

[TO BE PUBLISHED BY THE FSCA]

In the matter between:

The Financial Sector Conduct Authority

and

A2X (Pty) Ltd

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| ENFORCEABLE UNDERTAKING IN TERMS OF SECTION 151(1) OF THE FINANCIAL SECTOR REGULATION ACT, 2017 |
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DEFINITIONS

1. For purposes of this Enforceable Undertaking, the following definitions shall apply:
 - 1.1. **"A2X"** means A2X (Pty) Ltd, a private company, that was awarded a licence to operate as an exchange in terms of section 9 of the FMA, by the Financial Services Board (now Financial Sector Conduct Authority) on 6 April 2017, with its principal place of business situated at 3rd floor, 155 West Street, Sandown, Sandton, 2031;
 - 1.2. **"Admission Process"** means A2X admitting securities of certain issuers onto its exchange platform for trading via an "opt-out" model, without those potential issuers being subjected to the application process as outlined in the FMA and A2X's listing requirements;
 - 1.3. **"Affected Issuers"** means equity issuers listed on A2X's exchange platform via the Admission Process;
 - 1.4. **"Effective Date"** means the date on which this undertaking becomes enforceable, which is upon signature by a duly authorised officer acting on behalf of the Authority;
 - 1.5. **"Enforceable Undertaking"** means this undertaking duly signed and concluded between the Authority and A2X;
 - 1.6. **"FMA"** means the Financial Markets Act, No. 19 of 2012;
 - 1.7. **"The Authority"** means the Financial Sector Conduct Authority; and

- 1.8. **"FSR Act"** means the Financial Sector Regulation Act No. 9 of 2017, as amended.

COMPLAINT

2. In April 2023, the Authority received a complaint that A2X had implemented an "opt-out" model (also referred to as the "Admission Process") of admitting securities of certain issuers onto its exchange platform for trading without those potential issuers being subjected to the application process as outlined in the FMA and in A2X's listing requirements, and thus potentially contravening the FMA and the A2X listing requirements.
3. The Admission Process was initiated by A2X, with some involvement of the JSE approved sponsor of an issuer. The issuer was then required within a specified period, by A2X, to either accept or decline the inclusion of its securities on A2X's list of securities. Where an issuer failed to respond to A2X's request to accept or decline to have its securities listed on A2X, A2X proceeded to list the securities of that issuer on the date specified in the "opt-out" letter.
4. The issuers listed pursuant to the Admission Process constitute a minority of issuers listed on A2X - all issuers listed (i) before and after the period from February 2023 to October 2023 and (ii) during the abovementioned period but not in terms of the Admission Process, were not affected or listed in terms of this process and their listing on A2X is not relevant to this Enforceable Undertaking.
5. The Authority conducted an investigation ("**the Investigation**") into the alleged breach of the FMA and the A2X listings requirements, by A2X. The alleged breach related to the approach and listing of the Affected Issuers via the Admission Process during the period February 2023 to October 2023.
6. Following the prolonged Investigation and engagements between the Authority and A2X, A2X has now agreed to enter into an Enforceable Undertaking in terms of section 151 of the FSR Act with the Authority.

INVESTIGATIONS AND CONTRAVENTIONS

7. During the period of April 2023 – December 2023, the Authority investigated the complaint and made various findings against the implementation of the Admission Process. In December 2023, after A2X had ceased the Admission Process, the Authority found that A2X, by implementing the Admission Process, contravened provisions of the FMA and certain requirements contained in A2X's own listing requirements. The Authority required A2X to take certain steps to address the non-compliance. The Authority also informed A2X that it was considering taking regulatory action against A2X, depending on the implementation of such steps.

8. A2X did not dispute the prima facie contraventions of the FMA and of A2X's listing requirements made by the Authority in terms of the Investigation.
9. The steps required of A2X included A2X engaging with Affected Issuers, listed according to the Admission Process, to obtain written confirmation that those issuers were aware of and consented to their continued secondary listing on A2X. Accordingly, A2X commenced a process in terms of which every Affected Issuer which had not previously expressly approved or acknowledged their listing on A2X was contacted to procure such consent or acknowledgement, with regular updates being given to the Authority. This process was completed on 30 August 2024, with A2X having provided proof to the Authority of the approval or acknowledgement of the issuers listing on A2X for every Affected Issuer which remained listed on A2X as at that date.
10. Notwithstanding the process followed by A2X as stipulated in paragraph 9, the Authority requires A2X to contact all Affected Issuers of securities listed on A2X as part of the Admission Process whose securities remain listed on A2X in terms of the procedures stipulated in paragraph 11 below.

ENFORCEABLE UNDERTAKING

11. A2X tenders the following Enforceable Undertaking to the Authority in terms of section 151(1) of the FSR Act:
 - 11.1. A2X to take immediate steps to engage and obtain consent of all the Affected Issuers of securities listed on A2X as part of the Admission Process, whose securities remain listed as at the Effective Date, all of which are listed in **Annexure A**, for their securities to remain listed on A2X's exchange platform. In the instances where A2X can provide evidence that it tried to contact an Affected Issuer and that Affected Issuer did not respond, the securities of that Affected Issuer will remain listed on A2X and A2X would not have contravened this Enforceable Undertaking;
 - 11.2. In obtaining the Affected Issuers' consent in terms of paragraph 11.1, A2X must fully disclose the Authority's findings against the Admission Process;
 - 11.3. If, in response to A2X's communication pursuant to paragraph 11.1, an Affected Issuer expressly communicates its refusal for its securities to be listed on A2X, then A2X must immediately thereafter remove all the affected securities;
 - 11.4. A2X must ensure finalisation of the delisting process, outlined in paragraph 11.3, within 7 days of the consent being refused;

- 11.5. A2X must only provide post trade services for trades that were executed on the last trading day before the date on which the securities are delisted pursuant to paragraph 11.3 (read with paragraph 11.4);
- 11.6. Where an Affected Issuer elects to delist in terms of paragraph 11.3, A2X must inform the Affected Issuers, authorised users, investors, and other affected stakeholders of the removal of the securities of that Affected Issuer from A2X's exchange platform immediately pursuant to paragraph 11.4, above. The reasons for the intended removal must also be provided;
- 11.7. Where an Affected Issuer elects to delist in terms of paragraph 11.3, shareholders of the affected securities must be informed of their rights and that the ownership records are maintained within the Central Securities Depository. Furthermore, that the securities can still be traded on the primary exchange and/or any other relevant exchange where the security is also listed;
- 11.8. Where an Affected Issuer elects to delist in terms of paragraph 11.3, the affected securities can only be relisted on submission and approval of an application to list on A2X in line with the provisions of the FMA and A2X listing requirements;
- 11.9. Any associated costs involved in the delisting process must be borne by A2X and not by any of the Affected Issuers or stakeholders;
- 11.10. A2X must immediately remove all correspondence, advertising material or any reference to the Admission Process that is still visible on A2X's website to ensure that only processes outlined in the A2X listing requirements and the FMA are included;
- 11.11. A2X must provide weekly updates to the Authority on the development of each of the above steps undertaken;
- 11.12. A2X must conclude the steps outlined in subparagraphs 11.1-11.11 within a period of 90 days from the Effective Date; and
- 11.13. A2X will not pursue any future listings via the Admission Process or a similar approach that is not prescribed in the FMA and A2X Listing Requirements.

ADMINISTRATIVE PENALTY

- 12. If A2X succeeds in addressing the above steps as outlined in paragraph 11 above to the satisfaction of the Authority, and within the prescribed period outlined in

paragraph 11.12 above, the Authority will issue an administrative penalty payable by A2X which penalty amount will not exceed R700 000.00 (seven hundred thousand rand).

13. If A2X does not comply with all the relevant sections of the Enforceable Undertaking and within the specified timelines, the Authority retains its discretion to take other suitable action as it deems appropriate.

NON-COMPLIANCE WITH THIS UNDERTAKING

14. A2X understands and agrees that if any of the terms set out in this undertaking is breached or contravened, that the Authority retains the discretion to take any regulatory action the Authority is empowered to in terms of the applicable legislation.

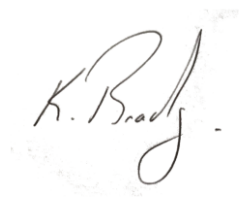
CONCLUSION

15. In the event that A2X complies with the process outlined in paragraph 11 above, to the satisfaction of the Authority, and within the prescribed period, and pays the penalty levied by the Authority in terms of paragraph 12, the matter is considered resolved and that the relationship between A2X and the Affected Issuers listed on A2X complies with the applicable requirements of the FMA and A2X's listing requirements.

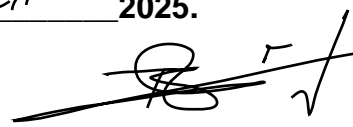
DATED AT SANDTON ON THIS 18 DAY OF MARCH 2025.

**Mr Kevin Brady
(on behalf of A2X)**

**Mr Gary Clarke
(on behalf of A2X)**



DATED AT ^{KEMPTON} PARK ON THIS 24 DAY OF MARCH 2025.


**Olano Makhubela
(for the Authority)**

| ANNEXURE A: AFFECTED ISSUERS WITH CURRENT LISTINGS ON A2X | | | |
|--|----------------------------|-------------|------------------------|
| | Issuer | Code | Date of Listing |
| 1. | Astral Foods | ARL | 7-Jun-23 |
| 2. | ADvTECH Ltd | ADH | 1-Sep-23 |
| 3. | AECI Limited | AFE | 16-Aug-23 |
| 4. | Altron Ltd | AEL | 3-Apr-23 |
| 5. | Bidvest Ltd | BVT | 23-Mar-23 |
| 6. | Barloworld | BAW | 7-Jun-23 |
| 7. | BidCorp | BID | 26-Apr-23 |
| 8. | Blue Label telecoms Ltd | BLU | 23-Mar-23 |
| 9. | Bytes Technology Group Plc | BYI | 3-Apr-23 |
| 10. | Clicks Group Ltd | CLS | 23-Mar-23 |
| 11. | Compagnie Fin Richemont | CFR | 16-Aug-23 |
| 12. | Dis-Chem Group | DCP | 26-Apr-23 |
| 13. | DRD Gold Ltd | DRD | 5-Sep-23 |
| 14. | Emira Property Fund | EMI | 24-May-23 |
| 15. | Glencore plc | GLN | 18-Apr-23 |
| 16. | Gemfields Group Ltd | GML | 11-Apr-23 |
| 17. | Gold Fields Ltd | GFI | 10-May-23 |
| 18. | Hammerson Plc | HMN | 11-Apr-23 |
| 19. | Harmony GM Co Ltd | HAR | 10-May-23 |
| 20. | Hulamin | HLM | 24-May-23 |
| 21. | Karooooo Limited | KRO | 29-Jun-23 |
| 22. | Lighthouse Properties Plc | LTE | 12-Jul-23 |
| 23. | Merafe Resources Ltd | MRF | 21-Jun-23 |
| 24. | Metair Investments | MTA | 26-Jun-23 |
| 25. | Mondi PLC | MNP | 12-Jul-23 |
| 26. | Multichoice Group Ltd | MCG | 1-Aug-23 |
| 27. | Octodec | OCT | 14-Mar-23 |
| 28. | Omnia Holdings Limited | OMN | 14-Mar-23 |
| 29. | PPC | PPC | 30-May-23 |
| 30. | Premier Group Ltd | PMR | 22-Aug-23 |
| 31. | Quilter Plc | QLT | 12-Jul-23 |
| 32. | Raubex Group Ltd | RBX | 11-Apr-23 |
| 33. | RCL Foods | RCL | 18-Aug-23 |
| 34. | Redefine Reit Limited | RDF | 14-Mar-23 |
| 35. | Resilient | RES | 14-Mar-23 |

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|-----|-------------------------|-----|-----------|
| 36. | Reunert | RLO | 15-Aug-23 |
| 37. | RFG Holdings | RFG | 22-Aug-23 |
| 38. | Shaftesbury Capital plc | SHC | 3-Oct-23 |
| 39. | Spur Corporation | SUR | 30-May-23 |
| 40. | The Foschini Group | TFG | 10-Oct-23 |
| 41. | Vodacom | VOD | 26-Oct-23 |
| 42. | Vukile | VKE | 14-Mar-23 |
| 43. | WBHO | WBO | 11-Apr-23 |

SM