



Your share of tomorrow

MARKET PARTICIPANT APPLICATION KIT

MARKET PARTICIPANT APPLICATION KIT

The following documents form the ZAR X Market Participants application kit and should be referenced for all information relating to the Market Participant application process, ranging from initial guideline information through to specific pro forma documentation required to be submitted with an application.

- ◆ ZAR X Market Participant Application Form
- ◆ Guidance Note 1
- ◆ Appendix 1010
 - A- Fit and Proper Statement
 - B – Certification as to Business Integrity
 - C – Certification as to Operational Competency
 - D – Certification as to Key Individual
- ◆ ZAR X Market Participant Agreement of Use
- ◆ Fee Schedule
- ◆ Connectivity Guide

Please contact ZAR X Markets team for any questions relating to the admission process or information in the Market Participant application kit by calling 084 546 4048 or emailing markets@zarx.co.za



MARKET PARTICIPANT APPLICATION FORM

This application form is for entities seeking admission as a Market Participant in the ZAR X market operated by ZAR X Proprietary Limited. All applicants are encouraged to read the Application Kit and in particular **Guidance Note 1 - Admission as a Market Participant** to understand ZAR X's admission requirements. ZAR X recommends that applicants discuss their proposed participation with ZAR X Markets Division (contact details below) prior to lodging this application form.

Instructions

Complete the relevant parts of this form detailed in the table below and ensure that Part C is dated and signed.

Part A	All Applicants	All applicants must complete Part A and submit the associated annexures.
Part B	Applicants that are not already regulated by another regulatory authority in respect of the provision of financial services	Applicants applying to become a ZAR X Market Participant who do not hold either a Category I or Category II license in terms of the Financial Advisory and Intermediary Services Act or who are not authorized users of another licensed exchange must complete Part B and submit the associated annexures.
Part C	All Applicants	All applicants must complete Part C and submit the associated annexures.

A checklist of annexures is provided at the end of this application form. The completed Parts and their related annexures should be sent either in hard copy to: **ZAR X Markets Division, 1st Floor, Jindal Africa Building, 22 Kildoon Road, Bryanston, 2021** or in soft copy to the market team at ZAR X: markets@zarx.co.za

If the annexures are provided in hard copy, ZAR X would appreciate them being separated by dividers that are marked with the applicable annexure number. If the annexures are provided in soft copy in a merged document, ZAR X would appreciate separator pages being included which identify where each annexure begins. If the annexures are provided in soft copy in separate files, ZAR X would appreciate each separate file having a name that includes the applicable annexure number.

In this application form terms denoted in capitals have the meanings/definitions assigned to them in the relevant Operating Rules.

ZAR X Contacts

For more information about your application, please contact the ZAR X Markets Division by calling **084 546 4048** or emailing markets@zarx.co.za

PART A

(To be completed by all Applicants)

1. Applicant Details

NO.	APPLICANT DETAILS	
A.1	Applicant Details	Applicant Response
A.1.1	Name of Legal Entity	
A.1.2	Company Number	
A.1.3	Address of Registered Office	
A.1.4	Address of principal place of business (specify if same as A 1.3)	
A.1.5	Postal Address (specify if same as A .1.3 or A 1.4 above)	
A.1.7	Telephone Number	
A.1.8	Business Web Address/URL	
A.1.9	Primary contact for this application	Name:
		Title:
		Telephone:
		Email:

2. Regulatory Authorisation

NO.	REGULATORY AUTHORISATION			
A.2	Authorisation Held			
	Please indicate whether the applicant currently holds one or more of the following authorisations to provide financial services			
A.2.1	FAIS Category I License	YES		NO
	License Number			
	Please provide a copy of the license	Attached as Annexure [___]		
A.2.1.1	FAIS sub-categories of financial products (as defined in section 1 of the Financial Markets Act) for which authorization to provide advice was granted:			
	1.8	Securities and Instruments: Shares		
	1.9	Securities and Instruments: Money market instruments		
	1.10	Securities and Instruments: Debentures and securitized debt		
	1.11	Securities and Instruments: Warrants, certificates and other instruments acknowledging, conferring or creating rights to subscribe to, acquire, dispose of, or convert securities and instruments referred to in sub-categories 1.8 – 1.10		
	1.12	Securities and Instruments: Bonds		
	1.13	Derivative instruments excluding warrants		
	1.14	Participatory Interests in Collective Investment Schemes		
	1.15	Forex Investment Business		
A.2.2	FAIS Category II License	YES		NO
	License Number			
	Please provide a copy of the license	Attached as Annexure []		
A.2.2.2	FAIS sub-categories of financial products (as defined in section 1 of the Financial Markets Act) for which authorization to provide discretionary investment services was granted:			
	2.5	Securities and Instruments: Shares		
	2.6	Securities and Instruments: Money market instruments		
	2.7	Securities and Instruments: Debentures and securitized debt		
	2.8	Securities and Instruments: Warrants, certificates and other instruments acknowledging, conferring or creating rights to subscribe to, acquire, dispose of, or convert securities and instruments referred to in sub-categories 2.5 – 2.7		
	2.9	Securities and Instruments: Bonds		
	2.10	Derivative instruments excluding warrants		

	2.11	Participatory Interests in Collective Investment Schemes				
	2.12	Forex Investment Business				
A.2.3	Authorised user of another licensed exchange			YES		NO
	Name of Exchange					
	Please provide documentary evidence of authorisation		Attached as Annexure []			
A.2.3.1	Categories of securities and capacity for which authorization was granted:					
	Cash Equities		Adisory Services		Discretionary Services	
	Interest Rate Products		Adisory Services		Discretionary Services	
	Equity Derivatives		Adisory Services		Discretionary Services	

3. Authorisations and Trading Permissions

AUTHORISATIONS AND TRADING PERMISSIONS			
A.3	Services		
A.3.1	Please indicate the services that the applicant is applying for. Please note that only applicants who: <ul style="list-style-type: none"> ▪ hold a Category I or Category II License or are an authorised user of another licensed exchange may apply to provide advisory services. ▪ hold a Category II License or are an authorised user of another licensed exchange may apply to provide discretionary investment services. ▪ have been authorized by another Licensed Exchange to provide advisory or discretionary management services may apply to provide advisory services or discretionary investment services respectively. 	Trading Services	X
		Investment Services - Advisory	
		Investment Services - Discretionary	
Trading Permission - Securities			
A.3.2	Please indicate the Trading Permissions for ZAR X Securities that the applicant is applying for. Please note that where an applicant holds either a Category I License, or a Category II License or/and is an admitted authorized user of another licensed exchange, Trading Permission will only be granted in respect of those securities approved in terms of such qualifying license or of the admission requirements of another Licensed Exchange.	Cash Equities	
		Investment Entities	
		Fixed Income	

Trading Permission - DMA				
A.3.3	Please indicate if the applicant is applying for Trading Permission to implement Direct Market Access. If "Yes" then please complete Section A.8.3 below			
		Yes		No

Capacity					
A.3.5	Please indicate in which capacity the applicant will be submitting Orders on the ZAR X Trading Platform.	Principal		Agency	X

4. Ownership Structure – Controlling Shareholder

CONTROLLING SHAREHOLDER				
Please provide details of any Controlling Shareholder(s) of the applicant company. A "Controlling Shareholder" means a <i>natural person</i> who directly or indirectly (a) holds in excess of 15% of the issued shares of the Applicant; or (b) who is able to control the exercise of 15% or more of the issued shares of the Applicant.				
A.4.1	Controlling Shareholder			
	Name			
	Surname			
	Telephone Number			
	Email			
	Please provide a completed Fit and Proper Statement (as set out in Appendix 1010-A) for each Controlling Shareholder, unless the Applicant is waived from this requirement in terms of Rule 1030 or Rule 2030.			
		Attached as Annexure []		

CONTROLLING SHAREHOLDER				
A.4.1	Controlling Shareholder			
	Name			
	Surname			
	Telephone Number			
	Email			
	Please provide a completed Fit and Proper Statement (as set out in Appendix 1010-A) for each Controlling Shareholder, unless the Applicant is waived from this requirement in terms of Rule 1030 or Rule 2030.			
		Attached as Annexure []		

5. Group Structure

GROUP STRUCTURE		
A.5	Requirement	Applicant Response
A.5.1	Please provide a group structure chart showing the applicant's corporate ownership structure from its ultimate holding company to the applicant and from the applicant to all of its subsidiaries (including any nominee company).	
		Attached as Annexure []

6. Management Structure and Key Appointments

MANAGEMENT STRUCTURE AND KEY APPOINTMENTS		
A.6	Requirements	
	Please provide details of the management structure of the applicant company and the appropriate key personnel listed below.	
	Officer	Applicant Response
A.6.1	Chief Executive Officer	
	Name	
	Surname	
	Telephone Number	
	Email	
	Please provide a CV and a completed Fit and Proper Statement (as set out in Appendix 1010-A), unless the Chief Executive Officer is already a registered person in terms of FAIS or of the admission requirements of another Licensed Exchange or External Exchange (please provide documented proof) or waived from this requirement in terms of Rule 2030.	
		Attached as Annexure []

A.6.2	Compliance Officer	
	Name	
	Surname	
	Telephone Number	
	Email	
	Please provide a CV and a completed Fit and Proper Statement (as set out in Appendix 1010-A) and documented proof that the person meets the qualification requirements (as set out in Procedure 1120), unless the Compliance Officer is either registered as a compliance officer in terms of FAIS or as a compliance officer of another Licensed Exchange.	
		Attached as Annexure []

A.6.3 Head Authorised Trader	
Name	
Surname	
Telephone Number	
Email	

A.6.3 Authorised Trader	
Name	
Surname	
Telephone Number	
Email	

A.6.3 Authorised Trader	
Name	
Surname	
Telephone Number	
Email	
<p>For each Authorised Trader please provide a completed Fit and Proper Statement (as set out in Appendix 1010-A), unless the person is currently registered in a similar capacity in terms of the requirements of another Licensed Exchange or External Exchange (please provide documented proof) or has been approved by ZAR X in terms of Procedure 1211(1)(c).</p>	

A.6.4 Director – FAIS Key Individual or Stockbroker	
Name	
Surname	
Telephone Number	
Email	
<p>Please provide a completed CV and a Fit and Proper Statement (as set out in Appendix 1010-A), unless the person is already registered as a key individual or representative in terms of FAIS or of the fit and proper requirements of another Licensed Exchange (please provide documented proof) or has been approved by ZAR X in terms of Procedure 1010 - 4.1(b)(iii).</p>	Attached as Annexure []

7. Auditors

AUDITORS		
A.7	Auditor Details	Applicant Response
	Name of Audit Firm	
	Address	
A.7.1	Primary contact at audit firm	Name:
		Title:
		Telephone:
		Email:

8. Connectivity

CONNECTIVITY			
A.8	Connecting to ZAR X		
A.8.1	Please provide details of how the applicant company plans to connect to the ZAR X Trading Platform other than via the ZAR X Web Interface. Please refer to the ZAR X Connectivity Guide for further connectivity options and pricing.	MPLS	
		IP SEC	
		Leased Line	
		Third Party Vendor	
		Web	
A.8.2	Please complete the ZAR X Trading Platform Agreement of Use attached to the Market Participant Application Tool Kit	Attached as Annexure []	
DIRECT MARKET ACCESS			
A.8.3	If your response to A.3.3 above was "Yes", please complete the ZAR X DMA Application Form	Attached as Annexure []	

9. Insurance

INSURANCE		
A.9	Requirement	Applicant Response
	Please provide documented proof that the applicant company has or will have professional indemnity insurance in place as required by Rule 1520.	Attached as Annexure []

10. Invoicing Details

INVOICING DETAILS	
	Fees are set out in the attached Fees Schedule.
A.10	Banking Details
	Account Name
	Bank
	Branch
	Branch Code
	Account Number
A.10	Invoicing Contact
	Name
	Surname
	Telephone
	Email
A.10	Tax Information
	VAT Registration Number
	Invoicing Address (if different from registered office)

PART B

To be completed by Applicants that do not currently have regulatory approval to conduct financial services business

11. Proposed Business Activities

PROPOSED BUSINESS ACTIVITIES		
B.1	Requirements	Applicant Response
B.1.1	Please provide a statement outlining the applicant's objectives for becoming a Market Participant, including the types of business it wishes to conduct, the types of products in which it wishes to transact, and its target clients (including whether they are retail and/or wholesale and where they are, or are likely to be, located)	Attached as Annexure []

12. Technology

TECHNOLOGY		
B.2	Requirements	Applicant Response
B.2.1	Please provide a technology process flow diagram showing the key systems that the applicant intends to use to conduct its proposed ZAR X activities and the process flows between those systems and ZAR X's systems	Attached as Annexure []

13. Fit and Proper Requirements

FIT AND PROPER		
B.3	Director and Controlling Shareholder Certification	
B.3.1	Please provide a completed Fit and Proper Statement as set out in Appendix 1010-A for each Director, Non-Executive Director and Controlling Shareholder of the applicant.	Attached as Annexure []

Compliance Officer – Qualifications and Experience		
B.3.2	Please provide a completed Fit and Proper Statement (as set out in Appendix 1010-A) and documented proof that the person meets the qualification requirements (as set out in Procedure 1120), unless the person is registered as a compliance officer in terms of FAIS or of another Licensed Exchange.	Attached as Annexure []

14. Business Integrity

BUSINESS INTEGRITY		
B.4	Requirements	Applicant Response
B.4.1	Please provide a completed Annexure 1010-B (Certification as to Business Integrity) signed by the Chief Executive Officer and Compliance Officer of the applicant company confirming that the applicant company is of high business integrity. In providing this certification to ZAR X, the applicant must have regard to the ZAR X Rules and Guidance Note 1 - Admission as a Participant	Attached as Annexure []

15. Financial Soundness

FINANCIAL SOUNDNESS		
B.5	Requirements	Applicant Response
B.5.1	Please provide a written confirmation, signed by the Chief Executive Officer and the external auditor of the applicant confirming that the applicant company has and will at all times maintain the minimum financial soundness requirements prescribed by Rule 1020.	Attached as Annexure []
B.5.2	Please provide a written confirmation, signed by the Chief Executive Officer of the applicant company confirming that the applicant company has and will at all times maintain a professional indemnity (or equivalent) insurance policy of not less than R10 million as prescribed by ZAR X Rule 1520.	Attached as Annexure []

16. Organisational Competency

ORGANISATIONAL COMPETENCY		
B.6	Requirements	Applicant Response
B.6.1	Please provide a completed Annexure 1010-C (Certification as to Operational Competency) signed by the Chief Executive Officer and Compliance Officer of the applicant company confirming that the applicant company has the resources and processes in place to comply with its obligations under the ZAR X Rules. In providing this certification to ZAR X, the applicant must have regard to the ZAR X Rules and Guidance Note 1 - Admission as a Participant.	Attached as Annexure []
B.6.2	Please provide a completed Annexure 1010-D (Certification as to Key Individual) signed by the Chief Executive Officer and Compliance Officer of the applicant company confirming that the applicant will at all times have at least one executive director that is (a) a Stockbroker; or (b) is registered under FAIS as a Key Individual; or (c) has satisfied ZAR X in terms of Procedure 1010 (4)(1)(b)(iii) that they have sufficient experience and knowledge to perform the role of a Stockbroker or Key Individual. In providing this certification to ZAR X, the applicant must have regard to the ZAR X Rules and Guidance Note 1 - Admission as a Participant.	Attached as Annexure []

PART C

To be completed by all Applicants

17. Applicant Declaration

APPLICANT DECLARATION

The applicant company hereby applies to be admitted as a Market Participant of ZAR X.

We authorize ZAR X to obtain information from, and pass information to, regulatory authorities in South Africa and elsewhere for regulatory purposes. In particular, ZAR X may share information regarding the applicant company as is necessary to assess the application.

We declare that the information provided is complete and accurate and we agree, if approved, to comply with and be bound by the ZAR X Rules that are or may be in force from time to time. Market Participant status will allow the applicant access the ZAR X Trading Platform on the terms specified in the ZAR X Rules.

We declare that we will update our procedures and controls to reflect the ZAR X Rules. We will notify ZAR X of any other information which is relevant to the application and will immediately notify ZAR X of any significant changes in the information provided in this application form which occur after the date of submission of the application and prior to receiving notification of the decision of ZAR X.

We understand that without limitation to the ZAR X Rules, that ZAR X may in its absolute discretion refuse to accept a notice of resignation given by a Market Participant, or reject such notice until the Market Participant has paid any subscription, charge or other sum due to ZAR X.

We further understand that misleading or attempting to mislead ZAR X during the application process will be deemed an act of misconduct and may render the applicant company and its directors liable to disciplinary proceedings.

For and on behalf of Applicant

Signed

Name:

Chief Executive Officer

Date:

Signed

Name:

Director

Date:

This declaration must be signed by two directors, of which one must be the Chief Executive Officer.

GUIDANCE NOTE 1

ADMISSION AS A MARKET PARTICIPANT

1. INTRODUCTION

This Guidance Note is published by ZAR X (Pty) Limited ("ZAR X") to outline to applicants the requirements they must meet to be admitted as a Market Participant in the ZAR X market and to assist them in preparing their application.

2. THE APPLICATION PROCESS

2.1 The Role of ZAR X Markets

The receipt and processing of an application for admission as a Market Participant of ZAR X is co-ordinated within ZAR X by ZAR X Markets.

Before submitting an application for admission as a Market Participant, ZAR X recommends that applicants first discuss the matter with ZAR X Markets at the earliest opportunity.

ZAR X Markets will be able to provide general advice on the application process, the business models supported by ZAR X, the requirements for admission as a Market Participant and the expected timeframe for completion of the admission process, given the nature and complexity of the application and the current workloads within ZAR X.

ZAR X Markets can be contacted by telephone on 084 546 4048 or by email at markets@zarx.co.za.

2.2 The Admission Application

To apply for admission as a Market Participant of ZAR X, the applicant must complete the **ZAR X Market Participant Application for Admission Form**.

The application form is divided into three separate parts. **Part A** must be completed by all applicants. **Part B** applies to applicants that, at the time the application is made, are not an admitted authorized user of another Exchange or do not hold either a Qualifying Advisory License or Qualifying Discretionary Management License. **Part C** must be completed by all applicants.

The application must be properly completed, dated and executed by the applicant.

It must also be accompanied by the annexures specified in the application form. ZAR X may reject or defer consideration of an application for admission as a Market Participant that is not properly completed and executed or that is not accompanied by all of the required annexures.

All applications for admission as a Market Participant and accompanying annexures should be lodged with ZAR X Markets.

They can be provided either in hard copy to:

ZAR X (Pty) Ltd
1st Floor, Jindal Africa Building
22 Kildoon Road
Bryanston, 2021

Attention: ZAR X Markets

or in soft copy to markets@zarx.co.za.

If the annexures to the application are provided in hard copy, ZAR X would appreciate them being placed into a folder and separated by dividers that are marked with the applicable annexure number. If the annexures are provided in soft copy in a merged file, ZAR X would appreciate separator pages being included which identify where each annexure begins. If the annexures are provided in soft copy in separate files, ZAR X would appreciate each separate file having a name that incorporates the applicable annexure number.

2.3 Payment of the Application Fee

An application for admission to the ZAR X market must be accompanied by the relevant application fee set out in the published Market Participant Fee Schedule. Payment can be made by electronic funds transfer to the following account:

Bank	:	First National Bank
Account Name	:	ZAR X (Pty) Ltd
Branch Code	:	255005
Account Number	:	62520399917
Reference	:	[<i>Applicant Name</i> – Admission Fee]

Once payment is made, the applicant should email its remittance advice to accounts@zarx.co.za describing the payment as “Market Participant application fee” and including the name of the applicant and the amount paid.

2.4 Pre-Acceptance Validation

Upon receipt, ZAR X Markets will check that the application form has been properly completed and executed and attaches all of the required documents.

ZAR X Markets will validate that the application contains sufficient information to assess whether the applicant will meet ZAR X’s requirements for admission. Usually this review takes no more than 5 business days.

If an application passes this pre-acceptance validation check, ZAR X Markets will notify the applicant in writing that the application has been accepted and ZAR X will commence its formal review of the application. If it does not pass this pre-acceptance validation check, ZAR X Markets will discuss with the applicant what additional information or documentation is required before the application can be accepted.

2.5 Detailed Assessment

Upon acceptance of an application, ZAR X Markets will conduct a detailed review of the application to assess whether it conforms to the admission requirements set out in the ZAR X Rules.

If the application does not fully conform to the requirements of the ZAR X Rules, ZAR X Markets will contact the applicant to discuss amendments to the application to meet those requirements. Other ZAR X teams will also review the application to assess whether it conforms to ZAR X’s operational, technology, risk and legal requirements and liaise with the applicant in relation to those issues.

The assessment process is generally an iterative and collaborative one, where ZAR X endeavours to address issues with the Market Participant as they arise and to resolve them to everyone’s satisfaction.

2.6 ZAR X’s Admission Decision

Once the assessment of the application has progressed sufficiently, ZAR X Markets will notify the applicant that it is ready to make a decision on the application. At that stage, ZAR X may make a decision:

- if the applicant is ready to commence operations and has met all of ZAR X's requirements, to approve the application and admit the applicant as a Market Participant in the ZAR X market;
- if the applicant is not ready to commence operations or has not met all of ZAR X's requirements, to approve the application in-principle but to defer the formal decision to admit the applicant as a Market Participant until the applicant is ready to commence operations and has met all of ZAR X's requirements; or
- to reject the application. Given the iterative and collaborative nature of the application process, this would be a relatively rare occurrence. If an applicant is unable to meet all of ZAR X's requirements for admission, ZAR X will usually encourage the applicant to withdraw its application rather than have it formally rejected.

The decision on whether or not to admit a Market Participant is made by ZAR X Market Participant Admission Committee on the advice and recommendation of the various ZAR X business units involved in the process. Such a decision is at the absolute discretion of ZAR X and ZAR X may grant or refuse admission without giving any reasons.

Where ZAR X admits an applicant as a Market Participant, it may at that time, or at any later time, impose any conditions on the Market Participant's admission it considers appropriate.

2.7 Notification of Decision to Applicant

Once ZAR X has made a decision on an admission application, ZAR X Markets will communicate that decision to the applicant. If ZAR X decides formally or in-principle to admit an applicant as a Market Participant, the communication will state what (if any) further requirements the applicant must satisfy:

- in the case of a formal decision to admit the applicant as a Market Participant, to commence its activities in the ZAR X market; or
- in the case of an in-principle decision to approve the admission of the applicant, before a formal decision to admit the applicant will be made.

Thereafter ZAR X Markets will act as a point of liaison between the applicant and the relevant ZAR X business units in working towards satisfying those requirements in a timely manner.

ZAR X Markets will notify the applicant of the date on which all of ZAR X's requirements have been met and when it can commence its activities in the ZAR X market.

APPLICATION FORM

PART A

3. COMMON ADMISSION REQUIREMENTS

The following admission requirements are common to most applicants seeking to be admitted as a Market Participant in the ZAR X markets under heading 2.2 above. They are addressed in Part A of ZAR X's standard application form. **The guidance below addresses how an applicant seeking admission as a Market Participant in the ZAR X market should complete Part A.**

3.1 Corporate Capacity

An applicant seeking admission as a Market Participant of ZAR X must be a domestic body corporate carrying on business in its own right and not as a trustee of a trust.

3.2 Authorisations and Trading Permissions

3.2.1 Trading Services:

All applicants **must** apply for admission to provide Trading Services. Trading Messages may only be entered into the ZAR X Trading Platform by an Authorised Trader.

3.2.2 Investment Services:

An applicant **may** apply to provide Investment Services. To qualify to provide Investment Services an applicant **must**:

- (a) In respect of non-discretionary (advisory) Investment Services:
 - (i) be an authorised user of another licensed exchange to provide advice or hold a Category I License;
 - and
 - (ii) be authorised to provide advice in respect of the categories of ZAR X Securities that it is seeking authorisation to provide advice.
- (b) In respect of discretionary Investment Services:
 - (i) be an authorised user of another licensed exchange to provide discretionary investment services or hold a Category II License;
 - and
 - (ii) be authorised to exercise discretion in respect of the categories of ZAR X Securities that it is seeking authorisation to provides discretionary investment services.

APPLICATION FORM

PART B

Only applicants that do not hold either a Category I License or Category II License or who are not authorized users of another licensed exchange or who have successfully applied for and been granted a waiver in terms of Rule 2030 are required to complete Part B and submit the associated annexures.

3.3 Proposed Business Activities and Structure (B.1)

An applicant seeking admission as a Market Participant must annex to its application:

- **Business Objectives:**
A statement outlining the applicant's objectives for becoming a Market Participant, including the types of business it wishes to conduct (proprietary trader, advisory only or advisory and discretionary) , the types of securities in which it wishes to transact (ZAR X Securities and/or other securities), and its target clients (including whether they are retail and/or wholesale);
- **Group Structure:**
A group structure chart showing the applicant's corporate ownership structure from its ultimate holding company to the applicant and from the applicant to all of its subsidiaries. It must also show the relationship between the applicant and any other group entity with which it has, or proposes to have, inter-group balances;
- **Management Structure:**
A management structure chart showing the key personnel involved in managing the applicant's proposed ZAR X activities and their titles, roles and reporting lines.

3.4 Technology (B.2)

An applicant must submit a technology process flow diagram showing the key systems that the applicant intends to use to conduct its proposed ZAR X activities and the process flows between those systems and ZAR X's systems.

The technology process flow diagram should contain sufficient information to allow ZAR X to assess whether the applicant will meet the technical and performance requirements of the ZAR X Operating Rules, including having adequate arrangements for connectivity to the ZAR X trading platform.

In particular, the process flow diagram should identify:

- where the applicant's infrastructure is or will be located;
- how the applicant's systems will connect to ZAR X's systems;
- the number and location of access points for the entry of trading orders;
- to the extent applicable, the transaction flow from the receipt of an order to its execution;
- which of the applicant's systems are proprietary and which are provided by third party vendors; and
- in the case of trading systems, whether the system is automated or requires the manual input of orders.

3.5 Fit and Proper (B.3)

Each Officer, Non-Executive Director and Controlling Shareholder of an applicant must complete a statement and declaration in the form set out in **Appendix 1010-A** of the ZAR X Procedures.

Each page of the form must be signed by the person depositing to the statement and by the Chief Executive Officer (or if the deponent is the Chief Executive Officer then by the Chairman of the board of directors of the applicant or his authorised representative).

ZAR X may have regard to any information in its possession from any source in determining whether an applicant is fit and proper.

3.6 Business Integrity (B.4)

An applicant seeking admission as a Market Participant must satisfy ZAR X that it is of high business integrity. This must be done by providing a declaration to ZAR X in the form set out in **Annexure 1010-B** below (the “**Certification as to Business Integrity**”). **Annexure 1010-B** must be signed by the Chief Executive Officer and Compliance Officer of the applicant.

ZAR X may have regard to any information in its possession from any source in determining whether an applicant is of high business integrity.

3.7 Financial Soundness (B.5)

An applicant seeking admission as a Market Participant of ZAR X must, on admission and at all times thereafter, hold:

- Liquid Assets equal to at least 13 weeks of Annual Expenditure and have tangible net assets of at least R5 million.
- Professional indemnity insurance to provide for cover of at least R10 million.

The definitions of “Liquid Assets”, “Annual Expenditure” and “assets” are set out in Procedure 1020.

3.8 Organisational Competency (B.6.1)

An applicant seeking admission as a Market Participant must provide the written certification in the form set out in **Annexure 1010-C** (the “**Certification as to Organisational Competencies**”) to ZAR X on or before its admission as a Market Participant that it has the resources and processes in place to comply with its obligations under the ZAR X Rules. **Annexure 1010-C** must be signed by the Chief Executive Officer and Compliance Officer of the applicant.

For these purposes, “resources” include financial, technological and human resources and “processes” include management supervision, training, compliance, risk management, business continuity and disaster recovery processes.

In providing this certification to ZAR X, an applicant seeking admission as a Market Participant in the ZAR X market must have regard to:

- ZAR X Operating Rules;
- ZAR X Procedures;
- this Guidance Note 1;
- the standards expected of financial services licensees set out in the Financial Advisory and Intermediary Services Act (37 Of 2002), Regulations and other subordinate legislation (this applies even if the applicant does not hold an Authorised Financial Services Provider Licence); and

It is up to each applicant to determine what resources and processes it needs to have in place to comply with its obligations under the ZAR X Operating Rules, having regard to the materials above and to the nature and scale of its intended business activities.

If required by ZAR X, the applicant must be able to demonstrate to the satisfaction of ZAR X, at any time, the basis on which the above certification is or was provided. This applies both before and after the applicant is admitted as a Market Participant.

To be able to demonstrate the basis on which the certification is provided, ZAR X would expect the applicant to have documented its key processes for meeting its obligations under the relevant Operating Rules and to be able to produce an internal sign-off from a director, chief executive, head of compliance or other senior officer at the

applicant that lists those documented processes and states that the signatory is satisfied that they are sufficient for the applicant to comply with its obligations under those Operating Rules.

In the case of an applicant seeking admission as a Market Participant in the ZAR X market, its “key processes” for these purposes would include:

- its compliance framework, that is, its general processes for identifying and monitoring compliance with its key legal and regulatory obligations and for identifying, remediating and reporting on any compliance breaches;
- its risk management framework, that is, its general processes for identifying and managing or mitigating the risks it faces;
- its processes to prevent any action or inaction which might interfere with the operational efficiency or proper functioning of the ZAR X trading platform or which might result in a market for a product not being both fair and orderly.
- its processes for ensuring that each cash market transaction to which it is a party is settled T+0;
- if the applicant intends to transact for clients, its processes for ensuring that it has the requisite client agreements, and gives to its clients any other documents, required under the ZAR X Operating Rules;
- its processes for meeting the minimum technical requirements prescribed by ZAR X for access to the ZAR X market including connectivity, testing and accreditation requirements;

As part of the application process, ZAR X may ask an applicant to provide ZAR X with a copy of some or all of the processes above so that ZAR X can verify that they are in place.

Applicants should note that they will also have obligations under the FAIS Act (Financial Advisory and Intermediary Services Act 37 Of 2002), Regulations and other subordinate legislation to have appropriate management structures and supervisory policies and procedures in place that may require additional documentation to the processes set out above. These requirements are administered by the FSB.

When documenting their key processes, applicants should further note the guidance given by the FSB about compliance measures generally.

3.9 Key Individual Certification (B.6.2)

An applicant seeking admission as a Market Participant of ZAR X must be effectively governed by individuals that have the appropriate skills, capabilities and behavior. As a minimum, an applicant must have at least one individual on the board that has sufficient knowledge and experience to understand the regulatory responsibilities of the applicant.

An applicant seeking admission as a Market Participant must provide a written certification in the form set out in **Annexure 1010-D** (“Key Individual Certification”) to ZAR X to certify that the applicant will at all times have at least one executive director that is:

- qualified as a Stockbroker; or
- registered under FAIS as a Key Individual; or
- has satisfied ZAR X in terms of Procedure 1010 (4)(1)(b)(iii) that they have sufficient experience and knowledge to perform the role of a Stockbroker or Key Individual.

Annexure 1010-D must be signed by the Chief Executive Officer (or Chairman of the board of directors if the person being attested to is the Chief Executive Officer) and the Compliance Officer of the applicant.

ZAR X Trading Platform

Agreement of Use

This agreement ("Agreement") sets out the terms and conditions that will govern the use and access by a Market Participant using the ZAR X Trading Platform. This Agreement will come into effect when ZAR X accepts the Market Participant's application to become a Market Participant.

By signing the **Market Participant Admission Application Form**, the Market Participant agrees to the terms set out below.

The Market Participant's access to the ZAR X Trading Platform is at all times subject to and governed by the Operating Rules of ZAR X (the "ZAR X Rules"). Capitalised terms used but not defined in this Agreement are as defined in the ZAR X Rules.

Both the Market Participant and ZAR X are also referred to herein individually as a "Party" and together as "Parties".

1. Capacity

1.1 ZAR X is authorised and regulated by the Financial Services Board (the "FSB") to operate a licensed exchange.

1.2 The Market Participant acknowledges that access to the ZAR X Trading Platform is provided equally to other Market Participant's of ZAR X and ZAR X has no level of responsibility to any one Market Participant over any other Market Participant.

2. Licence

2.1 ZAR X hereby grants the Market Participant a revocable, non- exclusive, non-transferable licence to access and use the ZAR X Trading Platform during the term of the Market Participant's participation for its own business solely in accordance with the provisions of this Agreement

3. System requirements and maintenance

3.1 The Market Participant will, at its own cost and expense, provide all equipment, operating platforms, and software (other than the software provided by ZAR X) to use the ZAR X Trading Platform. Any minimum standards and requirements for such equipment, operating platforms, and software will be communicated to the Market Participant prior to the Market Participant being activated on the ZAR X Trading Platform. The Market Participant will also provide, at its own cost and expense, all connections from its own computer systems to the ZAR X Trading Platform, and subject to paragraph 6, ZAR X will have no liability for any such equipment or connections, nor any liability for any damage thereto.

3.2 Subject to the terms of this Agreement and the ZAR X Rules, ZAR X shall use reasonable efforts to make available, operate and maintain the ZAR X Trading Platform during the term of this Agreement and to permit the Market Participant to access and use the ZAR X Trading Platform in accordance with this Agreement and the ZAR X Rules. ZAR X shall use reasonable efforts promptly to notify the Market Participant of any difficulties experienced by ZAR X or other Market Participants with respect to their access to or use of the ZAR X Trading Platform but only to the extent that ZAR X is aware of such difficulties and reasonably determines that they are material to the Market Participant's access to or use of the ZAR X Trading Platform. ZAR X shall have no obligation to verify, correct, complete or update any information displayed on the ZAR X Trading Platform from time to time except where ZAR X is the author of such information as set out in paragraph 4.1 below.

- 3.3 ZAR X shall have no obligations to provide access to the ZAR X Trading Platform, unless the Market Participant has in place satisfactory communications facilities with ZAR X as approved in advance by ZAR X.
- 3.4 The Market Participant shall access and use the ZAR X Trading Platform solely for its own internal purposes (including, without limitation, trading) and such access and use is conditional upon the Market Participant's compliance with this Agreement and with the ZAR X Rules. The Market Participant shall ensure that persons authorised to use and access the ZAR X Trading Platform on the Market Participant's behalf are suitably trained and qualified to access and use the ZAR X Trading Platform and, where applicable, have the appropriate authorisation to enter into an Order. The Market Participant shall as soon as reasonably practicable notify ZAR X if it becomes aware of any material technical failures of or difficulties with the ZAR X Trading Platform or upon becoming aware of any material breach (or any event which, with the giving of notice or the lapse of time or both, would constitute a material breach) by it of this Agreement.
- 3.5 In the event that ZAR X considers that the Market Participant's access to the ZAR X Trading Platform is causing, or is likely to cause, technical problems for the ZAR X Trading Platform or interference with the access to the ZAR X Trading Platform of other Market Participants, then ZAR X may suspend the Market Participant's access to the ZAR X Trading Platform without notice.

4 Intellectual Property Rights and Market Participant information

4.1 Intellectual Property Rights

All Intellectual Property Rights (as defined in the Annex to this Agreement) in and related to:

- 4.1.1 the ZAR X Trading Platform; and
- 4.1.2 any data (including without limitation bids, offers, prices, executions and volumes of Orders on the ZAR X Trading Platform, but excluding Market Participant Information as defined in paragraph 4.2, below), analytics, research or other information contained in, displayed on or generated by the operation of the ZAR X Trading Platform (collectively the "Information"),

shall be or remain, as between the Parties, the exclusive property of ZAR X, and the Market Participant shall not obtain any Intellectual Property Rights in or to ZAR X or the Information except as expressly set out in this Agreement.

4.2 Market Participant Information

- 4.2.1 Without limiting the scope of paragraph 4.1 the Market Participant acknowledges and agrees that ZAR X shall be permitted, and the Market Participant grants ZAR X a non- exclusive, perpetual, royalty-free licence (without warranties of any kind, express or implied), directly and through agents or contractors, to use, distribute, sub- licence, disclose and sell for ZAR X's own benefit all order data, price, volume and other information regarding the Market Participant's Transactions ("Market Participant Information"). Subject to the foregoing licence, as between ZAR X and the Market Participant, the Market Participant retains all ownership and Intellectual Property Rights with respect to the Market Participant Information.
- 4.2.2 ZAR X agrees that it will not, without the prior written consent of the relevant Market Participant in each instance, and except as reasonably necessary to operate ZAR X as contemplated in this Agreement:
- 4.2.2.1 use in advertising, publicity, marketing or other promotional materials or activities, the name, trade name, trademark, trade device, service mark or symbol, or any abbreviation, contraction or simulation thereof, of the relevant Market Participant, its affiliates or their respective partners or employees, or

4.2.2.2 represent, directly or indirectly, that any product or any service provided by ZAR X has been approved or endorsed by the relevant Market Participant.

This provision shall survive termination of the Agreement.

4.3 Use of Information and Intellectual Property Rights

- 4.3.1 The Market Participant shall not sell, lease, license, transfer, provide or otherwise make available to any third party any form of access to or the use of the Information (whether through written, electronic or other means) of ZAR X (whether as a demonstration or otherwise) other than as described in this Agreement.
- 4.3.2 The Market Participant shall permit access to the Information only by those of its employees, affiliates, clients or agents that have been authorised by the Market Participant to access and use the ZAR X Trading Platform on the Market Participant's behalf for the purposes of entering Orders or for performing related support functions ("Authorised Persons") and that are using the Information solely for such purposes.
- 4.3.3 Nothing in this Agreement shall limit any rights the Market Participant may acquire with respect to Information under a separate agreement between the Market Participant and ZAR X or any third party distributing information pursuant to a licence or sub-licence granted by ZAR X.
- 4.3.4 The Market Participant shall protect and safeguard ZAR X's Intellectual Property Rights in and to the Information by using the same degree of care that the Market Participant generally uses to protect its own confidential information and Intellectual Property Rights, but in any event with no less than a reasonable degree of care.
- 4.3.5 The Market Participant shall promptly notify ZAR X upon becoming aware of any infringement or misappropriation, or threatened infringement or misappropriation, of any Intellectual Property Rights of ZAR X.
- 4.3.6 The Market Participant shall comply with all reasonable requests made by ZAR X to protect and enforce ZAR X's Intellectual Property Rights in ZAR X and the Information.
- 4.3.7 The Market Participant shall not alter, enhance, make derivative works of, reverse engineer or decompile the ZAR X Trading Platform or the Information, except to the extent explicitly permitted hereunder or required by the applicable law.

5. The role of ZAR X

- 5.1 The Market Participant acknowledges and agrees that, notwithstanding anything to the contrary herein:
 - 5.1.1 ZAR X shall not, directly or indirectly, be a principal to any Order or be responsible for, or otherwise guarantee performance of any Order entered into by the Market Participant, and the Market Participant shall not proceed against ZAR X, to collect or recover any amounts owed to it or to enforce any of its rights in connection with, or as a result of, such Order;
 - 5.1.2 neither the relationship between the parties, nor the services provided by ZAR X, nor any other aspect of this Agreement shall give rise to any fiduciary or equitable duties on the part of ZAR X;
 - 5.1.3 ZAR X may receive fees from both the Market Participant and another Market Participant in respect of an Order effected through the ZAR X Trading Platform and ZAR X shall have no duty to account to either the Market Participant or that other Market Participant for such fees; and

5.1.4 the submission of any Information on the ZAR X Trading Platform by ZAR X or any Market Participant shall not be deemed a recommendation by ZAR X or such Market Participant that the Market Participant enter into any particular Order or that any particular Order is suitable or appropriate for the Market Participant.

6. Indemnity and exclusion of liability

6.1 The Market Participant will indemnify, protect and hold harmless ZAR X, its affiliates, and their respective directors, officers, employees and agents from and against any and all losses, liabilities, judgments, suits, actions, proceedings, claims, penalties, damages or costs (including reasonable legal fees as incurred) resulting from or arising out of:

6.1.1 the Market Participant's breach of this Agreement; and

6.1.2 any claim asserted against ZAR X by any party for whom the Market Participant acts or purports to act (including, without limitation, any asserted breach of fiduciary duty) in relation to the services provided to the Market Participant in accordance with this Agreement. ZAR X shall provide the Market Participant with:

6.1.2.1 prompt written notice of each such claim received by ZAR X;

6.1.2.2 control over the defence and settlement of such claim; and

6.1.2.3 full information and reasonable assistance to settle or defend any such claim.

Notwithstanding the foregoing, the Market Participant shall not settle any such claim without ZAR X's prior written approval if such settlement requires ZAR X to take any action, refrain from taking any action or admit any liability.

6.2 ZAR X warrants that it has all rights, authorisations and licences necessary to provide the ZAR X Trading Platform to Market Participants as contemplated in this Agreement.

6.3 Subject to paragraph 6.8, ZAR X and its affiliates will not be liable for any loss incurred by the Market Participant arising from or related to a loss of connectivity to ZAR X or any other systems failure on behalf of the Market Participant or ZAR X nor any loss arising, in whole or in part, from a failure in the systems and controls of the Market Participant or ZAR X governing access to the ZAR X Trading Platform, including but not limited to the unauthorised use of the Market Participant's user access information.

6.4 Subject to paragraph 6.8, neither ZAR X nor its affiliates, or any network provider under contract with ZAR X will be responsible to any party for any losses however caused by the use of the ZAR X Trading Platform or by any errors, delays or interruptions in the transmission or confirmation of any Order or Information, or from the failure of ZAR X or its affiliates, the ZAR X Designated CSDP or the ZAR X Designated CSD to process or confirm any Order initiated by the Market Participant. Each party hereby acknowledges that it has not relied upon any warranty, condition, guarantee or representation made by the other, except as specifically set forth in this Agreement or in the ZAR X Fee Schedule or the Market Participant Admission Application Form.

6.5 Subject to paragraph 6.8, in no circumstances will ZAR X or its directors, officers, employees, affiliates or agents be liable to the Market Participant or any person for whom the Market Participant purports to act for any direct or indirect loss of revenues or profits, loss of goodwill, loss of opportunity, anticipated savings, wasted expenditure, or incidental, special or consequential damages, resulting from or arising out of, in whole or in part, the provision of access to the ZAR X Trading Platform, regardless of whether such damages could have been foreseen or prevented.

- 6.6 Subject to clauses 6.3, 6.5 and 6.8, ZAR X's aggregate liability (whether for breach of contract, negligence or for any other reason) arising from ZAR X's failure to perform any obligation under this Agreement, shall, in respect of any one incident or series of incidents attributable to the same cause, be limited in aggregate to R50,000 (fifty thousand rands).
- 6.7 Subject to the implementation of disaster recovery and business continuity measures by both parties, neither ZAR X nor the Market Participant shall be liable for any failure or delay in the performance of any of their respective obligations hereunder (other than the payment by the Market Participant of the fees specified in the ZAR X Fee Schedule, as applicable ("Market Participant Fees")) due to causes beyond their reasonable control, including but not limited to industrial disputes of any nature, work stoppages, civil disobedience, riots, rebellions, accidents, explosions, acts of God, acts of a public enemy, acts of government, interruptions or imperfections of telecommunications, sabotage, pestilence, terrorism, lightning or electromagnetic disturbances, brown-outs or black-outs, earthquakes, storms, floods, fires or other casualty. During the time that any of the events specified above continue to exist, the obligations of each party hereunder, other than those affected by the events listed above, shall remain in full force and effect and each Party shall continue to perform such obligations. Notwithstanding the foregoing, nothing in this paragraph shall affect the Market Participant's obligations with respect to any Order.
- 6.8 Nothing in this Agreement will:
- 6.8.1 exclude or restrict to an extent prohibited by law any duty or liability ZAR X may have to the Market Participant; or
- 6.8.2 exclude or restrict any claim which can be directly attributable to the Parties' wilful default or fraud.
- 7. Fees**
- 7.1 ZAR X will invoice the Market Participant, where applicable, for, and the Market Participant will pay to ZAR X, the aggregate of all the Market Participant Fees, as applicable.
- 7.2 Market Participant Fees shall be net of all taxes and duties and, in all cases; the Market Participant shall pay the amount thereof to ZAR X in full without any deduction.
- 7.3 In order to pay charges and sums due to ZAR X, ZAR X may require a Market Participant to execute and maintain in force a direct debit mandate in ZAR X's favour on a bank account in South Africa. Where a Market Participant fails to pay in accordance with these rules other than in the case of legitimate dispute, ZAR X may suspend or terminate its Market Participantship with immediate effects, without prejudice to any other action which ZAR X may take. ZAR X relies on the data submitted to it to calculate charges. Trades submitted in error may incur a correction charge. Any invoice queries including, without limitation, any request by a Market Participant for repayment of overpaid charges must be made within six months of the end of the month to which the relevant invoice relates. The Market Participant shall not be entitled to query an invoice and/or claim repayment of any overpaid charges after this period.
- 8. Term and termination**
- 8.1 This Agreement will remain in effect until the Market Participant resigns Market Participantship under Rule 1600 of the ZAR X Rules or the Market Participant's admission is terminated under Rule 5300 or Rule 10000 of the ZAR X Rules.
- 8.2 ZAR X may terminate this Agreement or suspend its performance of all or any obligations under it immediately and without liability for compensation or damages if the Market Participant fails to comply with any of the conditions set out in the ZAR X Rules or fails to comply in all material respects with any of its obligations under this Agreement.

9. Miscellaneous

- 9.1 ZAR X may amend this Agreement in any respect at any time on one months' written notice. In the event that the Market Participant considers any such amendment to be unfavourable, it may terminate this Agreement on the date the amendment comes into effect, provided that, in the case of amendments other than those to the Fees, it gives ZAR X notice in writing within one month of the date of ZAR X's original notice.
- 9.2 This Agreement shall not be assigned or transferred by the Market Participant, in whole or in part, without the prior written consent of ZAR X, provided, that ZAR X shall not unreasonably withhold its consent to an assignment of a Market Participant's rights hereunder to an subsidiary of it that would fulfil the entry criteria established by ZAR X from time to time to allow access to ZAR X and that agrees to be bound by this Agreement.
- 9.3 ZAR X may assign part or all of its rights, or transfer part or all of its obligations under this Agreement, upon the provision of written notice to the Market Participants, to:
- 9.3.1 any of its affiliates, provided that any such subsidiary has regulatory approval, where necessary, and is permitted to provide and operate ZAR X, or
 - 9.3.2 a successor to substantially all of ZAR X's relevant assets or business, or to its corporate successor as a result of any merger, spin-off, consolidation, initial public offering or any similar corporate reorganisation, provided that any such entity has regulatory approval, where necessary, and is permitted to provide and operate ZAR X.
- 9.4 Any proposed assignment not in compliance with this paragraph shall be null and void.
- 9.5 The obligations under this Agreement bind and the rights will be enforceable by, the parties and their respective successors and permitted assignees.
- 9.6 A person who is not a party to this Agreement shall have no rights under to enforce any of its terms.
- 9.7 If any provision of this Agreement is held by any competent authority to be invalid or unenforceable in whole or in part the validity of all other provisions (and, if applicable, the remainder of the provision in question) shall not be affected.

10. Confidentiality

The parties shall keep confidential all information relating to this Agreement unless such information has become public knowledge otherwise than in breach of this clause or disclosure is required by law or a party's regulatory body or disclosure is made in confidence to their professional adviser.

The Market Participant agrees that ZAR X may share confidential information with any of its subsidiaries, the ZAR X Designated CSDP and the ZAR X Designated CSD (collectively the "ZAR X Market Infrastructures". ZAR X shall ensure the compliance of the ZAR X Market Infrastructures with Clause 10 of this Agreement, and shall remain liable for any breach of Clause 10 by the ZAR X Market Infrastructures.

11. Data Protection

- 11.1 The information provided pursuant to this Agreement will be used by ZAR X and any of it subsidiaries for the purposes of providing the Market Participant with products, services and data pursuant to this Agreement and enabling ZAR X to perform its business activities.

11.2 The Market Participant acknowledges and agrees that ZAR X may disclose the Market Participant's data to a subsidiary of ZAR X or another organisation for the sole purpose of providing products, services and data to the Market Participant or for performing its regulated business activities.

11.3 The Market Participant explicitly consents to the Market Participant Data being exported to a location outside South Africa including to third parties.

12. Governing Law

This Agreement and its enforcement shall be governed by and construed in accordance with the laws of South Africa. The Parties consent to the exclusive jurisdiction of the courts of South Africa for the purpose of any action or proceeding hereunder.

13. Representations of the Market Participant

13.1 The Market Participant represents and warrants that:

13.1.1 the information it has provided to support the Market Participant Admission Application Form is complete and accurate and agrees to inform ZAR X of any material changes to the information in between now and approval of this application. The Market Participant understands that a failure to provide complete and accurate information is a breach of the ZAR X Rules. The Market Participant agrees to comply with, and be bound by, the ZAR X Rules which are, or may be in force, and may be amended from time to time;

13.1.2 it complies with the eligibility criteria set out in the ZAR X Rules;

13.1.4 its systems relevant to inputting Orders on the ZAR X Trading Platform have been adequately tested and that they conform with ZAR X's systems requirements;

13.1.5 it has the power and authority to execute, deliver and perform this Agreement;

13.1.6 it has all necessary rights and licences to submit the Market Participant Information to the ZAR X Trading Platform as contemplated herein, and its use of any software or equipment (other than those provided by ZAR X) to access the ZAR X Trading Platform shall not violate any third party's Intellectual Property Rights; and

13.1.7 it is authorised to input the Orders entered into the ZAR X Trading Platform and each of such Orders, as matched by the ZAR X Trading Platform, is the legal, valid and binding obligation of the client of the Market Participant in accordance with its terms and the terms of this Agreement.

14. Survival

14.1. The terms and conditions of paragraphs 6, 9.5, 9.6, 10, 12, and 14 shall survive any termination, cancellation, replacement, expiration, modification, rejection or cessation of the effectiveness of this Agreement.

Intellectual Property Rights

"Intellectual Property Rights" means all title, interests and other proprietary rights in and to:

- (a) trademarks, service marks, brand names, certification marks, trade dress, trade names and other indications of origin, and the goodwill associated with the foregoing;
- (b) inventions, discoveries and ideas, whether patentable or not;
- (c) patents and all reissues, divisions, continuations-in-part, renewals and extensions thereof;
- (d) trade secrets;
- (e) writings and other works, whether or not protectable by copyright or other law;
- (f) copyrights, database rights, or mask works;
- (g) know-how, technical information, processes, practices and systems, whether protectable by patent, copyright, trade secret or other law; and
- (h) any other intellectual property or similar proprietary rights or interests which may exist in any jurisdiction.

Fee Schedule

1st March 2017 to 28th February 2018

MARKET PARTICIPANT FEES		
ITEM	OPTION 1	OPTION 2
Application Fee (once-off)	R27,900	No Charge
Monthly Fee	R12,500	No Charge
Software License Fee (monthly per user)	R850 per user	First two users free R850 per user thereafter
Live Market Data	Free	Free
Exchange Transaction Fee*	Cash Equities – 0.75% Investment Entities – TBD	Cash Equities - 0.5% Investment Entities – TBD
Connectivity Fee (Monthly)	Charged at the cost to ZAR X and dependent on type of connectivity required - See Connectivity Fee Table	Charged at the cost to ZAR X and dependent on type of connectivity required - See Connectivity Fee Table

* The Exchange Transaction Fee is set by ZAR X in lieu of brokerage and paid by ZAR X to the market participant.

CLEARING AND SETTLEMENT FEES		
Clearing Fee	R1 – R10,000	0.35% to max R500
	R10,000 +	0.25% to max R500
Settlement Fee	0.05% to Max Fee R100 Min Fee R10	
IPL	No Investor Protection Levy charged	

All fees are exclusive of VAT

APPENDIX 1010-A

FIT AND PROPER STATEMENT

(Confidential and not available for inspection by the public)

STATEMENT BY NON-EXEMPT NATURAL PERSONS¹ WHO ARE OR WHO ARE PROPOSING TO BE AN EXECUTIVE DIRECTOR, COMPLIANCE OFFICER, NON-EXECUTIVE DIRECTOR OR CONTROLLING SHAREHOLDER² OF A MARKET PARTICIPANT.

1. MARKET PARTICIPANT

1.1 Name of the Market Participant in connection with which this statement is being completed ("the Market Participant"):

1.2 Please indicate in which capacity(s) you are completing this statement:

Executive Director Current Prospective

Non - Executive Director Current Prospective

Compliance Officer Current Prospective

Controlling Shareholder Current Prospective

2. DETAILS OF PERSON MAKING THIS STATEMENT

2.1. Full Forename(s):

2.2 Surname:

2.3 Previous Surname (if applicable):

2.4 Identity/Passport Number

¹ Individuals who are subject to a waiver in terms of Rule 1030 or Rule 2030 are not required to complete this statement.

² "Controlling Shareholder" means a natural person and who:

- (a) directly or indirectly holds in excess of 15 percent of the issued shares of the applicant; or
- (b) directly or indirectly is able to control or control the exercise of 15 percent of the voting rights associated with the shares of the applicant;

2.5 Physical Address:

2.6 Trading Address

2.7 Postal Address:

3. FURTHER INFORMATION

3.1 Do you have any direct or indirect interest representing 15 per cent or more of the issued shares of any corporate entity (other than the Market Participant) that is or has applied to be:

- (a) an authorised user of another licensed exchange; or
- (b) an authorized financial services provider, as defined in the Financial Advisory and Intermediary Services Act, 2002 (“FAIS”) (or equivalent in a foreign jurisdiction),

whether in the Republic of South Africa (“the Republic”) or elsewhere? If so, give particulars:

3.2 Have you been a director, compliance officer, non-executive director or controlling shareholder of another licensed exchange or of a financial services provider (or equivalent in a foreign jurisdiction), whether in the Republic or elsewhere? If so, give particulars:

3.3 Do any of the corporate entities listed in reply to questions 3.1 and 3.2 above maintain a business relationship with the Market Participant? If so, give particulars:

3.4 Have any of the corporate entities listed in reply to questions 3.1 and 3.2 above ever had their application for authorisation refused, suspended or withdrawn?=. If so, give particulars:

4. STATEMENT

4.1 I hereby confirm that within a period of 7 years preceding this application neither I nor (where applicable) any corporate entity either in the Republic or elsewhere of which I am or have been an executive director, non-executive director, compliance officer or controlling shareholder, has :

- (a) been convicted of an offence of theft, fraud, dishonesty, breach of fiduciary duty or market abuse ;
- (b) been censured, disciplined, warned as to future conduct, or been made the subject of a court order at the instigation of any regulatory authority or any professional body to which I/the corporate entity belong or belonged, or held a

practicing certificate unconditionally or subject to conditions;

- (c) been the subject of an investigation, in the Republic or elsewhere, by or at the instigation of a government department or agency, professional association or other regulatory body;
- (d) been dismissed from any office or employment, or been subject to disciplinary proceedings by my current or previous employer or been barred from entry to or participation in any profession or occupation;
- (e) failed to satisfy any debt adjudged due and payable, as a judgement debtor under an order of a court in the Republic or elsewhere, nor made any compromise arrangement with creditors;
- (f) been declared insolvent (either provisionally or finally) by a court in the Republic or elsewhere, or been served with a bankruptcy petition;
- (g) been wound up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors or ceased trading, either while I was associated therewith or within one year after I ceased to be associated therewith, or had anything analogous to any of these events occurred under the laws of any other jurisdiction

4.2 I further undertake and confirm that:

- (a) I have a basic knowledge and understanding of the risks to which Market Participants are exposed;
- (b) I will at all times while acting in the capacity as a director, non-executive director, compliance officer or controlling shareholder of the Market Participant:
 - (i) act in good faith towards the Market Participant;
 - (ii) avoid conflict between my other interests and the interests of the Market Participant;
 - (iii) and place the interest of the Market Participant and its clients above all other interests.
- (c) I have acquainted myself with, and understand, the extent of the rights and powers, as well as my responsibilities and duties as a director of the Market Participant, as contained in the applicable law?

Signed at _____ on this _____ day of _____ 20_____

[Insert Full Name]

ANNEXURE 1010-B

CERTIFICATION AS TO BUSINESS INTEGRITY

[On Applicant Company Letterhead]

1. [Insert name of applicant] ("Applicant") is applying for admission as a Market Participant of ZAR X (Pty) Ltd. This certification is provided pursuant to ZAR X Rule 1010 and the related Procedures.
2. We the undersigned hereby certify to ZAR X (Pty) Ltd that the Applicant:
 - (a) has not been the subject of any previous bankruptcy, insolvency, receivership, administration or similar event;
 - (b) has not been charged with or convicted of any offences relating to dishonesty, fraud, financial markets-related conduct or money laundering;
 - (c) has not been the subject of any fines, civil penalties, banning, suspension or other disciplinary measures for financial markets-related misconduct;
 - (d) has not been the subject of any disciplinary action or adverse mention in a report made by, or at the request of, any government or governmental authority or agency, FSBFSB, ZAR X or any other exchange, market operator or clearing and/or settlement facility;
 - (e) has not been refused membership of any financial markets-related organisation or had such a membership revoked; and
 - (f) has not had an application for Market Participant (or equivalent status on another Licensed Exchange) or financial services provider status refused, and I am not aware of any open or pending investigations or threatened proceedings that could lead to any of the above.
3. In providing this certification, we have had regard to the Rules, Procedures and Guidance Note 1 - Admission as a Participant.

For and on behalf of [insert name of applicant]

Signed at _____ on this _____ day of _____ 20_____

[Insert name of CEO]

Chief Executive Officer

Signed at _____ on this _____ day of _____ 20_____

[Insert name of Compliance Officer]

Compliance Officer]

ANNEXURE 1010-C

CERTIFICATION AS TO ORGANISATIONAL COMPETENCIES

[On Applicant Company Letterhead]

1. *[Insert name of applicant]* ("Applicant") is applying for admission as a Market Participant of ZAR X (Pty) Ltd. This certification is provided pursuant to ZAR X Rule 1010 and the related Procedures.

2. We the undersigned hereby certify to ZAR X (Pty) Ltd that the Applicant:
 - (a) is aware of and understands the obligations contained in the Rules;
 - (b) has a compliance programme (materially designed in accordance with the Generally Accepted Compliance Practice framework developed by the Compliance Institute of South Africa) to regularly assess and monitor its performance against the Rules, readily identify issues and provide continual improvements to its compliance programme as required;
 - (c) has, at an organisational level, determined the resource competencies (be they human or systems) required for the adequate performance of its obligations as a Market Participant and that it has a program that monitors performance against these competencies;
 - (d) has an initial and ongoing training programme on the Rules (and any associated changes) for its Employees involved in its business as a Market Participant;
 - (e) has awareness, understanding and can evidence its infrastructure arrangements and infrastructure change management processes (including comprehensive testing programs) specific to its access to the ZAR X Trading Platform and its business as a Market Participant;
 - (f) has appropriate security and access arrangements, controls and monitoring programmes relating to its infrastructure arrangements specific to access of its Open Interface to the ZAR X Trading Platform;
 - (g) has processes in place to ensure it can, provide evidence and produce supporting documentation relevant to the design, implementation and functioning of its compliance program;
 - (h) has processes in place to manage and monitor functions that have been outsourced to a third party that are material to the applicant's compliance with the Rules.

3. In providing this certification, we have had regard to the Rules, Procedures and Guidance Note 1 - Admission as a Participant.

For and on behalf of *[insert name of applicant]*

[Insert name of CEO]

Chief Executive Officer

[Insert name of Compliance Officer]

Compliance Officer

Note:

1. For the purposes of this certification, “resources” include financial, technological and human resources and “processes” include management supervision, training, compliance, risk management, business continuity and disaster recovery processes.
2. If required by ZAR X, the applicant must be able to demonstrate to the satisfaction of ZAR X, at any time, the basis on which the above certification is or was provided. This applies both before and after the applicant is admitted as a Market Participant.
3. To be able to demonstrate the basis on which the certification is provided, ZAR X expects the applicant company to have documented its key processes for meeting its obligations under the ZAR X Rules and to be able to produce an internal sign-off from a director, chief executive, head of compliance or other senior officer at the applicant that lists those documented processes and states that the signatory is satisfied that they are sufficient for the applicant to comply with its obligations under the ZAR X Rules.
4. *Guidance Note 1 - Admission as a Participant* outlines the key processes the applicant should have in place for these purposes.

ANNEXURE 1010-D

CERTIFICATION AS TO KEY INDIVIDUAL

[On Applicant Company Letterhead]

1. *[Insert name of applicant]* ("Applicant") is applying for admission as a Market Participant of ZAR X (Pty) Ltd. This certification is provided pursuant to ZAR X Rule 1010 and the related Procedures.
2. We the undersigned hereby certify to ZAR X (Pty) Ltd that:
 - (a) the Officers and Authorised Traders of the Applicant satisfy the fit and proper requirements set out in Procedure 1010(3); and
 - (b) that the Applicant will at all times have at least one executive director that:
 - (i) is a Stockbroker; or
 - (ii) is registered under FAIS as a Key Individual; or
 - (iii) has satisfied ZAR X in terms of Procedure 1010 (4)(1)(b)(iii) that they have sufficient experience and knowledge to perform the role of a Stockbroker or Key Individual.
3. In providing this certification, we have had regard to the Rules, Procedures and Guidance Note 1 - Admission as a Participant.

For and on behalf of *[insert name of applicant]*

[Insert name of CEO]

Chief Executive Officer*

[Insert name of Compliance Officer]

Compliance Officer

*** If the executive director to whom this certification relates is the CEO then this certification must be signed by the Chairman of the Board of the applicant or their authorised representative.**