody of its assets; and
- 3.3.5.2.9 the Investment Entity must adopt a clearly formulated investment policy or mandate which must be detailed in the Listings Circular.

3.3.6 Restricted Securities

- 3.3.6.1 An Issuer of Restricted Securities must have:
 - 3.3.6.1.1 A market capitalisation upon listing of at least R200 million with a minimum free float of 40% of the market capitalisation; and
 - 3.3.6.1.2 a shareholder spread of not less than 200 Security Holders;
 - 3.3.6.1.3 Public Security Holders must constitute at least 40% (forty percent) of the total issued Share Capital of that security.
- 3.3.6.2 An identifying marker will be added to the Issuer's disclosure on the ZAR X Trading Platform to designate the Shares of such Issuer as a Restricted Security.
- 3.3.6.3 An Issuer of a Restricted Security must have:
 - 3.3.6.3.1 adequate working capital and financial resources to carry out or execute its business plan for 18 (eighteen) months following Listing;
 - 3.3.6.3.2 an interest in the business or primary asset used to carry on business; and

- 3.3.6.3.3 management, including the Board, that have adequate experience and technical expertise relevant to the Issuer's business and industry as well as adequate public company experience.
- 3.3.6.4 The determination as to whether any Shares constitute Restricted Securities will be made by the Listings Committee.
Restrictions to transferability will only be allowed if the restriction:
 - 3.3.6.4.1 applies to all Securities of that class issued or proposed to be issued;
 - 3.3.6.4.2 is objectively determinable without ambiguity and uncertainty and without requiring recourse to the Issuer and the Issuer has indemnified ZAR X from any interpretation or application of such restriction made in good faith and without negligence;
 - 3.3.6.4.3 is legally permissible in terms of the Issuer's Memorandum of Incorporation and the laws of the Republic of South Africa and in the case of a Foreign Issuers in accordance with the laws of the place of incorporation or establishment of the Foreign Issuers;
 - 3.3.6.4.4 is unconditional, or where subject to any condition, such condition is objectively determinable without ambiguity and uncertainty and without requiring recourse to the Issuer and the Issuer has indemnified ZAR X from any interpretation or application of such condition made in good faith and without negligence;
 - 3.3.6.4.5 does not limit the level of security holding in such a way as to make a Listing inappropriate because there will not be an adequate market for the Securities; and
 - 3.3.6.4.6 can be amended, removed or waived without ZAR X approval.
- 3.4 Substantial float
 - 3.4.1 ZAR X may exercise a discretion to amend or waive the provisions of paragraphs 3.3 if an Issuer has a "Substantial Float".
 - 3.4.2 Applicant Issuers should approach ZAR X as early as possible to determine whether the Substantial Float requirements below will apply.
 - 3.4.3 ZAR X will generally consider an Issuer that meets all the following criteria to have a Substantial Float:
 - 3.4.3.1 Securities to the value R20 000 000 (twenty million rand) held by Public Security Holders at the date of Listing; or
 - 3.4.3.2 1000 (one thousand) Public Security Holders with a minimum of ten Board Lots each with no Embargo restrictions; and
 - 3.4.3.3 At least 15% (fifteen percent) of the issued and outstanding Shares are held by Public Security Holders.

3.5 Alternative structures

3.5.1 Acceptance of an alternative capital structure, public float or free trading requirements is contingent upon an evaluation by ZAR X taking into account the following criteria:

- 3.5.1.1 The track record, quality and experience of management and the Board;
- 3.5.1.2 The degree of compliance with the listing criteria in Schedule 2;
- 3.5.1.3 The capital contribution (cash paid in, reasonable value of assets and reasonable value of services performed, less any cash payments) by Related persons; and
- 3.5.1.4 The relationship of capital contribution to ownership by Related Parties.

3.6 Notice of Refusal to List

3.6.1 Upon receipt of an application to list, ZAR X must, prior to refusing any application by an Issuer to list its Securities:

- 3.6.1.1 inform the Issuer of its intention to refuse the application;
- 3.6.1.2 provide the Issuer with reasons for the intended refusal;
- 3.6.1.3 call on the Issuer to show cause within 15 (fifteen) Business Days why the application should not be refused

3.6.2 Upon receipt of the reason from the Issuer in accordance with 3.3.1.3 above, the Listings Committee shall within 5 (five) days make a final determination as to whether the Issuer's Securities will be listed or not.

3.7 Publication

3.7.1 An Issuer must have access to the Internet.

3.7.2 All Announcements must be Published on ZAPS as well as on the Issuer's own website.

3.7.3 The following documents must also be Published on the website:

- 3.7.3.1 the Listings Circular or equivalent document including all reports required to be filed therewith;
- 3.7.3.2 the Listings Summary (Schedule 8);
- 3.7.3.3 the Listings Agreement (Schedule 9);
- 3.7.3.4 an executed Certificate of Compliance (Schedule 11); and
- 3.7.3.5 an index of the Issuer's CIPC documents, including:
 - 3.7.3.5.1 Certificate of incorporation;
 - 3.7.3.5.2 Memorandum of Incorporation; and
 - 3.7.3.5.3 Registered directors.

3.7.4 All documents must be Published in the data format as may prescribed by ZAR X from time to time.

3.8 Convertible Securities

- 3.8.1 In addition to any other Listings Requirements affecting Convertible Securities, ZAR X will not grant a Listing of Convertible Securities unless there are sufficient unissued Securities in the applicant's authorised share capital, into which the Convertible Securities could/will convert, at the time that such Convertible Securities are issued and listed. The applicant must also undertake to ZAR X that it will, at all times, maintain a sufficient number of unissued Securities in its authorised share capital to be able to affect the eventual conversion, or until such Convertible Securities are no longer in issue.

3.9 Public Security Holders

- 3.9.1 Securities will not be regarded as being held by the general public if they are beneficially held, whether directly or indirectly, by:

- 3.9.1.1 the directors, Appointed Advisor of the Issuer or of any of its subsidiaries;
- 3.9.1.2 an Associate of a director of the Issuer or of any of its subsidiaries;
- 3.9.1.3 the trustees of any employees' Share Scheme or pension fund established for the benefit of any directors or employees of the Issuer or any of its subsidiaries;
- 3.9.1.4 any person that has an interest of more than 10% (ten percent) or more of the Securities of the relevant class, unless ZAR X determines that, after taking account of relevant circumstances, such person may be included as a Public Security Holder; or
- 3.9.1.5 employees of the Issuer, where restrictions on trading in the Issuer's listed Securities, in any manner or form, are imposed by the Issuer on such employees.

- 3.9.2 Securities will be regarded as being held by the public if any person that has an interest of 10% (ten percent) or more of such Securities of the relevant class:

- 3.9.2.1 is a fund manager or portfolio manager managing more than one fund or portfolio (including private equity funds), where each fund or portfolio is interested in less than 10% (ten percent) of the Securities; provided that this exemption shall not apply where the fund or portfolio manager is, in relation to any such fund or portfolio, acting in concert with any person that holds relevant Securities that, together with those held by the fund or portfolio in question, represent 10% (ten percent) or more of the Securities; or
- 3.9.2.2 is the registered holder of Securities that are the subject of a listed depository receipt programme and no depository receipt holder, together with any person with whom he may be acting in concert, holds depository receipts representing 10% (ten percent) or more of the Securities, save where the holder is a fund or portfolio manager as contemplated in paragraph [3.9.2.1](#) above; or
- 3.9.2.3 is any public investment entity or public funding provider.

3.10 Notifications officer

- 3.10.1 An Issuer must designate at least one individual to act as the Issuer's notifications officer with at least one alternate person nominated. The notifications officer will either be an employee of the Issuer or a third-party service provider specifically appointed for this purpose. The notifications officer may be the Appointed Advisor;

- 3.10.2 The notifications officer will be responsible for notifications or arranging for the notifications, on behalf of the Issuer, of all of the documents required to be Published by the Issuer;

3.10.3 The notifications officer shall provide ZAR X with the necessary confirmation that processes and procedures are in place to ensure that all relevant information disclosure restrictions are adhered to, including all relevant restrictions relating to Price Sensitive Information.

3.11 Disclosure of beneficial interests

3.11.1 An Issuer that has received a notice regarding certain Share transactions, in terms of Sections 122(1) of the Companies Act, must, within 48 (forty-eight) hours after receipt of such notice, Publish the information contained in the notice on ZAPS. No such Announcement shall be required in respect of notices received by the Issuer and which relate to a disposal of less than 5% (five percent) of the relevant class of Securities, as contemplated in Section 122(3) of the Act.

3.12 Options and Convertible Securities granted/issued for cash

3.12.1 Where options or Convertible Securities, excluding executive and staff Share Schemes, are granted/issued for cash (or for the extinction or payment of any liability, obligation or commitment, restraint(s), or settlement of expense), such options/Convertible Securities, issued otherwise than to existing holders of Securities in proportion to their existing holdings, will be permitted in respect of:

3.12.1.1 a specific issue of such options/Convertible Securities, provided specific approval is obtained for such grant/issue in terms of paragraph 8.6.2;

3.12.1.2 a general issue of options/Convertible Securities provided approval for such grant/issue is obtained in terms of paragraph 8.6.3

3.12.2 Options or Convertible Securities may not be issued if the exercise or conversion will result in any breach of the Issuer's Memorandum of Incorporation or constitutive documents.

3.13 Sufficiency of Operations

An Issuer must at all times, carry on, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to ZAR X to warrant the continued listing of the issuer's securities.

3.14 Affected transactions

Where any issue for cash constitutes an "affected transaction", as defined in the Takeover Regulations and the Companies Act, such affected transaction must be reported to the Panel by the Issuer as well as ZAR X.

3.15 Foreign Issuers

3.15.1 If these Listings Requirements refer to a requirement in legislation applicable to a listed company incorporated in South Africa, a listed Foreign Issuer must comply with the requirement in so far as:

3.15.1.1 information available to it enables it to do so; and

3.15.1.2 compliance is not contrary to the law in its country of incorporation.

3.15.2 A listed Foreign issuer must, if required to do so, provide ZAR X with a letter from an independent legal adviser explaining why such compliance would be contrary to the law of its country of incorporation.

3.16 English language

A document that is required by ZAR X to be filed, provided to ZAR X or sent to security holders must be in English.

3.17 Fees

An issuer must pay the fees set out in Schedule 1A to ZAR X when they are due.

3.18 On-going obligations for Listings

3.18.1 To continue to qualify for Listings, an Issuer must satisfy all the following on-going obligations:

- 3.18.1.1 an Issuer must be in good standing under and not in default of the Companies Act or FMA and must retain a sufficient level of operations or have tangible assets or intangible assets of sufficient value to warrant its continued Listing;
- 3.18.1.2 an Issuer must remain an Issuer or equivalent in good standing in every other jurisdiction in which it is an Issuer or equivalent and must not be in default of any requirement of any such jurisdiction;
- 3.18.1.3 an Issuer must comply with all Listings Requirements, and the terms of the Listings Agreement at all times;
- 3.18.1.4 an Issuer must Publish all required documents and information required in accordance with the Listings Requirements;
- 3.18.1.5 an Issuer must Publish all public documents submitted to the CIPC on the Issuer's web-site concurrently with that submission;
- 3.18.1.6 an Issuer is required to submit Personal Information Forms (Schedule 8) for each director and officer at the time of listing. In addition, the Issuer must submit a Personal Information Form (Schedule 8) for any director or officer appointed after Listing; and
- 3.18.1.7 an Issuer must take all reasonable care to ensure that any statement, document or other information which is provided to or made available to ZAR X or Published by the Issuer is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, document or other information.
- 3.18.1.8 an Issuer must ensure that all holders of Securities of the same class are treated equally;
- 3.18.1.9 an Issuer must comply with the disclosure obligations in Section 7;
- 3.18.1.10 an Issuer must Announce to all Security Holders every shareholder meeting arranged by the Issuer (together with any form of proxy for such meeting). Any such Announcement shall first be submitted to ZAR X for approval with ZAR X being copied on any final Announcements;
- 3.18.1.11 an Issuer must notify ZAR X of the appointment or resignation of any directors of the Issuer.
- 3.18.1.12 The Issuer must immediately notify ZAR X of any declaration of interest received from a director (including any interest as an Insider advised to the Issuer in terms of the Companies Act);
- 3.18.1.13 The Issuer shall notify ZAR X immediately after approval by the Board of:
 - 3.18.1.13.1 any decision to declare, recommend or pay any Distribution on its Securities and the rate and amount thereof;
 - 3.18.1.13.2 any decision to withhold any Distribution on Securities;

- 3.18.1.13.3 any decision not to declare, recommend or pay any Distribution which would otherwise have been expected to have been declared, recommended or paid in due course;
 - 3.18.1.13.4 any Announcement of profits or losses for any year and/or other relevant period prepared in accordance with IFRS and audited in accordance with International Standards on Auditing where applicable;
 - 3.18.1.13.5 any proposed change in the equity structure, including any redemption of its Securities; and
 - 3.18.1.13.6 any decision to change the Material character or nature of the business of the Issuer or Group.
- 3.18.1.14 The Issuer shall pay the annual fees upon receipt of an invoice from ZAR X.
 - 3.18.1.15 The Issuer shall immediately inform ZAR X if Securities held by the Public Security Holders fall below the levels required by the Listings Requirements. ZAR X will be entitled to direct the Issuer to take such steps as may be required to meet the Public Security Holder requirements.
 - 3.18.1.16 The Issuer shall notify ZAR X immediately upon becoming aware of any winding up, liquidation, business rescue proceeding or contemplated proceeding or any similar proceeding or process being implemented or contemplated in respect of the Issuer or any Material Investments of the Company.
 - 3.18.1.17 The Issuer shall inform ZAR X of any final judgement, declaration or order of any court of competent jurisdiction which is not subject to any appeal and adversely affect the Issuer's enjoyment of any Material portion of its assets.
 - 3.18.1.18 Issuers and their directors must adhere to the restrictions relating to Dealings in Securities as described in Section 6.4.

3.19 Transfer and registration of Securities

- 3.19.1 The Issuer must maintain transfer secretarial and registration facilities in good-standing where the Securities of the Issuer are freely transferable.
- 3.19.2 The Issuer may appoint an agent to act as transfer secretary or may execute the transfer secretarial function internally.
- 3.19.3 ZAR X may, on its own initiative using its own prerogative, effect a transfer of Securities where an Issuer does not comply with the regulatory provisions applicable to Securities admitted to trading on ZAR X.

3.20 De-Materialisation of Share certificates

- 3.20.1 Security Holders are prohibited from trading by means of physical Share certificates. Only de-materialised Shares will be eligible to trade on ZAR X;
- 3.20.2 Securities Holders must hold a Segregated Depository Account (SDA) with the ZAR X Designated CSD in which ZAR X Securities must be held in uncertificated form in the beneficial owner's name. This account must be clearly segregated and distinguishable from an account of the ZAR X Designated CSDP;

3.20.3 Funds received in respect of or arising from the operation of an account for a Securities Holder in respect of transactions in ZAR X Securities which are not paid over to the Securities Holder upon receipt of such funds, must be deposited in the name of the Securities Holder in the Securities Holder money trust account held with the ZAR X Designated CSDP;

3.20.4 Any Share certificates submitted for de-materialisation must:

3.20.4.1 bear a unique Share certificate number, as well as the Issuer's investor number; and

3.20.4.2 conform with the requirements of the Companies Act and Securities Regulation applicable to the Issuer.

3.21 Delisting

3.21.1 In exceptional circumstances, where any action proposed by or for an Issuer may lead to a substantial change in the nature and substance of an Issuer, including in certain circumstances where the delisting of an Issuer is proposed, ZAR X may require that the proposal be approved by Security Holders in advance.

3.21.2 Where an issuer does not have sufficient assets or operations to maintain its listing as stipulated by Rule 3.13, ZAR X may impose a deadline for resumption proposals to be provided by the issuer;

3.21.3 If no resumption proposals have been submitted, the listing will be cancelled;

3.21.4 Cancellation of the listing must be announced by both the Issuer and ZAR X.

3.22 Full, true and plain disclosure

3.22.1 As an overriding principle, the Listings Circular must contain such particulars and information which, according to the particular nature of the Issuer and the Securities for which Listing is sought, are necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Issuer and of its profits and losses (and of any guarantor) and of the rights attaching to such Securities and must set out such information accurately and in plain language as contemplated in the CPA.

Section 4

4 Financial Reporting

4.1 Financial Reporting

- 4.1.1 An Issuer must Publish audited annual financial statements, and a director's report not less than 15 (fifteen) days before the date of its Annual General Meeting, but within 4 (four) months of the Issuers financial year-end.
- 4.1.2 The audited annual financial statements must:
 - 4.1.2.1 be prepared in accordance with the provisions of the Companies Act, IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council (all terms as defined in IFRS);
 - 4.1.2.2 be audited in accordance with International Standards on Auditing or, in the case of overseas companies, in accordance with national auditing standards acceptable to ZAR X or International Standards on Auditing;
 - 4.1.2.3 cover at least 2 (two) previous years and the latest accounts must be in respect of a period ended not more than 6 (six) months before the date of the Listing Circular;
 - 4.1.2.4 be consolidated accounts in respect of the Issuer and all its Subsidiaries;
 - 4.1.2.5 have been reported on by the auditor without qualification.
- 4.1.3 Where the annual financial statements have been qualified, it must be highlighted and explained in the audit report and commented upon by the directors in the director's report;
 - 4.1.3.1 the directors must provide a statement as to how the qualified items so highlighted will be remedied and corrected;
- 4.1.4 The annual financial statements and interim financial statements must be submitted in iXBRL format, or any other standardized format prescribed by ZAR X from time to time.
- 4.1.5 In addition, an Issuer must Publish interim financial statements, together with appropriate commentary from the Board.
- 4.1.6 The interim financial statements must:
 - 4.1.6.1 be Published within 4 (four) months from the end of the period to which it relates but no later than the day after their approval by the Directors;
 - 4.1.6.2 be reviewed by the auditor unless the shareholders have, by Ordinary Resolution, waived this requirement in favour of Board approval of the interim financial statements;
 - 4.1.6.3 where the figures in the interim financial statements have not been audited or reviewed, include a statement to that effect;
 - 4.1.6.4 if the most recent annual financial statements were qualified in any manner, the interims should be reviewed by the auditor;
 - 4.1.6.5 where they have been audited or reviewed, the Auditors' details, including any qualifications must be reproduced in full where practical.
 - 4.1.6.6 be published in full on the issuer's website; and
 - 4.1.6.7 be prepared in accordance with the requirements of IAS 34.

4.2 Reporting Accountant

- 4.2.1 The Issuer must appoint a Reporting Accountant who must be independent of the Issuer and comply with guidelines on independence issued by its respective governing professional bodies.
- 4.2.2 The Issuer must obtain a written undertaking from the Reporting Accountant that the Reporting Accountant will without delay inform ZAR X of any sanction issued by IRBA, SAICA or any other similar regulatory body against the Reporting Accountant.

4.3 Annual Report

- 4.3.1 The date of the Annual Report and directors' report must be no earlier than the date of the Reporting Accountant's report on the financial statements for the Issuer's most recently completed financial year.
- 4.3.2 In addition to the Companies Act requirements, the report must provide an analysis of the Issuer's financial condition, results of operations and cash flows, discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the Issuer's business and compare the Issuer's performance in the most recently completed financial year to the prior year's performance.
- 4.3.3 The analysis in the director's report should address at least the following:
 - 4.3.3.1 operating segments that are reportable segments;
 - 4.3.3.2 other parts of the business if:
 - 4.3.3.2.1 they have a disproportionate effect on revenues, income or cash needs;
 - 4.3.3.2.2 there are any legal or other restrictions on the flow of funds from one part of the Issuer's business to another;
 - 4.3.3.2.3 industry and economic factors affecting the Issuer's performance;
 - 4.3.3.3 why changes have occurred or expected changes have not occurred in the Issuer's financial condition;
 - 4.3.3.4 results of operations; and the effect of discontinued operations on current operations; and
 - 4.3.3.5 the extent of the Issuer's compliance with the BBBEE provisions contained in Section 13(g)(2) of the BBBEE Amendment Act, 46 of 2013.

4.4 Interim report

- 4.4.1 An Issuer must update the Issuer's annual report to include a discussion of management's analysis of:
 - 4.4.1.1 current half year and year-to-date results including a comparison of results of operations and cash flows to the corresponding periods in the previous year;
 - 4.4.1.2 changes in results of operations and elements of income or loss that are not related to on-going business operations;
 - 4.4.1.3 any seasonal aspects of the Issuer's business that affect its financial condition, results of operations or cash flows; and
 - 4.4.1.4 a comparison of the Issuer's interim financial condition to the Issuer's financial condition as at the most recently completed financial year-end.

Section 5

5 Suspensions and Disqualification

5.1 Suspension or removal upon notice

ZAR X shall, prior to the removal or suspension of Securities pursuant to this Section:

- 5.1.1 inform the Issuer in writing of its intention to remove or suspend its Securities from Listing;
- 5.1.2 provide the Issuer in writing with the reasons for such suspension or removal;
- 5.1.3 call upon the Issuer to show cause within 5 (five) Business Days why the removal or suspension should not be affected.

5.2 Suspensions without notice

- 5.2.1 The Listings Agreement authorises ZAR X to suspend Listing and trading in an Issuer's Securities at any time or to Disqualify for Listing the Securities of an Issuer without notice for a period of 30 (thirty) days, if ZAR X believes it is in the public interest. ZAR X may extend such period for a further 30 (thirty) days if necessary.

5.2.2 In addition, ZAR X:

- 5.2.2.1 can order suspension of any security from trading to allow for public dissemination of Material news pursuant to section 6 Appropriate disclosure and trade suspensions; and
- 5.2.2.2 will immediately and without any prior notice suspend from Listings an Issuer's Securities for a period of 30 (thirty) days if, at any time, the Issuer fails to meet any of the continuing obligations for Listings or if ZAR X considers it in the public interest to do so. ZAR X may extend such period for a further 30 (thirty) days;

5.3 Suspensions

- 5.3.1 Throughout the period during which an Issuer's Securities are suspended from trading, the ZAR X Trading Platform System will not allow quotation or trading by Market Participants in the Securities of the Issuer;
- 5.3.2 The ZAR X website will indicate that the Issuer's Securities have been suspended from trading. Market Participants may not quote or trade the Securities of the Issuer on other marketplaces or over-the-counter unless permitted to do so in terms of Securities Regulation;
- 5.3.3 Throughout the period during which an Issuer's Securities are suspended from trading, the Issuer must continue to comply with all other applicable Listings Requirements.

5.4 Disqualifications and withdrawal of Listings

- 5.4.1 Where an Issuer, that has had its Securities suspended from Listing, cures the default or breach that gave rise to the suspension within 60 (sixty) days from the date of such suspension and timeously pays ZAR X the requalification fee set out in Schedule 3, the Issuer's Securities will requalify for Listing.
- 5.4.2 When an Issuer, has had its Securities suspended from Listing, fails to comply with paragraph 5.4.1, ZAR X will, without any further notice, withdraw the Listing of an Issuer's Securities.

- 5.4.3 An Issuer may of its own volition, seek the suspension or withdrawal of its own Securities from trading. To this end a written application specifying and justifying the reasons for the request must be addressed to ZAR X.
- 5.4.4 Upon review of the request, ZAR X will take into account the interests of the market as a whole, the minority shareholders and, if applicable, the Issuer. In addition, if the relevant Securities for which removal has been applied for, still qualify for Listing on ZAR X, such request for removal shall only be effected upon the majority of the existing holders of such Securities having approved such removal.
- 5.4.5 ZAR X shall fix the date when the suspension or withdrawal of Securities will take effect.
- 5.4.6 The Issuer shall Publish a press release to this effect and ZAR X may require that the Announcement be made sufficiently early so that a reasonable time-frame can be anticipated between the Announcement and the date on which the suspension or withdrawal becomes effective.

Section 6

6 Corporate governance

6.1 Introduction

- 6.1.1 ZAR X recognises that no single governance structure suits all prospective Issuers in the same manner. There is considerable diversity in the organisational structures of Issuers. Each Issuer must develop a governance structure that is appropriate to its nature of business and circumstances.
- 6.1.2 King IV was published on 1 November 2016. All Issuers must apply King IV to the appropriate degree on all circulars and annual reports submitted to ZAR X.
- 6.1.3 Issuers must comply with the following specific requirements concerning corporate governance and must disclose the extent of compliance therewith in their annual report:
 - 6.1.3.1 a narrative statement of how it has applied the principles set out in King IV, as they relate to the Board and Directors (Role and Function of the Board), providing an explanation that enables its Security Holders to evaluate how the principles have been applied; and
 - 6.1.3.2 evidencing a clear balance of power and authority at Board level to ensure that no single director has unfettered decision-making powers;
 - 6.1.3.3 a statement addressing the extent of its application of the principles set out in King IV and the reasons for each and every instance of non-compliance during the accounting period; and
 - 6.1.3.4 confirmation of its continued application of all applicable provisions of the Companies Act.
- 6.1.4 The Issuer must have an appointed chief executive officer and a chairman and these positions must not be held by the same person. The chairman must either be an independent Non-executive Director, or the Issuer must appoint a lead independent director (LID), in accordance with the King IV.
- 6.1.5 All Issuers must, appoint an audit committee in compliance with the King IV. At least 50% (fifty percent) of the members of the audit committee must comprise of independent, Non-executive Directors.
- 6.1.6 The capacity of each director must be categorised as executive, non-executive or independent, using the following as guidelines to determine which category is most applicable to each director:
 - 6.1.6.1 Executive directors are directors that are involved in the management of the Company and/or in full-time salaried employment of the Company and/or any of its subsidiaries.
 - 6.1.6.2 Non-executive Directors are directors that are not:
 - 6.1.6.2.1 involved in the day-to-day management of the business, or
 - 6.1.6.2.2 full-time salaried employees of the Company and/or any of its subsidiaries;
 - 6.1.6.3 Independent directors are as defined in the King IV Code.

- 6.1.6.3.1 In addition, it must be noted that any director that participates in a share incentive/option Scheme, will not be regarded as independent.
- 6.1.7 At least 25% (twenty-five percent) of the directors of the Board must be non-executive directors.
- 6.1.8 In the case of Restricted Securities, ZAR X may, at its discretion, when requested to do so and due to the existence of special circumstances in the corporate structure of the Issuer, allow directors to deviate from the guidelines stipulated above. This request must be accompanied by a detailed motivation by the Issuer and formally endorsed by the audit committee.
- 6.1.9 All Issuers must have an executive financial director, who shall possess a CA(SA) or equivalent qualification.
 - 6.1.9.1 ZAR X may, at its discretion, when requested to do so by the Issuer and due to the existence of special circumstances, allow the financial director to be employed on a part time basis only. This request must be accompanied by a detailed motivation by the Issuer and the audit committee.
 - 6.1.9.2 The audit committee must consider, on an annual basis, and satisfy itself as to the appropriateness of the expertise and experience of the financial director. The Issuer must confirm this by reporting to Security Holders in its annual report that the audit committee has executed this responsibility.
- 6.1.10 The Board must consider and satisfy itself, on an annual basis, of the competence, qualifications and experience of the Company Secretary. The Issuer must confirm this by reporting to Security Holders in its annual report that the Board has executed this responsibility. This communication must specifically include details of the steps which the Board took to make this annual assessment as well as providing information which demonstrates the actual competence, qualifications and experience of the Company Secretary.
 - 6.1.10.1 The Company Secretary should maintain an arms-length relationship with the Board and the Company Secretary should not be a director. The Board must specifically consider these two points and provide an explanation in the annual report as to why it believes that there is an arm's length relationship between itself and the Company Secretary. If the Board concludes that there is not an arm's length relationship between the Company Secretary and the Company, the Board must justify how the Issuer is still able to ensure that the Company Secretary effectively performs the role as the gatekeeper of good governance in the Issuer and how they have been able to adequately and effectively perform and carry out the roles and duties of a Company Secretary.
 - 6.1.10.2 Where the Company Secretary is a juristic person the Board in its assessment must consider the individual/s who perform the Company Secretary role as well as the directors and Security Holders of the juristic person. The imposition of a juristic person does not in itself create an arm's length relationship.
- 6.1.11 Boards should be structured and their proceedings conducted in a manner that will promote, reinforce and demonstrate the Board's role as an independent and informed monitor of the conduct of the corporation's affairs and the performance of its management.

6.1.12 The Companies Act subscribes to the “Enlightened Security Holder Value Approach” which requires that directors are obliged to promote the success of the Company in the collective best interest of Security Holders. This includes, where appropriate, the Company’s need to take account of the legitimate interests of other stakeholders including among others, the community, employees, customers and suppliers.

6.2 Directors and officers

6.2.1 The identity, history and experience of management, including officers and directors, is important information concerning an Issuer.

6.2.2 Every officer and director of an Issuer is required to complete a Personal Information Form (PIF) (Schedule 8) upon their appointment or election as an officer or director of an Issuer.

6.2.3 The PIF together with a detailed CV containing information about the directors and officers of an Issuer must be submitted to ZAR X together with the application for Listings of its Securities. An Issuer must remove, or cause the resignation of, any director or officer which ZAR X determines is not suitable for the purpose of acting as a director or officer of an Issuer, failing which ZAR X may immediately Disqualify Listings of the Issuer’s Securities.

6.2.4 Every executive officer and director of an Issuer shall indicate on the relevant Personal Information Form (Schedule 8) that it has sufficient knowledge of these Listings Requirements, the Companies Act, King IV and all other rules and regulations applicable to the officer or director.

6.2.5 All officers and directors of an Issuer must complete a ZAR X approved and certified Director’s training course to ensure knowledge and understanding of the Listings Requirements.

6.3 Changes to directors

6.3.1 An Issuer, through its Appointed Advisor, must notify ZAR X of any change to the Board or Company Secretary including:

6.3.1.1 the appointment of a new director or Company Secretary;

6.3.1.2 the resignation, removal, retirement or death of a director or of the Company Secretary; and/or

6.3.1.3 changes to any important functions or executive responsibilities of a director.

6.3.2 The notification required in 6.3.1 above must be made without delay and by no later than the end of the Business Day following the decision or receipt of notice detailing the change. Such changes must be announced as soon as practically possible and also included in the Issuer’s next publication of Listings particulars, interim report or annual financial statements.

6.3.3 All directors of Issuers are bound by and must comply with the Listings Requirements, as amended from time to time, in their capacities as directors and in their personal capacities.

6.4 Dealing in Securities

6.4.1 An Issuer, must via its Appointed Advisor, Announce the following information:

6.4.1.1 details of all transactions (including off market transactions) in Securities relating to the Issuer by or on behalf of:

6.4.1.1.1 a director or Company Secretary (held beneficially, directly or indirectly) of the Issuer;

- 6.4.1.1.2 a director or Company Secretary (held beneficially whether directly or indirectly) of a major subsidiary company of the Issuer; or
- 6.4.1.1.3 any Associate or Related Party of the parties in 6.4.1.1.1 or 6.4.1.1.2 above;
- 6.4.1.2 such announcement shall contain the following information:
 - 6.4.1.2.1 the name of the director, Company Secretary, Associate or Related Party;
 - 6.4.1.2.2 the name of the Company of which he or she is a director, Company Secretary, Associate or Related Party;
 - 6.4.1.2.3 the date on which the transaction was effected;
 - 6.4.1.2.4 the price, number, total value and class of Securities concerned;
 - 6.4.1.2.5 confirmation as to whether the trades were done on-market or off-market; and
 - 6.4.1.2.6 whether clearance had been given by the chairman of the Board.
- 6.4.1.3 Any director who deals in Securities relating to the Issuer is required to disclose the information required by paragraph 6.4.1.2 to the Issuer without delay and, in any event, by no later than 2 (two) Business Days after Dealing.
- 6.4.1.4 The Issuer must in turn Announce such information without delay and, in any event, by no later than 24 (twenty-four) hours after receipt of such information from the director concerned.
- 6.4.2 Prohibited periods
 - 6.4.2.1 A director, Company Secretary and any Associate may not deal in any Securities relating to the Issuer:
 - 6.4.2.1.1 during a Closed Period; and
 - 6.4.2.1.2 at any time when he or she is in possession of Price Sensitive Information in relation to those Securities or otherwise where clearance to deal is not given in terms of paragraph 6.4.1.2.6.
- 6.5 Appointed Advisor
 - 6.5.1 Appointment
 - 6.5.1.1 A New Applicant Issuer seeking a Listing of Securities on ZAR X must appoint an Appointed Advisor in terms of a written contract and must ensure that it has an Appointed Advisor at all times;
 - 6.5.1.2 The Appointed Advisor must comply with and is subject to all applicable provisions of the Listings Requirements.
 - 6.5.2 Qualifications
 - 6.5.2.1 An Appointed Advisor must satisfy ZAR X that:

- 6.5.2.1.1 the appointee is competent in terms of qualifications and experience to properly discharge its responsibilities in terms of these Listings Requirements;
- 6.5.2.1.2 the appointee accepts the responsibilities of an Appointed Advisor and undertakes to ZAR X in writing to accept and discharge the responsibilities of an Appointed Advisor at all times to the satisfaction of ZAR X including:
 - 6.5.2.1.2.1 when an Issuer makes any application for Listing which requires the production of a Listings Circular;
 - 6.5.2.1.2.2 arranging for the Publication of Announcements relating to the Issuer;
 - 6.5.2.1.2.3 representing the Issuer when a Listing matter is considered by ZAR X;
 - 6.5.2.1.2.4 acting as the primary point of contact of the Issuer in respect of communications from or to ZAR X; and
 - 6.5.2.1.2.5 when an Appointed Advisor is required by the Listings Requirements to report to ZAR X in relation to any transaction or other matter.

6.5.3 Eligibility criteria

6.5.3.1 An Appointed Advisor must be:

- 6.5.3.1.1 in good standing with ZAR X and not have been removed from the Register of Appointed Advisors within the past 7 (seven) years from the date of proposed appointment by the Issuer;
- 6.5.3.1.2 a member in good standing of SAICA or other professional accounting body recognized by ZAR X; or
- 6.5.3.1.3 a member in good standing of Chartered Secretaries Southern Africa; or
- 6.5.3.1.4 an admitted attorney registered and in good standing with the Law Society of South Africa; or
- 6.5.3.1.5 someone with a suitable professional qualification and relevant experience.

6.5.4 Responsibilities

- 6.5.4.1 The Appointed Advisor's role is of particular importance to the successful operation of ZAR X, since each Issuer must comply with and discharge its responsibilities under the Listings Requirements with the guidance and assistance of the Appointed Advisor. In this regard, the Appointed Advisor is expected to advise the Issuer on all of the Issuer's responsibilities in a competent, professional and impartial manner;
- 6.5.4.2 The Appointed Advisor must ensure that, at all times, neither its conduct nor its judgement impair the integrity and reputation of ZAR X;

- 6.5.4.3 The Appointed Advisor must immediately inform ZAR X, in writing, if the Issuer does not comply with the Listings Requirements.
- 6.5.5 The Appointed Advisor must, prior to a Listing, confirm to ZAR X and the Issuer in writing that:
 - 6.5.5.1 all the documents required by the Listings Requirements have been submitted;
 - 6.5.5.2 it considers the applicant Issuer to be suitable for Listing on ZAR X;
 - 6.5.5.3 the applicant Issuer complies with all the conditions for Listing as set out in the Listings Circular and complies with the Listings Requirements and that:
 - 6.5.5.3.1 the information contained in the Listings Circular is accurate and complete in all Material respects and not false or misleading;
 - 6.5.5.3.2 there are no other matters the omission of which would make any statement in the Listings Circular false or misleading;
 - 6.5.5.3.3 statements of fact and opinion expressed by the directors in the Listings Circular have been arrived at after due and careful consideration on the part of the directors and are founded on bases and assumptions that are fair and reasonable;
 - 6.5.5.3.4 the directors of the New Applicant Issuer have made sufficient enquiries to enable them to give the confirmations set out in the "responsibility statement" contained in the Listings Circular;
 - 6.5.5.4 there are no matters, other than those disclosed in the Listings Circular or otherwise in writing to ZAR X, which should have been disclosed to enable ZAR X to be able to consider the application for Listing of the relevant Securities; and
 - 6.5.5.5 the Appointed Advisor (or other adviser(s) acceptable to the Appointed Advisor, provided that the Appointed Advisor will remain primarily responsible) has explained to the directors of the New Applicant Issuer the nature of their responsibilities under the Listings Requirements, the Companies Act, the FMA, the Takeover Regulations and IFRS and the Appointed Advisor (or other adviser(s)) has satisfied itself to the best of its knowledge and belief, having made due and careful enquiries that:
 - 6.5.5.5.1 the directors have the requisite expertise and experience and have attended a ZAR X approved and certified Director's training course as prescribed in paragraph 6.2.5 above;
 - 6.5.5.5.2 they understand the nature of those responsibilities and can be expected to comply with their obligations under the Listings Requirements and other applicable regulation;
 - 6.5.5.5.3 they can be expected to prepare and Publish all information necessary for an informed market to take place in the applicant Issuer's Securities; and
 - 6.5.5.5.4 the information supplied on the director's declaration has been verified and confirmed as true.

- 6.5.6 The Appointed Advisor must brief all new appointees to the Board of the Issuer as to the nature of their responsibilities under the Listings Requirements, other Securities Regulations and the general nature of their obligations in relation to Security Holders. The Appointed Advisor must also ensure that:
- 6.5.6.1 the directors of the New Applicant Issuer have completed the PIF prior to Listing; and
 - 6.5.6.2 all new appointees complete the PIF within 1 (one) month of appointment as directors.
- 6.5.7 The directors of the Issuer must be informed by the Appointed Advisor (or other advisers acceptable to the Appointed Advisor, provided that the Appointed Advisor will remain primarily responsible), on a timely basis, of any amendment or supplement to the Listings Requirements, or other applicable regulation.
- 6.5.8 The Appointed Advisor shall, prior to Publication, review with the Issuer all periodic financial information, announcements and other documentation detailed with a view to ensuring that the directors of the Issuer, after due and careful consideration, understand the importance of accurately disclosing all Material information to Security Holders and the market.
- 6.5.9 The Appointed Advisor (or other advisers acceptable to the Appointed Advisor, provided that the Appointed Advisor will remain primarily responsible) must regularly review the Issuer's actual trading performance and financial condition to ensure that appropriate disclosure is made timeously.
- 6.5.10 The Appointed Advisor must ensure that it attends all Board meetings and Audit Committee meetings of the Issuer, in an advisory capacity, to ensure that all Listings Requirements and Securities Regulations are complied with.
- 6.5.11 Disciplinary action
- 6.5.11.1 If ZAR X determines, after taking account of written representations, that an Appointed Advisor has breached any of its responsibilities under the Listings Requirements, then ZAR X is entitled to take any one or more of the following actions:
 - 6.5.11.1.1 censure the Appointed Advisor with the relevant professional body;
 - 6.5.11.1.2 remove the Appointed Advisor from the Register of Appointed Advisors maintained by ZAR X;
 - 6.5.11.1.3 impose a penalty not exceeding R1 million (one million Rands); and
 - 6.5.11.1.4 publish details of the action it has taken and the reasons for that action.
- 6.5.12 Where ZAR X has decided to take any action described in paragraph 6.5.11 the Appointed Advisor shall be entitled to request that the decision be taken on appeal mutatis mutandis in accordance with the provisions of paragraph 1.9.

6.6 Related party transactions

6.6.1 Scope of Section

This section provides certain safeguards against those Security Holders, directors and/or other persons related to an Issuer taking advantage of their position. Transactions with parties related to an Issuer are known as related party transactions. Where any transaction is proposed between an Issuer, or any of its subsidiaries, and a related party, a circular to Security Holders and the approval of Security Holders of the Issuer in general meeting will be required.

6.6.2 Definitions:

For the purposes of this section, the following definitions apply:

6.6.2.1 A **"Related Party Transaction"** means a transaction, as contemplated or any variation or novation of an existing agreement, between an Issuer, or any of its subsidiaries, and a related party;

6.6.2.2 "related party" means:

6.6.2.2.1 a Material Security Holder;

6.6.2.2.2 any person that is, or within the 12 months preceding the date of the transaction was, a director of the Issuer or its holding Company;

6.6.2.2.3 any Appointed Advisor and any other professional advisor to the Issuer that has, or within the 12 months preceding the date of the transaction had, a beneficial interest, whether direct or indirect, in the Issuer or any of its Associates;

6.6.2.2.4 any person that is, or within the 12 months preceding the date of the transaction was, a principal executive officer of the Issuer, by whatever position he may be, or may have been, designated and whether or not he is, or was, a director; and

6.6.2.2.5 the asset manager or management Company, including anyone whose assets they manage or administer.

6.6.2.2.6 any Associate of the persons mentioned in 6.6.2.2.1 to 6.6.2.2.5 above.

6.6.2.2.7 For the purpose of this definition, a director includes a person that is, or within the 12 months preceding the date of the transaction was, not a director, but in accordance with whose directions or instructions the directors are or were accustomed to act;

6.6.3 Consultation with ZAR X

6.6.3.1 When an Issuer is contemplating a transaction which will result in any unusual, vested or other interest(s) or rights being created for any of the parties in paragraph 6.6.2.2 above, the Issuer must discuss the transaction with ZAR X at an early stage in order for ZAR X to determine whether it will exercise its discretion and classify the transaction as a related party transaction and any of the parties as related parties in terms of the transaction concerned;

- 6.6.3.2 Any such discussion should be initiated by the Issuer corresponding with ZAR X in writing.
 - 6.6.3.3 ZAR X may, in its sole discretion, require the Issuer to provide it with a declaration that, to the best of the knowledge and belief of the directors, any nominee Security Holders do not include any person who may be acting in concert with any other person in relation to the related party transaction.
- 6.6.4 Usual requirements for a Related Party transaction
- 6.6.4.1 If an Issuer, or any of its subsidiaries, proposes to enter into a Related Party transaction or, if ZAR X determines that a transaction is a Related Party transaction, the Issuer must:
 - 6.6.4.1.1 make an Announcement containing particulars of the transaction, including:
 - 6.6.4.1.1.1 full names and details of the Issuer
 - 6.6.4.1.1.2 if an acquisition, full names and details of the vendors;
 - 6.6.4.1.1.3 if a disposal, full names and details of the purchasers;
 - 6.6.4.1.1.4 the effective date;
 - 6.6.4.1.1.5 any conditions precedent; and
 - 6.6.4.1.1.6 any other Significant terms of the transaction;
 - 6.6.4.1.1.7 the business carried on by the subject of the transaction;
 - 6.6.4.1.1.8 the name of the related party concerned and, should the related party be a director, a description of the director's interest in the transaction;
 - 6.6.4.1.1.9 details of the nature and extent of the interest of the related party in the transaction;
 - 6.6.4.1.1.10 the consideration, and how it was/is to be satisfied, including the terms of any arrangements for deferred consideration;
 - 6.6.4.1.2 furnish the agreement in terms of which the related party transaction is being executed to ZAR X;
 - 6.6.4.1.3 send a circular to its Security Holders containing the information required by paragraph (a) above;
 - 6.6.4.1.4 obtain the approval, by Ordinary Resolution, of its Security Holders either prior to the transaction being entered into or, if it is expressed to be conditional on such approval, prior to completion of the transaction;

- 6.6.4.1.5 include in the Ordinary Resolution to approve or give effect to the transaction, a condition that the validity for the purposes of the Listings Requirements, of the resolution will be subject to a simple majority of the votes of Security Holders, other than the related party(ies) and its Associates, being cast in favour of the resolution; and
 - 6.6.4.1.6 include a statement by the Board confirming whether the transaction is fair insofar as the Security Holders of the Issuer are concerned and that the Board has been so advised by an independent expert acceptable to ZAR X.
- 6.6.4.2 In the case of a related party transaction where the percentage of the relevant consideration being paid to the market capitalization of the Issuer or the percentage of the number of Shares being issued pursuant to the transaction to the total issued Share Capital of the Issuer (or the average percentage of both should they be applicable to the same transaction) is less than 5% (five percent), the requirements as set out in 6.6.4.1 shall not apply, and instead the Issuer shall:
- 6.6.4.2.1 inform ZAR X in writing of the proposed transaction;
 - 6.6.4.2.2 provide ZAR X with written confirmation from an independent professional expert that the terms of the proposed transaction with the related party are fair insofar as the Security Holders of the Issuer are concerned;
 - 6.6.4.2.3 Publish the Announcement as contemplated in 6.6.4.1.1 and
 - 6.6.4.2.4 comply with the full requirements of 6.6.4 should the independent professional expert state that the transaction is not fair.
- 6.7 Transactions not regarded as related party transactions
- 6.7.1 A transaction will not be regarded as a related party transaction if any of the following apply:
- 6.7.1.1 the Issuer does not have any equity Securities listed; or
 - 6.7.1.2 a transaction is one where the ratio described in 6.6.4.2 is less than 2,5% (two comma five percent).
- 6.8 Meetings of Security Holders
- 6.8.1 Where a general/annual general meeting of the Issuer has been called to approve a related party transaction and, after the date of the notice of meeting but prior to the meeting itself, the transaction becomes a related party transaction, ZAR X may require that the Issuer either:
- 6.8.1.1 take immediate steps to pass an amended resolution (in accordance with the requirements of the Companies Act) and give notice of the amendment to Security Holders by way of a circular. Such circular must also contain any information required by paragraph 6.6.4.1 that was not contained in the original notice of general/annual general meeting; or

6.8.1.2 withdraw the notice of the general/annual general meeting and convene a fresh general/annual general meeting in accordance with the Companies Act complying with paragraph 6.6.4.1 above.

Section 7

7 Appropriate disclosure

7.1 Principles

7.1.1 In order to promote a fair and efficient capital market that promotes confidence and protects investors from unfair, improper or fraudulent practices:

7.1.1.1 Issuers must make accurate and timely disclosure of Material information that complies with the Companies Act, the FMA, King IV, and any other applicable legislation that has a Material impact on the business operations of the Issuer;

7.1.1.2 All investors must have equal and timely access to Material information about an Issuer, both to allow investors to make reasoned and informed investment decisions, and to participate in Securities markets on an equal footing with other investors.

7.2 Types of Information

7.2.1 The type of information that should be immediately disclosed by an Issuer includes, in the event that such information is Material or Price Sensitive:

7.2.1.1 changes in Share ownership that may affect Control of the Issuer;

7.2.1.2 any report received pursuant to Section 122 of the Companies Act;

7.2.1.3 changes in corporate structure, such as re-organisations, amalgamations, etc.;

7.2.1.4 take-over bids or Issuer bids;

7.2.1.5 major corporate acquisitions or dispositions;

7.2.1.6 changes in capital structure;

7.2.1.7 borrowing of a Significant amount of funds exceeding 5% (five percent) of its net asset value;

7.2.1.8 public or private sale of additional Securities;

7.2.1.9 development of new products and developments affecting the Issuer's resources, technology, products or market;

7.2.1.10 Significant discoveries or exploration results, both positive and negative, by resource companies;

7.2.1.11 entering into or loss of Significant contracts;

7.2.1.12 firm evidence of Significant increases or decreases in near-term earnings prospects;

7.2.1.13 changes in capital investment plans or corporate objectives;

7.2.1.14 Significant changes in management;

7.2.1.15 Significant litigation;

7.2.1.16 major labour disputes or disputes with major contractors or suppliers;

7.2.1.17 events of default under financing or other agreements;

7.2.1.18 non-compliance with a valid directive issued by any regulatory body with jurisdiction over the Issuer; or

- 7.2.1.19 any other developments relating to the business and affairs of the Issuer that might reasonably be expected to influence or change an investment decision of a reasonable investor.
- 7.2.2 Announcements of an intention to proceed with a transaction or activity should only be Published once a decision has been made to proceed by the Issuer's Board or by senior management with final approval from the Board. However, in certain instances, a corporate action in respect of which no firm decision has yet been made but that is reflected in the market price, may require prompt disclosure.
- 7.2.3 Forecasts of earnings and other financial forecasts need not be disclosed, but where a Significant increase or decrease in earnings is expected, such as in the next financial half year, this fact must be disclosed.
- 7.2.4 Forecasts should not be provided on a selective basis to investors or others not involved in the management of the affairs of the Issuer. If disclosed, they should be generally disclosed.
- 7.2.5 Rumours and unusual trading activity may influence or affect the investment decision of a reasonable investor and/or the trading price of the Issuer's Securities. It is impractical to expect management to be aware of, and comment on, all rumours or unusual trading activity;
- 7.2.6 Subject to pre-notification to ZAR X, an Issuer is required to disclose Material information and Price Sensitive Information immediately upon the information becoming known to management, or;
- 7.2.7 in the case of information previously known, upon it becoming apparent that the information is Material or Price Sensitive Information.
- 7.2.8 Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk that persons with access to that information will act improperly upon undisclosed information.
- 7.2.9 The need for immediate disclosure frequently requires that a notification be issued during trading hours, especially when an important corporate action or transaction has occurred. When this occurs, the Issuer must notify ZAR X and obtain approval, prior to the issue of a notification. ZAR X will then be able to determine whether trading in the Issuer's Securities should be temporarily suspended.
- 7.3 Cautionary Announcements
- 7.3.1 In the event that Material or Price Sensitive Information regarding a corporate action or transaction can be kept confidential, for a limited time, while that corporate action or transaction is under discussion/ while no decision has been made or agreement signed, then the Issuer has the right to continue with that corporate action or transaction to the extent that it is able to keep it confidential.
- 7.3.2 However, once an Issuer reasonably suspects or has knowledge that the confidentiality of such information may be or has been breached, it must publish a cautionary Announcement.
- 7.3.3 A cautionary Announcement must contain all available information to which it relates and advise Security Holders to exercise caution when Dealing in the Securities, until full details regarding the transaction are Published;
- 7.3.4 An Issuer must Publish updates to a cautionary Announcement every 30 (thirty) Business Days until full details of the information have been Published;

- 7.3.5 Where an Issuer withdraws a cautionary Announcement, it must Publish an Announcement to that effect.
- 7.3.6 Announcements of proposed distributions and transactions must be updated monthly from the date of such distribution or transaction, either indicating completion or on-going status. Issuers failing to provide updates will be subject to suspension if not remedied within a further 7 (seven) day period.
- 7.4 Consultation with ZAR X
- 7.4.1 It is the responsibility of each Issuer to determine whether information is Material in the context of the Issuer's own affairs. The Materiality of information varies from one Issuer to another and will be influenced by factors such as the Issuer's profitability, assets, capitalisation, and the nature of its operations. An event that is Material in the context of a smaller Issuer's business and affairs may not be Material to a larger Issuer.
- 7.4.2 Given the element of judgment involved, Issuers are encouraged to consult with ZAR X on a confidential basis as to whether or not a particular event gives rise to Material information.
- 7.5 Dissemination
- 7.5.1 Announcements must be Published on ZAPS and the Issuer's website. Depending on the nature of the information, ZAR X may in certain circumstances require additional publication in the press.
- 7.5.2 If an announcement or notification must be published in the media, it must be done so by the most efficient method that will facilitate the widest dissemination possible. To ensure that the entire market is aware of the news at the same time, an acceptable medium (or combination of media) must be used that provides national and simultaneous coverage.
- 7.5.3 ZAR X accepts the use of any notification method that meets the following criteria:
- 7.5.3.1 Publish the full text using ZAPS;
 - 7.5.3.2 publication of information on the Issuer's website; and
 - 7.5.3.3 email and or SMS or similar text application directly to registered Security Holders of the Issuer.
- 7.5.4 Dissemination of information is essential to ensure that all investors have equal and timely information. The onus is upon the Issuer to ensure appropriate dissemination of news releases, and any failure to properly disseminate news will be deemed to be a breach of this section and will constitute grounds for suspension or Disqualification from Listing of the Issuer's Securities. In particular, ZAR X will not consider relieving an Issuer from its obligation to disseminate news properly because of cost factors.
- 7.5.4.1 Issuers must simultaneously Publish on ZAPS all information to be disseminated.
 - 7.5.4.2 Issuers must comply with Guidance Note 2 when formulating ZAPS announcements.
- 7.6 No selective disclosure
- 7.6.1 Disclosure of Material information must not be made on a selective basis. The disclosure of Material information must ensure that all investors have access to the information on an equal and symmetrical basis.

7.6.2 In the event of Material information being disclosed, whether deliberately or inadvertently, other than through a widely disseminated press release in accordance with paragraph 7.5 above, the Issuer must immediately contact ZAR X and request a suspension of trading pending the general publication of the information.

7.7 Content of announcements and notifications

7.7.1 Announcements of Material information should be factual and balanced and unfavourable information must be disclosed as promptly and accurately as favourable information. News releases must contain sufficient detail to enable investors to assess the importance of the information to allow them to make informed investment decisions. Issuers should communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary.

7.7.2 All news releases must include the name of the notifications officer of the Issuer who is responsible for the Announcement, together with the Issuer's telephone number. The Issuer may also include the name and telephone number of an additional contact person.

7.7.3 Any Issuer that fails to comply with any provision of this section may be subject to a suspension of trading without prior notice to the Issuer.

7.8 Insider trading

7.8.1 Issuers must ensure that Insiders and any other third parties who have access to Price Sensitive Information about the Issuer before it is disclosed to the public, are aware that trading in Securities of the Issuer while in possession of Price Sensitive Information, or tipping off of such information is prohibited under the FMA and applicable Securities Regulation, and may give rise to administrative, civil and/or criminal liability.

7.8.2 In any situation where Price Sensitive Information is being kept confidential, management is under a duty to take every possible precaution to ensure that no trading whatsoever takes place by any Insiders or persons in a special relationship with the Issuer who may utilise such information for trading purposes before it is generally disclosed to the public.

7.8.3 In the event that ZAR X is of the opinion that Insider or improper trading may have occurred before Price Sensitive Information has been disclosed and disseminated, ZAR X may require that an immediate Announcement be made disclosing such Price Sensitive Information. In such circumstances, ZAR X will refer the matter to the Regulator for enforcement action.

Section 8

8 Distributions and Methods of Raising Capital

8.1 General

- 8.1.1 Issuers must comply with the requirements of this section for any Listing or distribution of listed Securities or any Listing or distribution of a Security that is exchangeable, exercisable or convertible into a listed Security. The specific requirements that apply will depend on the nature of the agreement or transaction giving rise to the distribution or Listing.
- 8.1.2 ZAR X recognises that specific circumstances may exist where an Issuer may keep Material information confidential for a limited period, if premature disclosure would be unduly detrimental to the Company or Securityholders.
- 8.1.3 Distributions that result in or could result in a change of the nature of business or a change of Control may, in addition, be subject to the requirements of **Section 9 Fundamental Transactions**.
- 8.1.4 Non-arm's length distributions may be subject to the requirements of the FMA and/or Companies Act in addition to the requirements of this section.
- 8.1.5 Issuers must also comply with applicable requirements of the FMA and the Companies Act for every distribution of Securities, to the extent applicable.
- 8.1.6 All methods of listing or raising of capital must be supported by a Listings Circular (Schedule 6A), where applicable.

8.2 Methods of Listing

8.2.1 Methods available to applicant Issuers without Securities already listed:

Applicant Issuers may bring Securities to Listing by means of:

- 8.2.1.1 an Introductory Offer as set out in paragraph 8.3 below;
- 8.2.1.2 an Offer for Sale as set out in paragraph 8.4 below;
- 8.2.1.3 an Offer for Subscription as set out in paragraph 8.5 below;
- 8.2.1.4 a placing as set out in paragraph 8.6 below; or
- 8.2.1.5 such other method as may be approved by ZAR X either generally or in any particular case.

8.2.2 Methods available to applicants with Securities already listed:

Applicant Issuers with Securities already listed may bring Securities (whether or not of a class already listed) to Listing by any of the following methods:

- 8.2.2.1 an Offer for Sale as set out in paragraph 8.4 below;
- 8.2.2.2 an Offer for Subscription as set out in paragraph 8.5 below;
- 8.2.2.3 a placing as set out in paragraph 8.6 below;
- 8.2.2.4 a capitalisation issue as set out in paragraph 8.7 below;
- 8.2.2.5 a consideration issue as set out in paragraph 8.9 below;
- 8.2.2.6 an open offer to the public as set out in paragraph 8.12 below;
- 8.2.2.7 an exchange, substitution or conversion of Securities as set out in paragraph 8.10 below;

- 8.2.2.8 a rights offer as set out in paragraph 8.15 below;
- 8.2.2.9 an exercise of options or warrants to subscribe for Securities; or
- 8.2.2.10 such other method as may be approved by ZAR X either generally or in any particular case.

8.3 Introductory Offer

- 8.3.1 An Introductory Offer is an application for a Listing of Securities that are already in issue, where no marketing of the Securities for which listing is sought is required. The reason for this is that the Securities are already of such amount and sufficiently widely held, that their marketability once listed can be assumed.
- 8.3.2 Introductory Offers will normally be appropriate in the following circumstances:
 - 8.3.2.1 where the Securities for which Listing is sought are already trading or have traded on an over-the-counter trading platform;
 - 8.3.2.2 where the Securities for which Listing is sought are already listed on another Recognised Exchange; or
 - 8.3.2.3 where the Securities of an Issuer are distributed in specie by a listed Issuer to the holders of Securities of that listed Issuer or to the holders of Securities of another listed Issuer; or
 - 8.3.2.4 where a holding company is incorporated and its Securities are issued in exchange for those of one or more listed Issuers.
- 8.3.3 An Issuer should apply to the ZAR X Issuer Regulation Division as early as possible to obtain confirmation that an Introductory Offer will be an appropriate method of listing.
- 8.3.4 The application must state the names and holdings of the 10 (ten) largest beneficial holders of the Securities as well as the total number of holders. In addition, particulars of the holdings of the directors and their close associates must be stated. If initial approval for this method of listing is given, it does not necessarily mean that listing for the securities will ultimately be granted.
- 8.3.5 ZAR X will require a certified copy of the Share register of the applicant Issuer.
- 8.3.6 If there has been a marketing of the Securities within the 6 (six) months prior to the proposed Introductory Offer, an Introductory Offer will only be approved by the Listings Committee in its sole discretion in exceptional circumstances.
- 8.3.7 There may be other factors, such as a pre-existing intention to dispose of Securities, a likelihood of significant public demand for the Securities, or an intended change of the Issuer's circumstances, which would render an Introductory Offer unacceptable to ZAR X.
- 8.3.8 An Introductory Offer will not be permitted if a change in the nature of the business is in contemplation.
- 8.3.9 An Introductory Offer must be supported by a Listings Circular, Schedule 6.

8.4 Offer for Sale

- 8.4.1 An Offer for Sale is an offer to the Public by or on behalf of the holders or allottees of Securities to purchase Securities of the Issuer that are already in issue or are agreed to be subscribed for.
- 8.4.2 ZAR X must be satisfied as to the fairness of the basis of allocation so that every investor who applies at the same price for the same number of Securities receives equal treatment.

8.4.3 Offers for Sale shall be regarded as being an issue for cash and must comply with the requirements of paragraph 8.13.

8.4.4 An Offer for Sale must be supported by a Listings Circular, in the form of Schedule 6A.

8.5 Offer for Subscription

8.5.1 An Offer for Subscription is an offer to the Public by or on behalf of an Issuer to subscribe for Securities of the Issuer that are not yet in issue or have not been allotted.

8.5.2 The Issuer must state the minimum level of subscription to be achieved, below which the offer would be cancelled and the subscription would be refunded.

8.5.3 ZAR X must be satisfied as to the fairness of the basis of allotment so that every investor who applies at the same price for the same number of Securities receives equal treatment.

8.5.4 Offers for subscription shall be regarded as being an issue for cash and must comply with the requirements of paragraph 8.13.

8.5.5 An Offer for Sale must be supported by a Circular, in the form of Schedule 6A.

8.6 Placings

8.6.1 A placing is the obtaining of subscriptions on a private or exclusive basis, for the sale of Securities by an Issuer or an intermediary to Persons pre-selected or approved by the Issuer or an intermediary.

8.6.2 Offers for placing shall be regarded as being an issue for cash and must comply with the requirements of paragraph 8.13 ZAR X may, in its sole discretion, not permit a New Applicant Issuer to be listed by way of a placing if there is likely to be Significant public demand for the Securities.

8.6.3 ZAR X may, in its sole discretion, be prepared to allow preliminary arrangements and placings to be made to dispose of Securities prior to the commencement of Dealings in the Securities where it is necessary to comply with the minimum prescribed percentage of any class of listed Securities that must at all times be held by the Public Security Holders.

8.6.4 An Issuer that has agreed to do a private placement must immediately Publish a notice of the proposed private placement (Schedule 14) on ZAPS.

8.6.5 At least 1 (one) full Business Day prior to closing of the proposed private placement the Issuer must Publish a notice as set out in Schedule 14, if applicable.

8.6.6 Upon closing of the offer, the Issuer must Publish the following documents:

8.6.6.1 a letter from the Issuer confirming receipt of the proceeds; and

8.6.6.2 an executed Certificate of Compliance (Schedule 11) from the Issuer that it has complied with and continues to comply with Securities Regulation and the Listings Requirements.

8.6.7 ZAR X may require the Issuer to provide it with the full details of the places and the process of placement.

8.7 Capitalisation Issue

8.7.1 A capitalisation issue is an allotment of further Securities to existing holders of Securities, credited as fully paid up out of the Issuer's reserves or profits, in proportion to their existing holdings, or otherwise not involving any monetary payments.

8.7.2 A capitalisation issue includes a scrip dividend scheme in terms of which profits are capitalised.

- 8.7.3 No Issuer shall proceed with a capitalisation issue involving a payment of Securities out of reserves, unless it has obtained the prior written confirmation of its Auditors that it has the required reserves for this purpose.
- 8.7.4 Further, all capitalisation issues shall comply with Section 47 of the Companies Act as amended from time to time.
- 8.7.5 A capitalisation issue must be supported by a Listing Circular.
- 8.8 Acquisition or merger issue (Consideration issue)
- 8.8.1 An acquisition or merger issue (consideration issue) is an issue of Securities as full or partial consideration for the acquisition of assets, or an issue of Securities on an acquisition of, or merger with, another Company or Investment Entity as full or partial consideration for the Securities of that other Company or Investment Entity.
- 8.8.2 A Consideration issue must be set out in an announcement Published in accordance with a notice of the proposed acquisition (Schedule 14)
- 8.8.3 Where an Issuer proposes to pursue a consideration issue, the Issuer must immediately Publish a notice of the proposed acquisition (Schedule 14). The Board of the Issuer is responsible for ensuring that the consideration paid for the asset is reasonable and must retain appropriate evidence of the value received for consideration paid. The evidence of value must be made available to ZAR X prior to concluding the transaction.
- 8.8.4 Shares must be issued at a price that does not exceed the maximum discount allowable under Section 3 Conditions for Listings, paragraph 8.13 below.
- 8.8.5 At least one full Business Day prior to closing of the proposed acquisition the Issuer must Publish a notice in the form of Schedule 14.
- 8.8.6 Immediately after conclusion of the relevant acquisition, the Issuer must Publish the following documents:
- 8.8.6.1 a letter from the Issuer confirming conclusion of the acquisition and receipt of the assets, transfer of title to the assets or other evidence of receipt of consideration for the issuance of the Securities; and
- 8.8.6.2 an executed Certificate of Compliance (Schedule 11) from the Issuer that it has complied and continues to comply with Securities Regulation and the Listings Requirements.
- 8.8.7 A Consideration issue must be supported by a Listing Circular (Schedule 6A), where the issue is material.
- 8.9 Vendor Consideration Placing
- 8.9.1 For the purposes of this section, a vendor consideration placing, is a marketing by or on behalf of vendors of Securities allotted to them as consideration for an acquisition and will be treated as a placing and not a Consideration issue and the requirements of paragraph 8.6 must be complied with.
- 8.9.2 In a Vendor Consideration placing the minimum placing price is the lower of:
- 8.9.2.1 a 10% (ten percent) discount to the 30 (thirty) Business Day Weighted Average Traded Price prior to the date that the placing is authorised by the directors; or
- 8.9.2.2 a 10% (ten percent) discount to the Weighted Average Traded Price (VWAP) 3 (three) Business Days prior to the date of the placing,

provided that these limits may be exceeded if securities holders give their specific approval of such necessary ordinary resolution, voted on by 75% of all equity securities holders present or represented by proxy at the general meeting convened to approve such resolution, excluding any vendor and its associates or other party participating in the placing.

8.10 Exchange, Substitution or Conversion

- 8.10.1 Securities may be brought to Listing by an exchange or a substitution of Securities for or a conversion from one class of Securities into other classes of Securities.
- 8.10.2 An exchange, substitution or conversion of securities must be supported by a Listing Circular.

8.11 New Applicants and disclosure of advisers' interests

- 8.11.1 If, following an Offer for Sale, Offer for Subscription or Placing by a New Applicant, any of the New Applicant's advisers becomes interested in any class of Securities being marketed, the interest must be notified to ZAR X before Dealings in the Securities commence.
- 8.11.2 Advisors, for the purpose of this Requirement, include the Appointed Advisor and its Associates, the Applicant Issuer's lawyers, corporate finance advisors, Reporting Accountants and any other financial advisors appointed by the Applicant Issuer in connection with its application for Listing.

8.12 Offers to the Public

- 8.12.1 An Issuer proposing to issue Securities to the public pursuant to a Prospectus must publish an announcement and file notice of the proposed offering (in the form of Schedule 13) immediately after filing the Prospectus with CIPC.
- 8.12.2 The Issuer must Publish the following documents concurrently with their filing at CIPC:
 - 8.12.2.1 a copy of the preliminary Prospectus (if applicable);
 - 8.12.2.2 a copy of the receipt for the preliminary Prospectus issued by CIPC;
 - 8.12.2.3 a copy of the final Prospectus;
 - 8.12.2.4 a copy of the receipt for the final Prospectus issued by the CIPC; and
 - 8.12.2.5 a copy of the Listings Circular where necessary (should the Prospectus not qualify as a Listing Circular in terms of the Listings Requirements).

The Issuer may Publish any other information or documentation relating to the proposed offering otherwise in compliance with South African Securities Regulation that the Issuer considers relevant or of interest to investors.

- 8.12.3 Prior to closing of the offer and the issuance of any Securities pursuant thereto the Issuer must Publish the following documents:
 - 8.12.3.1 A notice in the form of Schedule 13, if applicable;
 - 8.12.3.2 a copy of the final Listings Circular (if not already Published or constituted by the Prospectus);
 - 8.12.3.3 a copy of the receipt for the final Prospectus issued by CIPC (if not already Published); and
 - 8.12.3.4 an executed Certificate of Compliance (Schedule 11) from the Issuer that it has complied with and continues to comply with Securities Regulations and the Listings Requirements.

8.13 Issues for cash

- 8.13.1 An issue for cash is an issue of Securities for cash (or the extinction of a liability, obligation or commitment, restraint, or settlement of expenses).
- 8.13.2 on terms that are specifically approved by Security Holders in a general meeting in respect of that particular issue ("a specific issue for cash"); or
- 8.13.3 on terms generally approved by Security Holders in a general/annual general meeting by granting the Board of the Issuer the authority to issue a specified number of Securities for cash, which authority will be valid until the Issuer's next annual general meeting or for 15 (fifteen) months from the date on which the resolution was passed, whichever period is shorter, subject to the requirements of ZAR X and to any other restrictions set out in the authority ("a general issue for cash").
- 8.13.4 An applicant may only undertake a specific issue for cash subject to satisfactory compliance with the following requirements:
 - 8.13.4.1 the Securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such Securities or rights that are convertible into a class already in issue;
 - 8.13.4.2 if any of the Securities are to be issued to non-Public Security Holders, this fact must be disclosed;
 - 8.13.4.3 the number or maximum number of Securities to be issued must be disclosed;
 - 8.13.4.4 if the discount at which the Securities are to be issued is not limited, this fact must be disclosed;
 - 8.13.4.5 if the discount at which the Securities are to be issued is limited, such limit must be disclosed;
 - 8.13.4.6 if the issue is:
 - 8.13.4.6.1 to Related Party/ies (excluding Related Party transactions referred to in paragraph 6.6); and
 - 8.13.4.6.2 the price at which the Securities are issued is at a discount of more than 5% (five percent) to the Weighted Average Traded Price of such Securities measured over the 90 (ninety) Business Days prior to the date that the price of the issue is agreed in writing between the Issuer and the party subscribing for the Securities;
 - 8.13.4.6.3 ZAR X should be consulted for a ruling if the applicant Issuer's Securities have not traded in such 90 (ninety) Business Day period;
 - 8.13.4.6.4 such issue shall be subject to the inclusion of a statement by the Board confirming whether the issue is fair insofar as the Security Holders (excluding the Related Party/ies if it/they are Security Holders) of the Issuer are concerned and that the Board has been so advised by an independent expert acceptable to ZAR X; and
 - 8.13.4.6.5 the Board must obtain a fairness opinion from the independent expert before making this statement.

- 8.13.4.7 approval of the specific issue for cash by Special Resolution, by achieving a 75% (seventy-five percent) majority of the votes cast in favour of such resolution by all Security Holders present in person or represented by proxy at the general meeting convened to approve such resolution, on which any parties and their Associates participating in the specific issue for cash have not voted or whose votes have not been counted; and
 - 8.13.4.8 if the dilution, as a result of a once-off issue (calculated by taking the number of Securities to be issued and dividing it by the number of listed Securities, excluding treasury Shares) is equal to or less than 0.25% (zero point two five percent) and the price at which the Securities are issued is equal to or at a premium to the Weighted Average Traded Price of such equity Securities measured over the 30 (thirty) Business Days prior to the date that the price of the issue is agreed in writing between the Issuer and the party subscribing for the Securities;
 - 8.13.4.9 ZAR X should be consulted for a ruling if the applicant Issuer's Securities have not traded in such 30 Business Day period) then the Security Holder approval referred to in paragraph 8.13.4.7 is not required.
- 8.13.5 An applicant Issuer may only undertake a general issue for cash subject to satisfactory compliance with the following requirements:
- 8.13.5.1 the Securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such Securities or rights that are convertible into a class already in issue;
 - 8.13.5.2 the Securities must be issued to Public Security Holders and not to Related Parties;
 - 8.13.5.3 Securities which are the subject of a general issue for cash may not exceed 15% (fifteen percent) of the applicant Issuer's listed Securities as at the date of the notice of general/annual general meeting seeking the general issue for cash authority, provided that:
 - 8.13.5.3.1 the authority shall be valid until the Issuer's next annual general meeting or for 15 (fifteen) months from the date on which the general issue for cash Ordinary Resolution was passed;
 - 8.13.5.3.2 the specific number of Securities representing the number up to 15% (fifteen percent) of the applicant's listed Securities as at the date of the notice of general/annual general meeting must be stated in the resolution seeking the general issue for cash authority;
 - 8.13.5.3.3 any Securities issued under the authority during the period contemplated in paragraph 8.13.5.3.1, must be deducted from such number in 8.13.5.3.2 above; and

- 8.13.5.3.4 in the event of a sub-division or consolidation of issued Securities during the period contemplated in paragraph 8.13.5.3.1, the existing authority must be adjusted accordingly to represent the same allocation ratio.
- 8.13.5.4 the maximum discount at which Securities may be issued is 10% (ten percent) of the Weighted Average Traded Price of such Securities measured over the 30 (thirty) Business Days prior to the date that the price of the issue is agreed between the Issuer and the party subscribing for the Securities. ZAR X should be consulted for a ruling if the applicant's Securities have not traded in such 30 (thirty) Business Day period; and
- 8.13.5.5 approval of the general issue for cash by Ordinary Resolution, by achieving a 75% (seventy-five percent) majority of the votes cast. The resolution must be worded in such a way as to include the issue of any options/Convertible Securities that are convertible into an existing class of Securities, where applicable.

8.14 Incentive Share options

- 8.14.1 This section sets out ZAR X's requirements governing employee Share options that are used as incentives or compensation mechanisms for employees, directors, officers, consultants and other persons who provide services to Issuers.
- 8.14.2 An Issuer must Publish the notice of Share option grant or amendment (in the form of Schedule 17) immediately following each grant of Share options by the Issuer.
- 8.14.3 The terms of an option may not be amended once issued. If an option is cancelled prior to its expiry date, the Issuer must Publish notice of the cancellation and shall not grant new options to the same person until 30 (thirty) days have elapsed from the date of cancellation.
- 8.14.4 The issue of any Shares pursuant to incentive Share options will be treated as an issue for cash and must comply with paragraph 8.13.
- 8.14.5 Any incentive Share option Scheme must be approved by Security Holders passing a Special Resolution, which resolution must contain provisions relating to:
 - 8.14.5.1 the category of person for the benefit of whom the Scheme is established;
 - 8.14.5.2 the maximum number of Securities that may be utilised for the Scheme;
 - 8.14.5.3 a fixed maximum number of Securities per participant;
 - 8.14.5.4 the basis for determining the price payable by participants and when this price is payable;
 - 8.14.5.5 the voting, dividend and other rights attaching to the Securities;
 - 8.14.5.6 the basis on which awards are made;
 - 8.14.5.7 the treatment of awards/options in instances of mergers, takeovers or corporate actions; and
 - 8.14.5.8 the rights of participants who leave the employment of the Issuer.
- 8.14.6 The provisions set out in 8.14.5 above cannot be amended without the approval of the relevant security holders referred to in 8.14.5 (excluding any voting rights attaching the Securities forming part of the Scheme).

8.15 Rights Offer

- 8.15.1 A rights offer is an offer to existing holders of Securities to subscribe for further Securities in proportion to their holdings by means of the issue of a renounceable provisional letter of allotment (or other negotiable document) which may be traded (as "nil paid" rights) for a period before payment for the Securities is due. The renounceable provisional letter of allotment (or other negotiable document) must specify the time, being not less than 21 (twenty-one) Days, in which the offer may be accepted;
- 8.15.2 In a right offer, ZAR X may grant a Listing of Securities in "nil paid" form. Upon the Securities being paid up and the allotment becoming unconditional in all respects, the Listing in "nil paid" form will be amended without any need for further application for a Listing of full paid Securities.
- 8.15.3 If existing holders do not take up their rights to subscribe in a rights offer:
- 8.15.3.1 The Securities may be allotted or sold to underwriters;
 - 8.15.3.2 The underwriter's fees may not exceed a market related fee; and
 - 8.15.3.3 No excess applications are permitted without the prior permission of ZAR X. A director of the Issuer will not, save in exceptional circumstances such as when he is acting as an underwriter, be permitted to subscribe for or purchase excess Securities without those Securities being offered to existing holders on the same terms.
- 8.15.4 In every rights issue, the Issuer may elect to consolidate and dispose of fractional entitlements, provided that such arrangements with regard to fractional entitlements are disclosed in the Listing Circular.
- 8.15.5 In the event of a pre-placed Rights Offer where placees, acting in lieu of an underwriter, are issued Securities, or the rights thereto, for cash by the Issuer, which are then offered to the holders of Securities, in proportion to their existing holdings, so that they can claw-back their right to subscribe to such Securities:
- 8.15.5.1 The placees' fees may not exceed a market related fee; and
 - 8.15.5.2 No excess applications are permitted without the prior permission of ZAR X. A director of the Issuer will not, save in exceptional circumstances such as when he is acting as a placee for a claw-back offer, be permitted to subscribe for or purchase excess Securities without those Securities being offered to existing holders on the same terms.
- 8.15.6 An Issuer completing a Rights Offer must do the following at least 5 (five) Days before the Record Date (the Record Date being the date of closing of the Register for preparation of the final list of Security Holders who are entitled to receive Shares pursuant to the Rights Offer):
- 8.15.6.1 clearances for the Rights Offer must be obtained from ZAR X and all other securities commissions in jurisdictions where the rights will be distributed;
 - 8.15.6.2 all the terms of the Rights Offer must be finalised;
 - 8.15.6.3 the Issuer must Publish (in addition to any other documents that may be required by applicable regulation or other applicable Securities Regulation) a written statement as to the date on which it is intended that the Rights Offer Listing Circular will be published for the Security Holders (which should be as soon as possible after the Record Date).

- 8.15.7 Rights are listed on ZAR X on the second Trading Day preceding the Record Date. At the same time, the Shares of the Issuer commence trading on an ex-rights basis, which means that purchasers of the Issuer's Securities are not entitled to receive the rights.
- 8.15.8 Once the letters of allotment have been listed on ZAR X, the essential terms of the Rights Offer, such as the exercise price or the expiry date, may not be amended.
- 8.15.9 The Rights Offer must be unconditional.
- 8.15.10 As soon as possible after the expiry of the Rights Offer, the Issuer must:
 - 8.15.10.1 Publish a notice via email and on ZAPS stating the number of Securities issued as a result of the rights offering, including Securities issued pursuant to any underwriting or similar arrangement; and
 - 8.15.10.2 disseminate a ZAPS news release setting out the results of the Rights Offer and confirming the closing of the Rights Offer.
 - 8.15.10.3 A rights offer must be supported by a Listing Circular, Schedule 6A.

Section 9

9 Significant transactions and corporate actions

9.1 Significant transactions

ZAR X defines the term "Significant Transaction" as a transaction that includes, but is not limited to:

- 9.1.1 any transaction, Material acquisitions, dispositions, option issues and joint venture agreements or license agreements (or any series of such transactions within any 12 (twelve) month period) entered into by the Issuer with any other party, where the aggregate value of the transaction exceeds:
 - 9.1.1.1 R 50 000 000; or
 - 9.1.1.2 20% (twenty percent) of the Issuer's market capitalisation; whichever is the greater value; (collectively, the "Significant Transaction Threshold").
- 9.1.2 all agreements (including amendments to agreements) entered into by the Issuer or its Subsidiaries, in excess of the Significant Transaction Threshold;
- 9.1.3 the grant or acquisition of an option as if the option had been exercised except that, if the exercise is solely at the Issuer's or Subsidiaries' discretion, the transaction will be classified on the exercise and only the consideration (if any) for the option will be classified on the grant or acquisition;
- 9.1.4 a transaction executed in the ordinary course of business. In assessing whether a transaction is in the ordinary course of a company's business under this section, ZAR X will have regard to the size and incidence of similar transactions which the company has entered into. ZAR X may determine that a transaction is not in the ordinary course of business because of its size or incidence;
 - 9.1.4.1 The following transactions are excluded:
 - 9.1.4.1.1 an issue of securities, or a transaction to raise finance, which does not involve the acquisition or disposal of any fixed asset of the Issuer or of its Subsidiaries undertakings;
 - 9.1.4.1.2 any transaction between the Issuer and its wholly-owned Subsidiaries or between its wholly-owned Subsidiaries.
- 9.1.5 Issuers are advised to approach ZAR X as early as possible in contemplation of a transaction to discuss whether any contemplated transaction will constitute a "Significant Transaction".

9.2 Corporate actions

- 9.2.1 ZAR X defines the term "corporate action" as any internal corporate action that constitutes Material information concerning the Issuer which affects the shareholders. This includes, but is not limited to, Material corporate actions regarding an Issuer's products or the creation of a new product.
- 9.2.2 Corporate actions may also include an omission on the part of the Issuer relating to an agreement such as the Issuer completing or failing to complete a milestone provided for in an agreement or breaching the terms of an agreement which results in a Material loss or obligation.
- 9.2.3 Corporate action timelines must be adhered to as contemplated in Schedule 10.

9.3 Requirements

- 9.3.1 Notwithstanding the requirements of this section, should any Significant Transaction or corporate action trigger any particular requirements under the Companies Act, the Issuer shall be obliged to adhere to such requirements in addition to this Section.
- 9.3.2 If a Significant Transaction or corporate action constitutes Material information relating to the Issuer, the Issuer must disseminate a ZAPS news release in accordance with **section 6 (Appropriate disclosure)**.
- 9.3.3 The Issuer must include updated information relating to Significant Transactions or corporate actions. Significant Transactions or corporate actions that result in a change of business may be subject to the additional requirements of **Section 9 (Fundamental changes)**.
- 9.3.4 Non-arm's length Significant Transactions or corporate actions may be subject to the requirements of the FMA and/or the Companies Act in addition to the requirements of this section.
- 9.3.5 In the case of an acquisition, management of the Issuer is responsible for ensuring that the consideration paid for the asset is reasonable and must retain adequate evidence of value received such as confirmation of out-of-pocket costs or replacement costs, fairness opinions, geological reports, financial statements or valuations. The evidence of value must be made available to ZAR X upon request.
- 9.3.6 Issuers involved in a Significant Transaction or corporate action must immediately Publish a notice of the proposed Significant Transaction or corporate action (in the form of Schedule 16) concurrently or as soon as practicable following the issuance of a news/ press release announcing the Significant Transaction or corporate action (if the Significant Transaction or corporate action constitutes Material information concerning the Issuer) or upon the Issuer agreeing to the Significant Transaction or corporate action (in all other cases);
- 9.3.7 at least 1 (one) full Business Day prior to the closing of a proposed Significant Transaction or corporate action the Issuer must Publish an initial or amended notice (in the form of Schedule 15), if applicable;
- 9.3.8 ZAR X may require a certified Certificate of Compliance (in the form of Schedule 11) from the Issuer that it has complied with and continues to comply with the applicable Securities Regulation and the Listings Requirements.

Section 10

10 Fundamental Transactions

- 10.1.1 A "Fundamental Transaction" is a transaction which is contemplated in Sections 112, 113 and 114 of the Companies Act and includes a major acquisition accompanied or preceded by a change of Control. ZAR X may, in its sole discretion, determine that a transaction or series of transactions is a Fundamental Transaction, notwithstanding the thresholds referred to in sections 112, 113 and 114 of the Companies Act.
- 10.1.2 A Fundamental Transaction effectively results in a new Issuer, such that the issuer's existing disclosure record cannot be relied upon to fairly value the Issuer's Securities.
- 10.1.3 A "major acquisition" by an Issuer means an asset purchase (whether for cash or Securities), take-over (formal bid or exempt bid), amalgamation, arrangement or other form of merger, the result of which is that for the next 12 (twelve) month period at least 50% (fifty percent) of the Issuer's:
- 10.1.3.1 assets will be comprised of; or
 - 10.1.3.2 anticipated revenues are expected to be derived from the assets, properties, businesses or other interests that are the subject of the major acquisition.
- 10.1.4 A "change of control" is a transaction or series of transactions involving the issue or potential issue of that number of Securities of an Issuer that:
- 10.1.4.1 is equal to or greater than 100% (one hundred percent) of the number of equity Securities of the Issuer in issue prior to the transaction or series of transactions (commonly referred to as a "reverse take-over"); or
 - 10.1.4.2 otherwise results in a change of control (being the ability to control the majority of the voting rights attaching to Securities) of the Issuer or a Substantial change of management or of the Board of the Issuer.
- 10.1.5 Issuers that are contemplating a transaction or series of transactions that may be a Fundamental Transaction must consult with ZAR X at an early stage to determine how ZAR X will characterise the transaction.
- 10.1.6 All Fundamental Transactions must be approved by the Security Holders of the Issuer at a meeting prior to completion of the transaction in accordance with the requirements of the Companies Act.
- 10.1.7 Appropriate disclosure sufficient to permit trading to occur on the basis of information adequate for investors to make informed investment decisions must be prepared and disseminated by the Issuer and provided in an information circular.
- 10.1.7.1 The information circular provided to Security Holders of the Issuer must contain a Listings Circular level of disclosure for the resulting company, including the financial statement disclosures set out in the FMA and/or Companies Act.
 - 10.1.7.2 The information circular must provide historical financial statements for the target company as if it were offering Shares to the public by way of Listings Circular and making application for a Listing to ZAR X;

- 10.1.7.3 In addition, it must include pro forma financial statements giving effect to the Fundamental Transaction for the last full financial year of the target company and any half year that has been completed in the current financial reporting period. The information circular must be Published on the Issuer's website as well as on ZAPS.
- 10.1.7.4 ZAR X will suspend trading in the Securities of the Issuer upon the Announcement of a Fundamental Transaction to permit dissemination of the Material information. ZAR X will enforce the suspension at least until the documentation required has been accepted and Published. During the suspension, Market Participants may trade in the Security in any market either as principal or agent.
- 10.1.8 The Issuer must meet the criteria for listing notwithstanding the effects of the Fundamental Transaction and must make a full application for Listing on ZAR X by preparing and filing the documents and following the procedures set out in section 3 Conditions for Listings (as read with Schedule 6), concurrently with filing the information circular.
- 10.1.9 Completion of the Fundamental Transaction prior to qualification for Listing of the Securities of the Issuer resulting from the transaction will result in a suspension from Listing of the Issuer.
- 10.1.10 Principals of the resulting Issuer must enter into an Embargo agreement as if the resulting Issuer was subject to the requirements of section 3 (Conditions for Listing) that provides for the Embargo of the principal Insiders' Shares for a period of at least 24 (twenty-four) months.

Section 11

11 Name change, Share splits and Share consolidations

11.1 Change of name

- 11.1.1 Upon a change of name of an Issuer in accordance with the Companies Act, ZAR X may assign a new Share symbol to the Issuer's Securities at the request of the Issuer or upon ZAR X's own initiative. The Issuer's choices should be communicated to ZAR X for approval, prior to adoption of the name change.

The following documents must be Published in the event of a name change:

- 11.1.1.1 A notification on ZAPS announcing the name change;
 - 11.1.1.2 confirmation from the CSDP that it is in a position to effect transfer in the new issue; and
 - 11.1.1.3 confirmation of notification by the Issuer to the CIPC and the CSD of the name change.
- 11.1.2 The Issuer's Securities will commence trading normally on ZAR X under the new name and symbol at the opening of trading 3 (three) Trading Days after all the documents set out in Schedule 5 are Published. ZAR X will issue a ZAPS announcement to Market Participants advising of the name change and effective date of trading under the new name and symbol.

11.2 Share splits

- 11.2.1 In the event of a Share split and in order to facilitate trading in the Securities of the Issuer and prevent confusion the Issuer must, after obtaining all necessary Security Holder and other corporate approvals as required in terms of the Companies Act and other applicable legislation, if applicable, fix in advance a Record Date for determining Security Holders entitled to the benefit from the Share split.
- 11.2.2 If the Share split requires Security Holder approval, the meeting of Security Holders must take place at least 7 (seven) Trading Days in advance of the relevant Record Date.
- 11.2.3 The Shares will commence quotation on the ZAR X Trading Platform on a split basis at the opening of business on the second Trading Day preceding the Record Date. ZAR X will issue a ZAPS announcement to Market Participants advising of the Share split and effective date of trading on a split basis.

11.3 Share consolidation

- 11.3.1 Issuers may not effect a Share consolidation which reduces the number of issued and outstanding Shares of the Issuer, without giving effect to any other distribution or transaction, to fewer than 1 000 000 Shares or if the Share consolidation is effected in connection with another distribution or transaction, to fewer than 500 000 Shares, prior to giving effect to the distribution or transaction.
- 11.3.2 Issuers shall not effect a Share consolidation which reduces the number of Public Security Holders (as that term is defined in section 3) holding at least a Board Lot to less than 100 (one hundred), prior to giving effect to any other distribution or transaction. In the case of a Share consolidation in connection with a Fundamental Transaction, the number of Shares and Public Security Holders of at least a Board Lot may not be reduced below the minimum required for eligibility for Listing for a new Issuer.

- 11.3.3 The following documents must be Published at least 3 (three) Trading Days in advance of the Record Date:
- 11.3.3.1 An Announcement on ZAPS and the Issuer website announcing the Share consolidation;
 - 11.3.3.2 a completed notice in the form of **Schedule 18**;
 - 11.3.3.3 written confirmation of the Record Date (if applicable);
 - 11.3.3.4 a certified copy of the Security Holder resolution authorising the Share consolidation;
 - 11.3.3.5 an opinion from legal counsel confirming that all the necessary steps have been taken to validly effect the consolidation in accordance with applicable law;
 - 11.3.3.6 confirmation from the Transfer Agent that it is in a position to effect transfers of the consolidated Shares; and
 - 11.3.3.7 a copy of the amendment, or equivalent document giving effect to the Share consolidation.
 - 11.3.3.8 ZAR X will issue a ZAPS Bulletin to Market Participants advising of the Share consolidation and effective date of trading on the consolidated basis.

11.4 Share reclassification (with no Share split)

- 11.4.1 The following documentation must be Published in connection with a Share reclassification not involving a Share split, a reclassification into more than one class of Shares or other change to the Issuer's capital structure and the Issuer must consult with ZAR X to determine the appropriate procedure to be followed:
- 11.4.1.1 an Announcement on ZAPS and the Issuer website announcing the Share split;
 - 11.4.1.2 a completed notice in the form of **Schedule 18**;
 - 11.4.1.3 a written confirmation of the Record Date;
 - 11.4.1.4 a certified copy of the Security Holders resolution approving the reclassification;
 - 11.4.1.5 an opinion from counsel confirming that all the necessary steps have been taken to validly effect the Share reclassification in accordance with applicable law;
 - 11.4.1.6 confirmation from the Transfer Agent that it is able to effect transfers in the reclassified Shares; and
 - 11.4.1.7 a copy of the amendment, or equivalent document in terms of which the Share reclassification is being effected.
- 11.4.2 The reclassification will normally become effective for quotation purposes on the ZAR X Trading Platform on the second Trading Day preceding the Record Date. ZAR X will issue a ZAPS Announcement to Market Participants advising of the Share reclassification and effective date of trading on the reclassified basis.

The Company must comply with of the FMA/Companies Act in addition to this Section.

Section 12

12 REITS

For the purposes of this section, the following definitions apply:

Independent Registered Valuer means an independent registered valuer registered in terms of the Property Valuers Profession Act, 2000;

Property Company means a company as defined in the Income Tax Act whose primary business activities include the purchase and holding of immovable property for investment purposes and for renting or the purchase of immovable property for development and subsequent retention for investment purposes or sale;

REIT means an applicant Issuer that is a Property Company who complies with the requirements as set out in this section 12;

REIT Profits means the distributable profit of a REIT which is equal to gross income as defined in the Income Tax Act less the deductions and allowances that are permitted to be deducted by a REIT in accordance with, inter alia, section 25BB(2)(b) of the Income Tax Act; and

Rental Income means 'rental income' as defined in section 25BB (1) of the Income Tax Act as amended from time to time.

12.1 REITS pre-listing criteria

12.1.1 An applicant Issuer who wishes to be classified as a REIT and be listed on the Official List as a REIT ("REIT applicant") must comply with the following requirements:

- 12.1.1.1 a REIT applicant must comply with the applicable requirements for listing as set out in section 3;
- 12.1.1.2 the directors of the REIT applicant must provide confirmation in writing that the REIT applicant complies with the distribution provisions in section 12.2;
- 12.1.1.3 the directors of the REIT applicant must confirm that the REIT applicant will satisfy the requirements for a tax deduction in terms of section 25BB (2) of the Income Tax Act for the current or future financial year end, as the case may be;
- 12.1.1.4 a REIT applicant must provide evidence that it currently has gross assets of a minimum of R300 million;
- 12.1.1.5 a REIT applicant must provide evidence that at least 75% (seventy five percent) of its gross income received by or accrued to it during its first year of assessment under the Income Tax Act or in its preceding year of assessment (as applicable) under the Income Tax Act consists of Rental Income. The REIT applicant must ensure that at all times at least 75% (seventy five percent) of its gross income received by or accrued to it consists of Rental Income;
- 12.1.1.6 the directors of the REIT applicant must provide an undertaking to ZAR X in terms of which they undertake to not authorize any borrowings in terms of which the total liabilities as recorded in the REIT applicant's annual financial statements less any capital repayments made subsequent to the preparation of the annual financial statements plus the nominal value of the proposed liability divided by the gross asset value of the REIT applicant will not exceed 60%;
- 12.1.1.7 the directors of the REIT applicant must confirm that currently the REIT applicant's total consolidated liabilities are not more than 60% of its total consolidated assets;

- 12.1.1.8 a REIT applicant is required to ensure that its audit committee or a separate risk committee:
 - 12.1.1.8.1 adopts and implements an appropriate risk management policy. Such policy must, as a minimum, be in accordance with industry practice and specifically prohibit the REIT applicant from entering into any derivative transactions that fall outside of the REIT applicant's normal course of business;
 - 12.1.1.8.2 confirm in its annual report that they have monitored compliance with the risk management policy and that the REIT applicant has materially complied with during the year in question; and
 - 12.1.1.8.3 at the time of Listing, provide ZAR X with confirmation that the policy has been adopted;
- 12.1.1.9 in addition to the financial information required in terms of section 4, a REIT applicant is required to provide ZAR X with a full description of its Rental Income for the preceding two years, which includes Rental Income derived from contracts for the leasing of property as well as rental income derived without a contract in place;
- 12.1.1.10 a REIT applicant must provide ZAR X with a valuation report in respect of each property asset prepared by an Independent Registered Valuer and which must include the name, address and registration details of the Independent Registered Valuer;
- 12.1.1.11 a REIT applicant must prepare and file a Listings Circular (Schedule 6) which complies with the requirements in section 3 and Schedule 6. A REIT applicant's Listing Circular must, in addition to the information required by Schedule 6, include:
 - 12.1.1.11.1 a copy of the risk management policy referred to in paragraph 12.1.1.8.1 above;
 - 12.1.1.11.2 details in respect of any beneficial interest, whether direct or indirect, which any promoters, asset managers and directors of the REIT applicant, hold in relation to any property held by the REIT applicant or to be acquired by REIT applicant;
 - 12.1.1.11.3 in the case of any property managed by an asset manager or a property manager, details in relation to the asset manager's or property manager's (as in the case of any property managed by an asset manager or a property manager, details in relation to the asset manager's or property manager's (as the case may be) company information, address, shareholders, directors and relevant experience in property management;
 - 12.1.1.11.4 a comprehensive income forecast for the property portfolio for the remainder of the current financial year and for a period of 12 (twelve) months after the current financial year prepared in full compliance with IFRS;
 - 12.1.1.11.5 a pro forma statement of financial position prepared in accordance with IFRS;

- 12.1.1.11.6 information in respect of the property portfolio based on the comprehensive income forecast and which, as a minimum must include:
- 12.1.1.11.6.1 a geographical and sectoral profile by rentable area and rental income;
 - 12.1.1.11.6.2 a tenant profile which distinguishes between the different types of tenants;
 - 12.1.1.11.6.3 information with respect to the properties which are vacant;
 - 12.1.1.11.6.4 a list of the leases relating to the properties detailing the duration of the leases; and
 - 12.1.1.11.6.5 a list of the leases nearing expiry together with the applicable expiry date;
 - 12.1.1.11.6.6 property specific information, which as a minimum must include the following information for each property in the portfolio:
 - 12.1.1.11.6.7 description of the property, its current use and its location;
- 12.1.1.11.7 property specific information, which as a minimum must include the following information for each property in the portfolio:
- 12.1.1.11.7.1 description of the property, its current use and its location;
 - 12.1.1.11.7.2 its tenure (freehold or leasehold with the applicable term);
 - 12.1.1.11.7.3 relevant town planning restrictions and conditions;
 - 12.1.1.11.7.4 details of leases and sub-leases;
 - 12.1.1.11.7.5 the rentable area of the property and its average rental per square metre for the rentable area;
 - 12.1.1.11.7.6 date of acquisition of the property and its purchase price, if attainable;
 - 12.1.1.11.7.7 the current market value of the property as determined by a valuer including the date of valuation and the name of the valuer; and
 - 12.1.1.11.7.8 any other material information which could affect the value of the property;
- 12.1.1.11.8 a summary of the valuation report contemplated in section 12.1.1.10 which includes the name and registration details of the independent registered valuer; and
- 12.1.1.11.9 any other information which ZAR X may request; and

- 12.1.1.12 a REIT applicant must satisfy ZAR X that the asset manager or property management company and/or the directors responsible for managing the REIT applicant's property portfolio have adequate and appropriate experience in the management of such investments. The provisions of sections 1.8 and 1.9 apply to a proposed refusal to approve a REIT listing.

12.2 Distribution provisions

- 12.2.1 a REIT applicant must distribute its REIT Profits in the following manner and subject to the following requirements:
 - 12.2.1.1 by no later than 6 (six) months following its financial year end, a minimum of 75% (seventy five percent) of its REIT Profits must be distributed to its Securities Holders;
 - 12.2.1.2 a REIT applicant must ensure that its subsidiaries that are Property Companies distribute their equivalent of REIT Profits in accordance with section 12.2.1.1 above; and
 - 12.2.1.3 Interim distributions are permissible before the end of the financial year.

12.3 On-going obligations of a REIT Issuer

- 12.3.1 A REIT is required to ensure continuous compliance with section 3.
- 12.3.2 A REIT is required to comply with the distribution provisions set out in section 12.2.
- 12.3.3 A REIT must qualify for a tax deduction of distributions in terms of section 25BB (2) of the Income Tax Act.
- 12.3.4 The directors of a REIT must ensure that the total consolidated liabilities of the REIT do not exceed 60% of the total consolidated assets of the REIT. If the REIT does not comply with this requirement, the directors of the REIT must ensure that they complied with their undertaking provided in terms of section 12.1.1.6.
- 12.3.5 The directors of the REIT must, within 6 (six) months of the REIT's financial year end, provide a written confirmation to ZAR X complying with the following:
 - 12.3.5.1 confirmation that the directors of the REIT have ensured that the REIT's group have complied with sections 12.1.1.2, 12.1.1.3, 12.1.1.6 and 12.1.1.8. If the REIT does not comply with section 12.1.1.6, the directors of the REIT must confirm that despite non-compliance, the total consolidated liabilities of the REIT do not exceed 60% of the total consolidated assets as reflected in the group annual financial statements for the financial year end in question;
 - 12.3.5.2 the confirmation must be signed by each director, the Company Secretary and the Appointed Advisor; and
 - 12.3.5.3 the confirmation must be submitted together with the annual report.
- 12.3.6 In instances where the directors of a REIT have failed to comply with the provisions of section 12.3.5, the following action will be taken:
 - 12.3.6.1 On the day following the submission date contemplated in section 12.3.5.3, ZAR X will inform the REIT in writing that it has [one] month in which to comply with section 12.3.5, failing which, the REIT will be removed from the Official List. Such removal will be announced by ZAR X.

- 12.3.6.2 If the REIT has not complied with section 12.3.5 within 14 (fourteen) days from the date contemplated in section 12.3.6.1 above, ZAR X will issue an Announcement to Security Holders informing them of the REIT non-compliance with section 12.3.5 and warning them that continued failure by the REIT to comply will result in the REIT's listing being removed from the Official List.

12.4 Announcements by REITs

- 12.4.1 Every Announcement made by a REIT, must state that the REIT is a REIT as contemplated in this section 12 of the Listings Requirements.
- 12.4.2 Announcements which deal with distributions must state which period the distribution relates to and that the distribution is regarded as a taxable dividend for the purposes of the Income Tax Act in the hands of local tax residents and only a taxable dividend for dividends tax purposes for the purposes of the Income Tax Act for non-residents from 1 January 2014 (distributions to non-residents before that date are exempt from dividends tax.)
- 12.4.3 If a REIT fails:
 - 12.4.3.1 to qualify for a tax deduction of distributions in terms of section 25BB (2) of the Income Tax Act or believes that it will not qualify for a tax deduction of distributions in terms of section 25BB (2) of the Income Tax Act; or
 - 12.4.3.2 to comply with the distribution provisions contemplated in section 12.2; or
 - 12.4.3.3 to comply with the provisions of section 12.3.3; or
 - 12.4.3.4 to comply with any other provision of section 12.3;the REIT must make an Announcement to its Security Holders stating that non-compliance may result in the REIT's listing being removed.

12.5 Removal of listing of REIT

- 12.5.1 Subject to the provisions of section 12.3.6, ZAR X may remove the listing of a REIT where the REIT has failed to comply with the provisions of section 12.3.
- 12.5.2 Once a REIT has had its listing removed from the Official List, the REIT may at any time make another application for listing as a REIT in terms of section 12.
- 12.5.3 A REIT may at any time apply to ZAR X to have its listing as a REIT removed from the Official List. The REIT must make an Announcement to its Security Holders immediately upon such decision having been taken. Such Announcement must state the reasons for the decision.
- 12.5.4 Once ZAR X has processed the application contemplated in section 12.5.3, the REIT must make an Announcement advising its Security Holders that the application has been processed.

12.6 Other matters

- 12.6.1 A REIT, or any of its subsidiaries, which enters into or is renewing the terms of a contract with an asset manager, the REIT may not enter into such contract or renew such contract:
 - 12.6.1.1 without a majority of the votes cast by the Security Holders; and
 - 12.6.1.2 without providing for the right for Security Holders to cancel (as the case may be) the contract, subject to a majority of the votes cast by Security Holders in favour of such cancellation.

Section 13

13 Inward Listing

13.1 Introduction

These Listings Requirements apply equally to Foreign Issuers wanting to apply for an Inward Listing, subject to additional requirements, modifications or exceptions set out or referred to in this section or where specifically set out elsewhere in the Listings Requirements. Certain of those modifications apply to all Foreign Issuers. Other modifications depend on whether the Foreign Issuers is seeking, or has, a Primary Listing or Secondary Listing in South Africa.

ZAR X applies a principles-based approach to the Listings Requirements and Foreign Issuers should approach ZAR X as soon as possible to discuss the applicable requirements for any proposed Inward Listing.

13.2 Modifications to the Listings Requirements applicable to Foreign Issuer

13.2.1 Accounts

Should ZAR X be satisfied that a Foreign Issuer's accounts have been prepared to a standard appropriate for a Company of international standing and repute, different standards from IFRS may be accepted in any financial statements. ZAR X will for purposes of a Listing Circular, accept financial information prepared in accordance with the following accounting frameworks:

- 13.2.1.1 IFRS;
- 13.2.1.2 IFRS as adopted by the European Union;
- 13.2.1.3 United Kingdom GAAP;
- 13.2.1.4 United States GAAP;
- 13.2.1.5 Australian GAAP; and
- 13.2.1.6 Canadian GAAP.

13.2.2 Issuer Share Registers

Provision must be made for a register of holders of Securities to be maintained in South Africa and for transfers to be registered locally. Where 2 (two) or more Security registers are maintained it will not be necessary for the South African register to contain particulars of the Securities registered on any other register except where the FSCA requires such information in the course of an investigation.

13.2.3 Appointment of Appointed Advisor

In full compliance with paragraph 6.5, a Foreign Issuer must appoint and maintain throughout the period the Foreign Issuer's Securities are listed on ZAR X, an Appointed Advisor in South Africa and, in addition, must also authorise such Appointed Advisor to accept service of process and policies on its behalf in South Africa. The Foreign Issuer must notify ZAR X of the Appointed Advisor's appointment and any termination of its appointment and details of:

- 13.2.3.1 its address for service of process and notices;
- 13.2.3.2 if different, its place of business or its residential address;
- 13.2.3.3 its business telephone number, as the case may be;

13.2.3.4 its telex and/or facsimile number; and any changes in the above particulars.

13.2.4 Listing Circulars

Notwithstanding that ZAR X will perform all its functions in terms of the FMA and subject to applicable administrative laws, ZAR X may authorise the omission of certain information otherwise required by Section 3 and Schedule 6 to the Listings Requirements in respect of Foreign Issuers. In considering whether to authorise an omission of information by a Foreign Issuers, ZAR X will have regard to:

13.2.4.1 whether the Issuer is listed on a Recognised Exchange and conducts its business and makes disclosures in accordance with the Listings Requirements of such Exchange;

13.2.4.2 the nature and extent of the regulation to which the Issuer is subject in its country of incorporation or other establishment.

13.2.5 Financial Information

The Foreign Issuer must, through its Appointed Advisor, obtain a formal ruling from ZAR X on the exact presentation of the financial information contained in the Listing Circular.

13.2.6 English Language

Where a Foreign Issuer issues any information in any Circular, report or other document required by these Listings Requirements to be distributed to holders of Securities, it must Publish a version in English.

13.2.7 Corresponding concepts in Listing Circular

Any concepts, terminology or requirements described in Section 3 or Schedule 6 of the Listings Requirements which do not directly correlate to concepts, terminology or requirements in the relevant foreign jurisdiction, shall be interpreted with reference to the corresponding concepts, terminology or requirements in the foreign jurisdiction. In the event of any inconsistency, ZAR X should be approached for a ruling.

13.3 Foreign Issuers with or seeking a Primary Listing on ZAR X

13.3.1 A Foreign Issuer with or seeking a Primary Listing on ZAR X must comply with all the Listings Requirements relevant to companies, save as modified by this Section 13. Where the Listings Requirements refer to an Issuer incorporated in South Africa, the overseas Issuer must nevertheless comply in so far as:

13.3.1.1 the information available to it enables it to do so; and

13.3.1.2 compliance does not contravene the law in the country of its incorporation or other establishment. A Foreign Issuer must, on request by ZAR X, produce a letter from an independent legal advisor explaining why compliance with particular Listings Requirements would contravene that law.

13.4 Foreign Issuers with or seeking a Secondary Listing on ZAR X

13.4.1 General

A Foreign Issuer with or seeking a Secondary Listing on ZAR X must comply with all the Listings Requirements relevant to Issuers, save as modified or exempted by this section 13 unless ZAR X agrees otherwise. If a Foreign Issuer is in any doubt as to whether, or to what extent, a continuing obligation applies, ZAR X must be consulted at an early stage.

13.4.2 Unless ZAR X otherwise determines:

- 13.4.2.1 The requirements in paragraphs 3.3.1.16 (profit forecast) and 3.3.1.1.1 (three years of audited financials) are disapplied to the extent that paragraph 13.14.1 applies.
- 13.4.2.2 A Foreign Issuer with or seeking a Secondary Listing on ZAR X must:
 - 13.4.2.2.1 have the majority of its Securities listed (immediately after its Secondary Listing on ZAR X) on a Recognised Exchange;
 - 13.4.2.2.2 comply with the requirements of:
 - 13.4.2.2.2.1 any Recognised Exchange on which it has Securities Listed; and
 - 13.4.2.2.2.2 any competent authority or equivalent regulatory body which regulates it; and
 - 13.4.2.2.2.3 in the case of a New Applicant submit a letter to ZAR X confirming that it complies with the requirements of the bodies mentioned in 13.4.2.3.2.2 and stating the number and amount of its Securities currently Listed on any Recognised Exchange.
- 13.4.2.3 The requirement in Section 3.9.2 that a prescribed percentage of any class of Listed Securities must at all times be held by Public Security Holders does not apply.
- 13.4.2.4 Where a Foreign Issuer has its Primary Listing on a Recognised Exchange, a document issued by the relevant Issuer and approved by its primary Recognised Exchange within the preceding 6 (six) months may be accepted as a Listing Circular and such an Issuer will then not be required to comply with the requirements of Section 3 of Schedule 6.
- 13.4.2.5 Nevertheless, ZAR X may require additional information to be produced by such an Issuer in an annex to the document as approved by a Recognised Exchange. Any such document must either be in English or be accompanied by a notarised translation into English.
- 13.4.3 Additional Continuing obligations of all Foreign Issuers
 - 13.4.3.1 Disclosure
 - 13.4.3.1.1 Generally, and apart from compliance with all the specific requirements of these Listings Requirements, the Foreign Issuers shall keep ZAR X and holders of Securities informed as soon as reasonably practicable of any information relating to the Group (including information of any major new developments in the Group's sphere of activity which is not public knowledge) which:
 - 13.4.3.1.1.1 is necessary to enable them and the Public Security Holders to appraise the position of the Group;
 - 13.4.3.1.1.2 is necessary to avoid the establishment of a false market in the Securities; and/or

- 13.4.3.1.1.3 might reasonably be expected to materially affect market activity in and the price of its Securities.
- 13.4.3.1.2 A Foreign Issuer must Publish the same information that it announces or publishes in respect of the rules or requirements of any Recognised Exchange (or any other exchange where it is listed), at the same time or immediately after such information is announced or published on the Recognised Exchange (or such other exchange).
- 13.4.3.1.3 A Foreign Issuer may give information in strict confidence to third parties such as its advisers and to persons with whom it is negotiating with a view to effecting a transaction or raising finance who may include prospective underwriters of an overseas issue of Securities, providers of funds or loans or the placees of the balance of a rights issue not taken up by holders of Securities. In such cases, the Foreign Issuers must advise the recipients of such information that it is confidential and that they should not deal in the Foreign Issuer's Securities before the information has been made available to the public. The Recognised Exchange on which a Foreign Issuer has its Primary Listing does not constitute a third party for the purposes of this requirement.
- 13.4.3.2 Primary Regulator Confirmation
ZAR X requires annual confirmation from the host Regulator that the Issuer is in good standing with such regulator.
- 13.4.3.3 Changes in capital structure
The Foreign Issuers must Publish the following information relating to its capital without delay:
- 13.4.3.3.1 any proposed changes in its capital structure, including the structure of its Securities, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
- 13.4.3.3.2 any change in the rights attaching to any class of Listed Securities or to any Securities into which any Listed Securities are convertible or exchangeable; and
- 13.4.3.3.3 any purchase, sale, drawing or redemption by an Issuer of its Listed Securities.
- 13.4.3.4 Acquisitions and disposals
To the extent a Foreign Issuers is required to notify the Recognised Exchange on which the Issuer has its Primary Listing of the details of acquisitions and disposals of assets, it must also notify ZAR X.

13.4.3.5 Interests in Securities

A Foreign Issuer must notify ZAR X of the following details whenever it becomes aware that a Person or entity has acquired or disposed of a number of Securities such that that Person or entity's holding of the voting rights in the Foreign Issuers reaches, exceeds or falls below 5% (five percent) (and for every 5% thereafter):

- 13.4.3.5.1 the proportion of voting rights held by such Person;
- 13.4.3.5.2 the identity of the Person or entity; and
- 13.4.3.5.3 the date on which the Foreign Issuers became so aware.

For purposes of this Section "voting rights" means a right to receive notices of and attend any general meeting of the Issuer and to speak and vote in respect of the share held by the shareholder on resolutions placed before the meeting.

13.4.3.6 Change in Directorate

A Foreign Issuer must Publish an announcement without delay when:

- 13.4.3.6.1 a new Director is appointed; and
- 13.4.3.6.2 the resignation or removal of a Director takes effect.

13.4.3.7 Distributions

A Foreign Issuer must notify ZAR X of any decision to pay or make any Distribution or other distribution on Listed Securities or any failure to pay any Distribution or interest payment on Listed Securities.

13.4.3.8 Equity of treatment

A Foreign Issuer having Securities Listed must ensure equality of treatment for all holders of such Securities who are in the same position.

13.4.3.9 Prescribed information to holders of Securities

Foreign Issuers must, in respect of all holders of Securities resident in South Africa:

- 13.4.3.9.1 inform them of the holding of meetings which they are entitled to attend;
- 13.4.3.9.2 enable them to exercise their right to vote, where applicable; and
- 13.4.3.9.3 publish information on:
 - 13.4.3.9.3.1 the allocation and payment of Distributions and interest;
 - 13.4.3.9.3.2 the issue of new Securities including arrangements for the allotment, subscription, renunciation, conversion or exchange of Securities; and
 - 13.4.3.9.3.3 the repurchase of Securities.

- 13.4.3.10 Interim financial statements
 - 13.4.3.10.1 Notwithstanding that ZAR X will perform all its functions in terms of the FMA and subject to applicable administrative laws, ZAR X may authorise the omission from interim financial statements of specified items of information if it considers the disclosure of such information would be contrary to the investors interests or seriously detrimental to the Foreign Issuers, provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the Securities in question.
 - 13.4.3.10.2 The Issuer and its Appointed Advisor will collectively be responsible for the correctness and relevance of the facts on which any application for such exemption is based.
 - 13.4.3.10.3 The applicant issuer must however Publish, in its interim and year end results, headline earnings per share and diluted headline earnings per share together with an itemised reconciliation between headline earnings and the earnings used in the calculation.
- 13.4.3.11 Annual fees
 - 13.4.3.11.1 A Foreign Issuer must pay the annual fee for Listing in accordance with ZAR X's fees, which fees are published and available on the ZAR X website, www.zarx.co.za as soon as such payment becomes due.
- 13.4.3.12 Financial surveillance

A Foreign Issuer must ensure that it has complied with or will comply with any applicable South African surveillance laws or regulations.

Section 14

14 INCUBATORS

Admission Criteria

14.1 Definitions

Incubator - means an entity that:

- does not currently comply in full with the Eligibility Requirements in Section 3, but has a reasonable prospect of doing so within a specified period;
- Proposes to raise capital to enable the acquisition of Target Assets subject to an agreed mandate; and
- Will on a balance of probabilities raise a minimum amount of R 50 million upon listing.
- Target Assets - means the acquisition of designated assets by the applicant within the Initial period, that will on its own enable the special purpose vehicle to qualify for a listing pursuant to the listing criteria;

Initial Period – means a period of 24 months.

14.2 Listings criteria

14.2.1 An applicant seeking a listing as an Incubator must satisfy the following criteria:

14.2.1.1 it must be incorporated and carry on specified commercial and/or business operations at the time of application to ZAR X;

14.2.1.2 An applicant must have identifiable assets and at the very least, a binding legal commitment to acquire the Target Assets; or must have at least entered into formal and binding acquisition agreement/s;

14.2.1.3 A statement explaining the status of the commitment must be included in the Listing Circular (Schedule 6) of the applicant;

14.2.1.3.1 The Listings Circular must disclose the investment mandate governing the criteria for the acquisition of Target Assets and which determines the parameters the board of the applicant must consider and assess when undertaking the potential acquisition of Target Assets.

14.2.2 The mandated acquisition criteria may not be changed unless a special resolution is passed at a meeting of security holders by achieving a 75% majority of the votes cast to that effect;

14.2.3 the applicant must disclose the estimated operating expenses in the Listings Circular of the applicant in respect of the operational costs which will be incurred by the applicant during the initial period;

14.2.4 The applicant may not exceed the estimated operating expenses as disclosed in the Listings Circular unless a resolution is passed at a meeting of security holders by achieving a 75% majority of the votes cast to that effect;

14.2.5 the board of directors may receive remuneration prior to the acquisition of Target Assets. Details of such remuneration must be disclosed in the Listings Circular of the applicant;

14.2.6 the board of directors must have subscribed for securities in the applicant representing at least a 1% interest in the applicant, on a collective basis, on the date of listing.

- 14.2.7 The subscription shares or units of the board of directors must be held in Escrow in a designated SDA account in ZAR X Nominees and must not be sold for a period of at least six months from the date that the acquisition of the Target Assets have been completed by the applicant.
- 14.2.8 The terms of the subscription by the board of directors and the terms of the custodial arrangements must be disclosed in the Listings Circular of the applicant;
- 14.2.9 the applicant must satisfy ZAR X that its board of directors has sufficient qualifications and satisfactory experience in the management of the Incubator entity as well as the type of Target Assets in which acquisitions are proposed to be made;
- 14.2.10 upon listing, it must raise capital at a minimum ratio of 75% of the value of the asset, which value must be determined by an independent valuation and be confirmed by the auditors of the Issuer;
- 14.2.11 The Incubator entity is not subject to the investor spread requirements contained in Section 3.

14.3 Memorandum of Incorporation

- 14.3.1 An Incubator must have the following provisions included in its Memorandum of Incorporation:
 - 14.3.1.1 it must require security holders to vote on any proposed acquisitions; and
 - 14.3.1.2 a distribution requirement, in terms of which security holders must, if an acquisition of Target Assets is not completed within the Initial Period, be entitled to receive an amount equal to the aggregate amount then in Escrow (net of any applicable taxes and expenses related to the distribution and voluntary liquidation), plus the interest earned, divided by the aggregate number of securities.

14.4 Escrow

- 14.4.1 All capital raised must be paid directly into an Escrow account held by the issuer in ZAR X Nominees. A statement to this effect and details of the Escrow arrangements must be included in the Listings Circular of the applicant.

The funds in Escrow must be invested in –

 - 14.4.1.1 investment grade bonds (being debt securities with a rating of “BBB” or above as rated by Standard and Poor’s Corporation or an equivalent rating by any similar institution); or
 - 14.4.1.2 bank deposits with a recognised bank. The interest earned on the capital under Escrow shall accrue in favour of the Incubator and accumulate in Escrow.
- 14.4.2 The Escrow agreement governing the capital in Escrow must provide for the following and the agreement must be submitted to ZAR X for prior approval:
 - 14.4.2.1 release of such amount that will be used to cover the operating expenses pursuant to paragraphs 14.2.3, at the request of the board of directors;
 - 14.4.2.2 release of the balance or portion of the capital to the Incubator once it receives approval for the acquisition of Target Assets within the initial period; and
 - 14.4.2.3 the termination of the Escrow agreement and the distribution of the capital in Escrow to security holders pursuant to paragraph 14.1.3.2.

14.4.3 Prior to an acquisition of Target Assets being completed within the initial period, ZAR X may permit an Incubator to raise additional capital for the acquisition of further assets by issuing further shares provided that:

14.4.3.1 it is part of a rights offer; and/or

14.4.3.2 security holders have granted approval of the further issue in accordance with the ZAR X Listings Requirements.

14.4.3.3 All additional capital raised must be paid and placed directly into Escrow pursuant to the provisions of paragraph 14.4.

14.5 Acquisition of Target Assets

Once an applicant has been admitted as an Incubator, the following must be complied with:

14.5.1 The Incubator must have completed an acquisition of the Target Assets within 24 months from the date of listing as an Incubator entity (the "initial period").

14.5.2 ZAR X may extend this date on an application from the entity on condition that the entity can convince the ZAR X that an acquisition of a Target Asset/s is imminent;

14.5.3 The acquisition of Target Assets must be approved by a majority of security holders of the Incubator at a general meeting, to the extent possible; and

14.5.4 where this condition cannot be met, there must be an appropriate explanation to the satisfaction of ZAR X;

14.5.5 The notice of meeting as contemplated in paragraph 14.3.1.1 above must also include a resolution on the proposed use of the residual capital not allocated for the proposed acquisition of Target Assets for which the approval is being sought.

14.5.6 Should security holders not approve a proposed resolution dealing with the further use and retention of the balance of the capital after the acquisition has been approved, then such residual capital must be returned to security holders within 60 (sixty) calendar days after the date of the general meeting.

14.6 Failure to acquire Target Assets

14.6.1 Where an Incubator has failed to conclude an acquisition of Target Assets within the initial period:

14.6.1.1 ZAR X will suspend the Incubator's listing on the first business day following the expiry of the initial period and proceed to delist the Incubator once the capital raised has been distributed to security holders pursuant to paragraph 14.3.1.2 .

14.6.1.2 The Incubator must provide for a distribution within 60 (sixty) calendar days after the expiry of the initial period to all security holders pro rata to their holdings. The distribution must be the maximum amount while still complying with the solvency and liquidity test as required pursuant to the Companies Act.

14.6.1.3 All interest earned in Escrow will form part of the distribution, excluding any taxes and expenses relating to the distribution and anticipated voluntary liquidation; and

14.6.1.4 No more than 50% of the management fee can be claimed until the Target Assets are acquired;

14.6.1.5 the board must propose a special resolution to security holders for the voluntary liquidation of the Incubator.

14.7 Continuing obligations

14.7.1 The following provisions apply to an Incubator:

- 14.7.1.1 it will be subject to the continuing obligations of Section 3, with the exception of paragraphs 3.4,3.5,3.9,3.13 and 3.14 and it will not require to comply with the requirements for shareholder spread in paragraphs 3.3.4 – 3.3.6.
- 14.7.1.2 it will not be permitted to obtain any form of debt financing (excluding those of short-term trade or accounts payable used in the ordinary course of business to settle any operating expenses), except to facilitate the acquisition of Target Assets. A statement to this effect must be included in the Listings Circular of the applicant.
- 14.7.1.3 ZAR X may in its discretion permit a listing for a lesser amount where there is a reasonable likelihood of attaining the Eligibility Requirements stipulated in Section 3.

14.8 Transfer of Listing

- 14.8.1 Once an Incubator has completed an acquisition of Target Assets it must meet the criteria for listing as set out in Section 3 of the Listings Requirements.
- 14.8.2 Failure to meet these requirements once the acquisition of Target Assets has been completed will result in the suspension and /or delisting of the Incubator by ZAR X.
- 14.8.3 Once an acquisition of Target Assets has been completed; or the shareholder spread requirements have been met, the Incubator may apply for migration to the relevant sectoral classification, whereupon it will become subject to all the ZAR X Listings Requirements as an issuer in all respects.

Section 15

15 Repurchases of securities

15.1 Introduction

The repurchase by a Company of its own Shares, or the purchase by a Subsidiary of its holding Company's Shares, is regulated by sections 46 and 48 of the Companies Act, as well as sections 114 and 115 of the Companies Act. In addition, Issuers acquiring their own Shares must also comply with the provisions of this section 14 of the Listings Requirements as well as [Guidance Note 1].

15.2 Exemption - Appraisal rights exercised in terms of S 164

Where a shareholder of an Issuer exercises its rights in terms of Section 164 of the Companies Act and the Issuer purchases its Shares from the shareholder, the purchase of such Shares will not be regarded as a repurchase of Shares in terms of the Listings Requirements. However, the Issuer must, within 48 hours of repurchasing the Shares from the shareholder:

- 15.2.1 apply to ZAR X for the removal of such Shares in terms of Schedule 19 of the Listings Requirements. The application must state the reason for the application to deregister the Shares; and
- 15.2.2 on the same day that the Issuer applies to ZAR X for the delisting of the Shares, the Issuer must announce on ZAPS the following details concerning the delisting of the Shares:
 - 15.2.2.1 the effective date of the delisting of the Shares;
 - 15.2.2.2 the number of Shares that will be delisted (expressed in a number and as a percentage of the issued share capital of the Issuer);
 - 15.2.2.3 the price paid by the Issuer for the Shares;
 - 15.2.2.4 the identity of the shareholder from whom the Shares were repurchased; and
 - 15.2.2.5 the details of the resolution in respect of which the shareholder exercised its rights in terms of Section 164(2) of the Companies Act.

15.3 Exemption - Redemptions

Where an Issuer redeems listed Shares, the redemption of such Shares will not be regarded as a repurchase of Shares in terms of the Listings Requirements. However, the Issuer must, within 48 hours of such redemption:

- 15.3.1 apply to ZAR X for the removal of such Shares in terms of Schedule 19 of the Listings Requirements. The application must state the reason for the application to delist the Shares; and
- 15.3.2 on the same day that the Issuer applies to ZAR X for the delisting of the Shares, the Issuer must announce on ZAPS the following details concerning the delisting of the Shares:
 - 15.3.2.1 the effective date of the delisting of the Shares;
 - 15.3.2.2 the number of Shares that will be delisted (expressed in a number and as a percentage of the issued share capital of the Issuer);
 - 15.3.2.3 the price paid by the Issuer for the Shares; and
 - 15.3.2.4 the identity of the shareholder from whom the Shares were repurchased.

15.4 Repurchases from a Director, Prescribed Officer Related Person

15.4.1 In accordance with section 48(8)(a) of the Companies Act, any decision by the Board of an Issuer to repurchase Shares from a director or prescribed officer of the Issuer or a person related to a director or prescribed officer of the Issuer must, in addition to any other requirements in the Companies Act and these Listings Requirements, be approved by a special resolution of the shareholders of the Issuer and a ZAPS announcement containing details of the repurchase must be published prior to executing the transaction.

15.4.2 Where:

15.4.2.1 the repurchase is from a director or prescribed officer of the Issuer or a person related to a director or prescribed officer of the Issuer as contemplated in section 48(8)(a) of the Companies Act; and

15.4.2.2 the price at which the Shares are repurchased is at a premium to the weighted average trading price of such Shares for the 30 (thirty) days prior to the date on which the repurchase price was agreed,

the Board of the Issuer must obtain a fairness opinion from an independent expert to determine whether or not the repurchase is fair insofar as the other shareholders of the Issuer (excluding the shareholders participating in the repurchase) are concerned. A statement to this effect will also need to be included in any ZAPS announcement published in respect of the required special resolution.

15.5 Repurchases in Excess of 5 (Five) Percent

In accordance with section 48(8)(b) of the Companies Act, any decision by the Board of an Issuer to repurchase Shares which, if considered alone or together with other transactions in an integrated series of transactions, will result in the acquisition by the Issuer of more than 5% (five per cent) of the issued shares of any particular class of the Issuer's shares must, in addition to any other requirements in the Companies Act and these Listings Requirements, comply with sections 114 and 115 of the Companies' Act.

15.6 Shares Repurchases

15.6.1 An Issuer, or a subsidiary of an Issuer, may only purchase the Issuer's Shares if:

15.6.1.1 authorization to do so is contained in its MOI;

15.6.1.2 the Issuer, and / or the subsidiary of that Issuer, complies fully with sections 46 and 48 of the Companies Act including specifically, but without derogation that the Issuer's Board pass a resolution authorizing the repurchase and acknowledging that the Issuer and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Issuer's group;

15.6.1.3 in the case of a repurchase from a **specific** shareholder/s, immediately after agreeing the terms of that repurchase with the specific shareholder/s concerned, the Issuer Announces the terms of such agreement; and

15.6.1.4 in the case of a **general** repurchase:

15.6.1.4.1 the repurchase of Shares must be effected through the order book operated by the ZAR X trading system without any prior understanding or arrangement between the Issuer and the counter party (report only trades are prohibited);

- 15.6.1.4.2 repurchases are not made at a price greater than 10% (ten per cent) above the weighted average of the market value for the Shares for the 5 (five) Business Days immediately preceding the date on which the repurchase is effected. ZAR X should be consulted for a ruling if the Issuer's Shares have not traded in the preceding 5 (five) Business Days.
- 15.6.2 An Issuer must:
- 15.6.2.1 Announce the proposed repurchase and include in the Announcement the full details of the repurchase;
 - 15.6.2.2 Apply to ZAR X for the removal of such Shares in terms of Schedule 19 of the Listings Requirements. The application must state the reason for the application to delist the Shares; and
 - 15.6.2.3 On the same day that the Issuer applies to ZAR X for the delisting of the Shares, the Issuer must announce on ZAPS the following details concerning the delisting of the Shares:
 - 15.6.2.3.1 the effective date of the delisting of the Shares;
 - 15.6.2.3.2 the number of Shares that will be delisted (expressed in a number and as a percentage of the issued share capital of the Issuer);
 - 15.6.2.3.3 the price paid by the Issuer for the Shares; and
 - 15.6.2.3.4 the identity of the shareholder from whom the Shares were repurchased.
- 15.6.3 An Issuer must submit the following documents to ZAR X for approval:
- 15.6.3.1 A copy of the Board resolution referred to in paragraph 15.6.1.2;
 - 15.6.3.2 copy of the agreement referred to in paragraph 15.6.1.3 as well as a copy of the announcement;
 - 15.6.3.3 A copy of the announcements referred to in paragraphs 15.6.2.1, 15.6.2.3;
 - 15.6.3.4 The application for delisting in accordance with paragraph 15.6.2.2;
 - 15.6.3.5 A copy of the shareholder resolution referred to in paragraph 15.4.1; and
 - 15.6.3.6 A copy of any fairness opinion issued in terms of paragraph 15.4.2, if applicable.
- 15.6.4 If an Issuer has announced that it will make a specific repurchase of Shares, it must pursue that repurchase, unless ZAR X permits the Issuer not to do so.
- 15.6.5 An Issuer or its subsidiary may not pursue a repurchase of Shares during a Closed Period or while a director is in possession of Price Sensitive information unless:
- 15.6.5.1 a repurchase programme with fixed dates and quantities of the shares to be traded has been previously submitted to ZAR X for approval at least 20 Business Days prior to the commencement of the Closed Period and has been documented and Published; and

- 15.6.5.2 the Issuer instructs an independent third party, which makes its investment decisions in relation to the Issuer's Shares independently of, and uninfluenced by, the Issuer, prior to the commencement of the Closed Period, to execute the repurchase programme submitted to ZAR X.
- 15.6.6 When an aggregate of 3% of the initial number of a class of Shares (being the number of Shares issued in that class of Shares at the time that the shareholder approval was granted) is repurchased, Announce that repurchase. An Announcement must be made for each 3% in aggregate of the initial number of that class repurchased thereafter. Such announcements must be made through ZAPS and on the Issuer's website and must include information as to:
 - 15.6.6.1 the highest and lowest prices paid for the Shares repurchased; and
 - 15.6.6.2 the number and value of Shares repurchased.
 - 15.6.6.3 An Issuer cannot, in any one financial year, repurchase more than 20% (twenty percent) of its issued share capital of any class of Shares by way of a general repurchase of Shares.

Section 16

16 Investigations, Enforcement, Appeal Censure and Penalties

- 16.1.1 The Issuer Regulation Division or any senior manager of ZAR X will inform the affected Issuer, Director or Appointed Advisor of:
- 16.1.1.1 any alleged contravention/s of the Listings Requirement/s;
 - 16.1.1.2 the right to make written representations to the Issuer Regulation Division in response to the alleged contraventions and to be allowed to produce any evidence in defence of this within a period reasonably determined by the Issuer Regulation Division; and
 - 16.1.1.3 any additional information that the Issuer Regulation Division may require as useful or necessary to make a finding.
- 16.1.2 If the Issuer Regulation Division determines in its discretion that an Issuer, Director, Auditor or Appointed Advisor or Reporting Accountant has contravened any of the Listings Requirements (taking into account any representations or evidence provided by the affected party in terms of paragraph 16.1.1.2, it shall, within 10 (ten) Business Days of making such a determination, issue a notice to the affected party:
- 16.1.2.1 containing details of the Listings Requirement that has been contravened;
 - 16.1.2.2 containing the facts and circumstances that gave rise to the contravention and reasons in support of the determination;
 - 16.1.2.3 notifying the affected party that it has the right to object to the determination made by lodging an objection with the Issuer Regulation Division within 10 (ten) Business Days of receipt of the notice, setting out the grounds for the objection; and
 - 16.1.2.4 notifying the affected party that if it elects not to object to the determination, that it has an opportunity to provide the Issuer Regulation Division with mitigating factors within 10 (ten) Business Days of receipt of the notice that should be taken into account by the Issuer Regulation Division before it decides upon the appropriate sanction.
- 16.1.3 If the affected party has not objected to the determination as provided for in paragraph 16.1.2.3, the Issuer Regulation Division will decide upon the appropriate sanction (taking into account any mitigating factors provided by the affected party in terms of paragraph 16.1.2.4). The Issuer Regulation Division will issue then a notice to the affected party;
- 16.1.3.1 containing the sanction imposed; and
 - 16.1.3.2 notifying the affected party that it has the right to appeal to the Issuer Regulation Appeal Committee in respect of the sanction imposed within 10 (ten) Business Days of receipt of the notice in accordance with paragraph 16.1.6.
- 16.1.4 The Issuer Regulation Division will consider an objection in terms of paragraph 16.1.3 and confirm, revoke, vary or amend any determination (taking into account the grounds for objection provided by the affected party in terms of paragraph 16.1.2.3 by issuing a notice to the affected party:
- 16.1.4.1 containing reasons in support of such confirmation, revocation, variation of amendment;

- 16.1.4.2 notifying the affected party that it has the right to appeal to the Issuer Regulation Appeal Committee in accordance with paragraph 16.1.6 within 10 (ten) Business Days of receipt of the notice; and
 - 16.1.4.3 notifying the affected party that if it elects not to appeal the determination, that is has an opportunity to provide the Issuer Regulation Division with mitigating factors within 10 (ten) Business Days of receipt of the notice that should be taken into account by the Issuer Regulation Division before it decides upon the appropriate sanction.
- 16.1.5 If the affected party has not appealed the decision as provided for in paragraph 16.1.4.2, the Issuer Regulation Division will decide upon the appropriate sanction (taking into account any mitigating factors provided by the affected party in terms of paragraph 16.1.4.2, and will issue a notice to the affected party:
- 16.1.5.1 containing the sanction imposed; and
 - 16.1.5.2 notifying the affected party that it has the right to appeal to the Issuer Regulation Appeal Committee within 10 (ten) Business Days of receipt of the notice in accordance with paragraph.
- 16.1.6 An Issuer, Director, Auditor, Appointed Advisor or Reporting Accountant (hereinafter referred to as the "Appellant") who wishes to appeal a decision of the Issuer Regulation Division as contemplated in paragraphs 16.1.3.2, 16.1.4.2 and 16.1.5.2 may appeal to the Issuer Regulation Appeal Committee in accordance with the following procedures:
- 16.1.6.1 an Appellant may give notice of an appeal to the Issuer Regulation Appeal Committee of any determination within 10 (ten) Business Days of the determination, and such notice shall set out:
 - 16.1.6.1.1 the name of the Appellant seeking the appeal;
 - 16.1.6.1.2 the grounds for the appeal;
 - 16.1.6.1.3 all material facts (including any mitigating factors with regard to sanction); and
 - 16.1.6.1.4 all relevant documents including any on which the Appellant seeks to rely.
 - 16.1.6.2 The Issuer Regulation Appeal Committee may determine that the Appellant must make written submissions on the appeal, rather than attend the appeal in person, or determine who may be invited to attend the appeal, including ZAR X or Issuer employees, or witnesses, observers or experts.
 - 16.1.6.3 ZAR X may charge a fee for the Issuer Regulation Appeal Committee to hear an appeal as set out herein and the Issuer Regulation Appeal Committee has the discretion as to whether to refund all or part of such fee to the affected party.
 - 16.1.6.4 The Chairman of the Issuer Regulation Appeal Committee will give reasonable notice to the relevant Appellant of the nominated date, time and place of appeal, which shall be at least 5 (five) Business Days after the appeal notice under paragraph 16.1.6.1 has been received by the Issuer Regulation Appeal Committee. Provided, however, that the Chairman may amend the appeal date for which notice has previously been given and appoint a substitute appeal date. The Chairman of the Issuer Regulation Appeal Committee will provide reasonable notice of the new date to the Company and may adjourn and reconvene proceedings as he sees fit.

- 16.1.6.5 In addition, any aggrieved person may lodge an appeal in terms of section 105(1) of the FMA.
- 16.1.7 The Issuer Regulation Appeal Committee has the power to direct what details of its decision in terms of paragraph 16.1.8 are made available to the public generally.
- 16.1.8 The Issuer Regulation Appeal Committee will consider an appeal as set out in a notice in terms of paragraph 16.1.6 and make a determination by issuing a notice to the Appellant:
 - 16.1.8.1 containing reasons in support of the determination; and
 - 16.1.8.2 in the event of an appeal in terms of paragraph 16.1.4.2, the Issuer Regulation Appeal Committee may confirm, vary or replace the decision of the Issuer Regulation Division.
- 16.1.9 If the Issuer Regulation Appeal Committee determines that there has been a breach of the Listings Requirements, providing that:
 - 16.1.9.1 the matter will be referred back to the Issuer Regulation Division for a determination regarding the
 - 16.1.9.2 sanction; and
 - 16.1.9.3 that the affected party has an opportunity to provide the Issuer Regulation Division with mitigating factors within 10 (ten) Business Days of receipt of the notice that should be taken into account by the Issuer Regulation Division before it decides upon the appropriate sanction in accordance with paragraph 16.1.3.
- 16.1.10 ZAR X may, in accordance with the provisions of the FMA and without derogating from its powers of suspension and/or removal:
 - 16.1.10.1 censure the Issuer and/or the Issuer's director(s) or Auditor, Appointed Advisor or Reporting Accountant, individually or jointly, by means of private censure;
 - 16.1.10.2 censure the Issuer and or the Issuer's directors or Auditor, Appointed Advisor or Reporting Accountant, individually or jointly, by means of public censure;
 - 16.1.10.3 in the instance of either paragraph (a) or (b), impose a fine not exceeding such amount as stipulated by the FMA on the Issuer and/or the Issuer's director(s) or Auditor, Appointed Advisor or Reporting Accountant, individually or jointly;
 - 16.1.10.4 Disqualify a director(s) from holding the office of a director of a listed Company for any period of time;
 - 16.1.10.5 terminate the approval of and remove an Auditor, Appointed Advisor, Reporting Accountant and/or Reporting Accountant Specialist from the ZAR X list of Appointed Advisors;
 - 16.1.10.6 notify the relevant professional association of the debarment of the Appointed Advisor from the ZAR X list; and/or
 - 16.1.10.7 issue any other penalty that is appropriate in the circumstances.
- 16.1.11 In the event that an Issuer or any of an Issuer's director(s) contravenes or fails to adhere to the provisions of the Listings Requirements, ZAR X may elect in its discretion, that full particulars regarding the imposition of a penalty may be Published in the government gazette, national newspapers, the website or through ZAPS.

- 16.1.12 If any of the parties fails to pay a fine as referred to in paragraph 16.11, ZAR X may, in terms of the provisions of the FMA, 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 shall have all the effects of a civil judgement lawfully given in that court against that applicant Issuer or any of an applicant Issuer's director(s) in favour of ZAR X for a liquid debt in the amount specified in that statement.
- 16.1.13 The whole or any part of the fines issued in terms of paragraph 16.1.11 will be appropriated as follows:
- 16.1.13.1 the settlement of any costs incurred by ZAR X in enforcing the provisions of the Listings Requirements; and/or;
 - 16.1.13.2 the settlement of any future costs which may arise through the enforcement of the provisions of the Listings Requirements.

Section 17

17 Exclusion of liability

ZAR X will use its best endeavours to monitor compliance with the Listings Requirements and Rules by the Issuers, directors, Auditors, Appointed Advisors and Reporting Accountants, enforce the Rules and organise fair, orderly and efficient markets.

- 17.1.1 Subject to Securities Regulations, in providing trading facilities in respect of Securities and related services and communications, infrastructure and connections, ZAR X must act on a commercial best efforts' basis.
- 17.1.2 ZAR X is required, pursuant to Securities Regulations, to have clear and transparent Rules and Listings Requirements which:
 - 17.1.2.1 provide for fair and orderly trading and establish objective criteria for the efficient execution of orders;
 - 17.1.2.2 ensure that any Security admitted to trading are capable of being traded in a fair, orderly and efficient manner;
 - 17.1.2.3 establish and maintain effective arrangements and procedures for the regular monitoring of the compliance with the Listings Requirements and Rules by Issuers, directors, Auditors, Appointed Advisors, Reporting Accountants and Members;
 - 17.1.2.4 monitor the activity undertaken by Market Participants, Issuers, directors, Auditors, Appointed Advisors and Reporting Accountants to identify breaches of the Rules and Listings Requirements, disorderly trading conditions or conduct that may involve market abuse; and
 - 17.1.2.5 the suspension of membership rights or Issuer rights.
- 17.1.3 Unless otherwise expressly provided in the Rules or Listings Requirements or in any other agreement between ZAR X and an Issuer or Market Participant, ZAR X shall only be liable for fraud, gross negligence and wilful misconduct where there is a finding of such by a High Court of the Republic of South Africa.
- 17.1.4 For the purposes of this section, references to ZAR X shall include any directors, officers, employees of ZAR X.

Section 18

18 Amendments to the Listings Requirements

- 18.1.1 Subject to the provisions of the FMA, ZAR X may amend the Listings Requirements through a consultation process with affected parties.
- 18.1.2 The proposed amendments to the Listings Requirements, will be submitted to affected parties for comment, for a period of fourteen (14) days. All comments will then be collated and considered.
- 18.1.3 Once the consultation process has been completed, ZAR X will submit the proposed amendments to the Listings Requirements, together with an explanation of the reasons for the proposed amendments, and any concerns or objections raised during the public consultation process, to the Registrar for final approval and publication.